Research Workday Town Hall Agenda
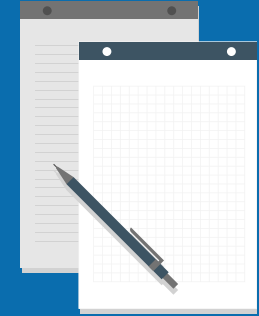
January 16th , 2025

- Welcome

- Capital Planning

- Principal Investigator (Gifts & VUMC Endowments) Updates

- Effort Certification Status Update

- Updates

- Q&A

Capital Planning

JOIN US

Procure to Pay & Supply Chain Services
Town Hall: January 22nd 11:00-12:00 pm

_____
DO NOT CLICK LINK BELOW UNTIL JANUARY 22 AT 11:00 AM
Join the meeting now
Meeting ID: 238 202 150 987
Passcode: KL2pC7rJ

_____

Capital Planning- Introduction to new Project ID for Grants

In capital planning, users currently select this operating entity for gift or grant purchases:

- Academic Grants and Gifts-VUAE Clinical Departments (OEAcad_GG)

Beginning 1/23/25, this OE is being replaced by two, one for grants and one for gifts

- Academic Grants-VUAE Clinical Departments (OEAcad_GR)
- Academic Gifts-VUAE Clinical Departments (OEAcad_GF)
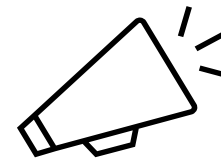
New operating entities are selected in the capital tool only. These do not impact OE assignment in Workday when creating a requisition.

Capital Planning- Introduction to new Project ID for Grants

Capital Planning- Introduction to new Project ID for Grants

A <u>NEW</u> project ID will be assigned on the capital request <u>in the capital tool</u> when a grant is used:

Academic Grants-VUAE Clinical Departments (OEAcad_GR) : **Resulting Project ID – <mark>PJ00150</mark>**

No change to the PJ ID used for capital purchases funded by a gift:

Academic Gifts-VUAE Clinical Departments (OEAcad_GF): **Resulting Project ID- PJ00017**

> *Important Notes:*

- When creating a capital <u>requisition</u>, if a grant ID is used PJ00150 will be required. It is not allowed for other worktag types.

- Using the new PJ ID on grant purchases will drive the accounting at time of purchase of the asset to FD004, preventing any discrepancies research specific GL reporting before the asset has been capitalized.

What is Capital?

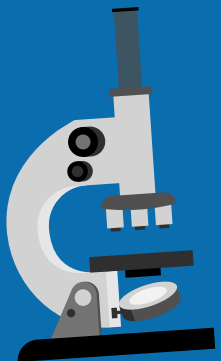## Accounting Treatment for Expenditures:

Capital

- Has an economic useful life greater than 1 year
- Has a cost of >=$5,000 per unit (applies to single item or system)
- Includes installation and shipping/freight

Operating

- Has an economic useful life less than 1 year
- Has a cost of <$5,000 per unit
- Might be referred to as expensed, operational, or noncapital

Spend Category Updates

New Spend Categories

- SC476 Noncapital Research Equipment
- SC477 Noncapital Furniture
- SC478 Noncapital Office Equipment and Other hardware
- SC479 Noncapital Clinical Equipment
- SC480 Noncapital Supporting And Miscellaneous Equipment
- SC484 Noncapital Laptops and Desktops

Updated Spend Category Names

- SC098 Capital Research Equipment
- SC404 Capital Furniture
- SC408 Capital Office Equipment and Other hardware
- SC409 Capital Clinical Equipment
- SC410 Capital Supporting And Miscellaneous Equipment
- SC341 Capital Software
- SC351 Noncapital Software Subscriptions and licenses
- SC405 Capital Laptops and Desktops

Laptops and Desktops Spend Category Use:

Use SC484 Noncapital Laptops and Desktops for purchases with a total quote amount <$5k.

- This will be expensed and can be requisitioned under any requisition type (punchout is ok this way)
- A notification will not be displayed for you to fill out a capital requisition

Use SC405 Capital Laptops and Desktops for purchases with a total quote amount >=$5k

- Those over $5k must flow through the capital planning tool to be recognized by leadership. This is the same process when requesting capital equipment.
- Requisitioning will require the following:
  - a capital requisition
  - a project ID (PJ)
  - a quote attached even if it's a punchout (it can be an eQuote)
  - a capital planning tool number in the memo field
- Also includes bulk purchases by MCIT

Capital Accounting in Workday

PJ00017 = FD001
PJ00150 = FD004

Recorded on Grant ID in Workday :

Purchase Capital Equipment
- Debit: **1750: Construction in Progress** [1]
- Credit: Accounts Payable [1]

Pay Invoice
- Debit: Accounts Payable [1]
- Credit: Cash [1]

Capitalize Asset
- Debit: 1720: Equipment and Software [1]
- Credit: 1750: Construction in Progress [1]

Record Depreciation
- Debit: 7000: Depreciation Expense [2]
- Credit: 1790: Accumulated Depreciation [1]
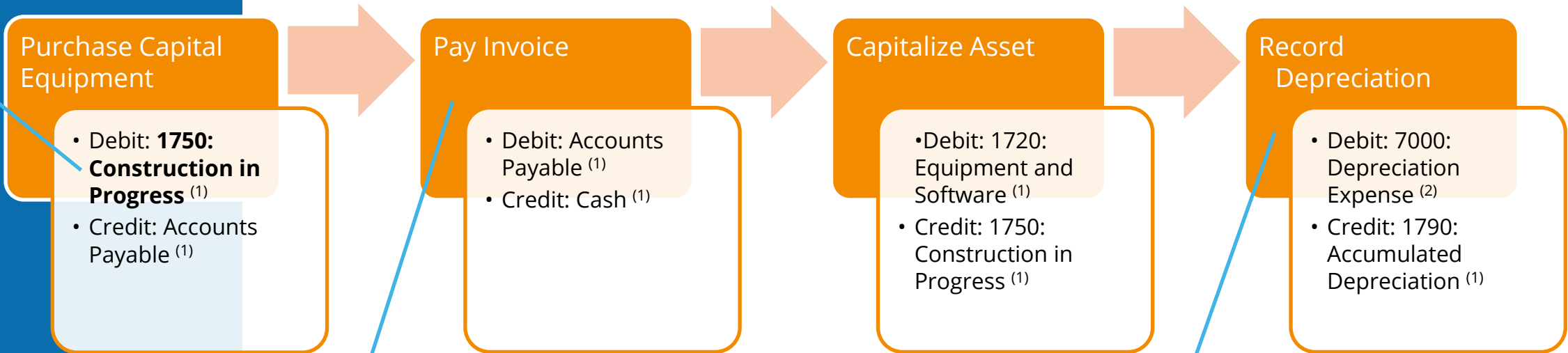
Full cost of equipment purchase appears in the Research module and becomes billable to the sponsor once the invoice is paid by Disbursements.
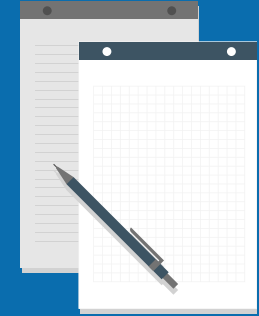
Depreciation expense does not appear in the Research module and is not eligible to be billed to the sponsor. Depreciation journals simply contain the Grant ID for tracking and reporting purposes.

Meets both UG and GAAP compliance requirements

(1) Recorded on the Balance Sheet.
(2) Recorded on the Income Statement.

Principal Investigator (Gifts & VUMC Endowments) Update

Principal Investigator (Gifts and Endowments) Role

Who
- Identifies who is 'responsible' for the gift
- PI should not be the same as Gift Manager or Gift Financial Analyst
- Examples: researcher, directorship recipient, program director for operational support or educational purposes, etc.

How
- Submit a Departmental Security Request through Pegasus
- Coordinate within your area and submit one request per department
- Include the Gift ID and the PI Employee ID

When
- Targeted deadline of March 1
- ~14% of active Gift IDs have PI assignments
- ~60 have been assigned since December town hall

Need to inactivate a Gift ID? Submit a Workday Issue Support ticket and choose **'FIN Gifts'**

Effort Certification Status Updates

Effort Certification Status Update

Effort Certification Reviewers – Thank you for your persistence!

	10.1.23 to 3.31.24 (due 7/31/24)	4.1.24 to 6.30.24 (due 10/31/24)
NOT IN WORKFLOW	8	10
ADMIN REVIEW	9	33
AWAITING CERTIFIER	8	33
% Uncertified	0.8%	2.4%
Certifications Remaining to Complete	25	76
Total Certifications Required	**3241**	**3148**

Please let us know how we can help you wrap this up because we are nearing the completion deadline for the Effort Certification for the period 7.1.24-9.30.24

workday

Effort Certification Process Updates

PREPARE FOR THE NEXT EFFORT CERTIFICATION EVERY DAY

- Effort Certification for pay periods **July 1 to September 30, 2024** was issued December 16, 2024

- **Due Date: January 31, 2025**. Aim to have all Administrative Reviews complete by <mark>mid-January</mark> in order to meet the deadline of all certifications complete by January 31, 2025,

- **Office Hours: 1:00-1:30pm daily** office hours for the remainder of the year beginning Wednesday, December 18, link in Effort Certification Reviewers Teams Channel

- **Process Improvement** Effort Certification Reviewers will request cancellation of the effort certification and enter a PAA for corrections, this will route according to normal workflow approvals to Grant Managers and require Cost Transfer justification.

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Effort Certification Policy

IMPORTANT COMPLIANCE REMINDER

- [VUMC Effort Certification Policy](#) sets forth the escalation terms for non-compliance

- Effort certifications over 60 days outstanding are to be escalated to the Department Administrator and Department Chair/Director

- Past 75 days to VUMC Executive Leadership to determine next steps

- CLARIFICATION ON STATUS UPDATES –

  - For those "Not in Workflow" or in "Admin Review" status, it is the department **Effort Certification Reviewer's responsibility** to ensure these get to the certifier in a timely manner.

  - For those "Awaiting Certifier", it is the responsibility of the Certifier, the Effort Certification Reviewer, the Departmental Administrator, and the Department Chair/Director to ensure compliance with policy is met.

VANDERBILT UNIVERSITY MEDICAL CENTER

Policy Description: Finance Policy - Effort Reporting and Certification	**Policy Number** FIN 12.2
Applicability: VUMC Employees	**Effective Date** September 2023
Approved By: Finance and Revenue Cycle Policy Committee	**Approval Date** September 2023

APPENDIX A: FOLLOW-UP PROCESS ON PAST DUE EFFORT CERTIFICATIONS

VUMC is committed to ensuring that effort certifications made in connection with federally sponsored programs are timely and comply with federal regulations.

Effort must be certified at the time the effort report is presented to the individual whose salary was paid, all or in part, by federally sponsored programs. Effort certifications that remain uncertified may result in audit findings and disallowances.

VUMC Finance will send notifications of uncertified effort based on the following timeframe:

Timeframe	Vanderbilt University Medical Center
30 days past due	Individual, Department Administrator
60 days past due	Individual, Department Administrator, Department Chair/Director
75 days past due	Individual, Department Administrator, Department Chair/Director

VUMC Executive Leadership will determine next steps if effort remains uncertified after the above notifications are communicated.

For further questions contact:

VUMC Finance, vumc.effort@vumc.org

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REMINDER
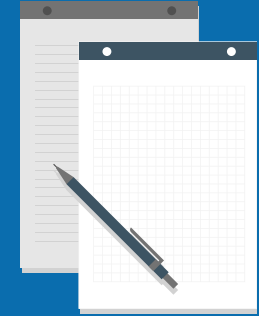
FY26 Budget Kick Off for Academic Enterprise/VMG

Monday January 27th from 10-11:30

Please coordinate with your manager if you did not receive an invite

Next Research Town Hall: February 20th