Jason Berlow: I hope everybody is ready. I think today’s training has been a long time coming. Cost transfers from discussions with the field, I think it’s something that you obviously are required to do. Do a lot and you require—we need retraining on it. So today we’re going to talk about the introductory concepts and then Diane and Kari are going to run you through some of the other sections. I’m sure Tony will chime in. We’ll talk about reimbursements and the toxic exposure fund. And then we’re going to talk about some of the execution updates that John went through on the RAFT training yesterday just to make sure you’re seeing it has many places as possible. So without further ado, we’re going to jump into it.   
  
So this is kind of me. I’m always am very stern with Kari and the others, Tony about going back to the financial policy and appropriations law to understand why we aren’t doing something and why you’re permitted to doing it. There’s always some policy or appropriations law, et cetera that says why you can do something. But I promise not to talk about this too long, so just so you can hear about the nuts and bolts of how to do this. So expenditure transfers are something that are used governmentwide. They’re authorized by this law. Adjustments between appropriations. And as you can see here, it’s in the GAO Red Book Chapter 2, Legal Framework. If you want to look at it, the link is right there. But it says under the statute, an agency may temporarily charge one appropriation for an expenditure benefiting another appropriation of the same agency, as long as the amounts are available in both appropriations and the accounts are adjusted to reimburse. And the big thing here is that these are not IAs or buy/sell transactions, which we’ll talk about in a second.   
  
So the financial policy that mandates this in VA is the Volume I, Chapter 9, Expenditure Transfer. So I really recommend that you take a look at that. And that’s why we put all the links in here. But in general, the policy says, goods or services ordered between agencies, there has to be a law that mandates a payment between appropriations, which is the law up here. And the payment is recorded, and one appropriation adjusts another. And that’s what we’re doing right? We might be recording a services and then adjusting it to research or vice versa or the TEF. So this law says we can do it.

John Verwiel: That’s important one votes, because some of your CFOs might push back on going back and forth from one fiscal year to another. R&D has a two-year appropriation, so it is legal to go back and forth one year to the next. We’ve had that issue in the past.

Jason Berlow: Yes. Thanks John. That’s actually a big one, because that’s the confusion. The clinical are mostly one-year appropriations, but we have two years to obligate to do things like that in that manner. Because they’re ’23, ’24 funds are available right now for ’23, ’24. So a cost, really it’s an expenditure because you can’t transfer it to the expended. Must cover the costs \_\_\_\_\_ [00:03:22] incurred from one \_\_\_\_\_ [00:03:23] control point to another often across appropriations. And can be executed across programs, fiscal years, or appropriations. The majority cost transfers involve a salary expense in ORD, but they also can be for purchases or other services. And that’ll be really related to TEF. And note that clinical services require interagency agreements. More on that later.   
  
So that’s not a \_\_\_\_\_ [00:03:51]. So if you’re doing—if the laboratory services at your facility is doing work for research, that’s not a cost transfer. That’s a buy/sell transaction where they’re providing a service—laboratory services to the research in conduction of a study, so that’ll be a buy/sell transaction for interagency agreements. And as you are all aware, we did the IA training in October. There’s a recording of it on the SharePoint and the folder has a lot of materials included in the training. Depending on your station, you’ll work with fiscal budget/accounting to get this done.

John Verwiel: So we can cost transfer expenses. \_\_\_\_\_ [00:04:37]. You can’t transfer revenue or the funds. That’s a big no-no. ADA violation.

Jason Berlow: So we often do it to reduce prior balances like the data calls \_\_\_\_\_ [00:04:52] reimburse control points from reimbursed funds like X2, and then reimburse control points from the R1 fund. So basically, a cost might have been incurred. For example, an Interagency Agreement, a cost is incurred and then you get that funding back and the reimbursable fund with your collection. And once you get the TDA, you cost transfer to basically reimburse the research appropriation 0161A to get the funding back.   
  
So the difference between a ceiling transfer and a cost transfer. And Tony or John chime in here because you’re familiar with this than me. But ceiling transfers move funds from all other FCPs to salaries within the same program but does not impact the obligation. And cost transfer is transfer the cost, which is our casual term or the expenditure. An obligation has already been expensed, exactly. That a vendor has paid to the correct fund and control point, program, or appropriation. And a lot of this involves—in a research appropriation, we only can hire to one control point in research appropriation. So that’s why it has to be done.   
  
So cost transfer versus an IAA. You really should print this up and put it on your wall because this is key. So remember, an IAA represents a buy/sell transaction between two federal entities or goods or services are purchased by one entity from another. And generally, if you saw in IAA training, that’s governed by the Economy Act which is the authority to do that. And VA Financial Policy Manual Volume 1, Chapter 11a which is the IA’s buy/sell transactions stipulate—so we often get questions in the field about a certain activity. And it really comes down to when we talk to the FCS intergovernmental accounting, it really comes down to if it’s a buy/sell transaction to determine if it’s an IAA or a cost transfer.   
  
So a cost transfer represents an expenditure in accordance with the chapter I already told you about. And it splits cost for salary between research and clinical. For example, a lot of physicians or staff split their costs. That’s when it’s done. More from TEF. Cost transfers are the appropriate method when a salary is involved from employees that would otherwise be split in their appropriations and no tangible services are involved. So when it involves salary, if there’s no buy/sell transaction, then it’s a cost transfer. But if there is a buy/sell transaction, it’s an IAA. And VHA finance and FSC have instructed ORD that this activity does not represent an exchange of supplies or services, which require an IAA.   
  
So a lot of times we do get—when you’re involved with your fiscal and you have questions, and your fiscal is pushing an IAA when it’s more of a cost transfer. So you really need to look for that buy/sell transaction to really quantify that. So here are the different types of cost transfers. I won’t go into it too much because Diane and Kari are going to go into it in the following sections. But you can see here there’s the different types and the objectives, the purpose, and the transfers. So you’ll see the amounts and TEF, we’ll talk about later. So I’m going to keep moving along so we can get to the other section. So section two. I’m punting the mic to Kari or Diane. I forget.

Kari Points: To me. To Kari. Alright, thanks Jason. So the first type of cost transfer is probably the most common, the one that we are very familiar with out in the field is when you take costs from current year and transfer it to prior year. And these are typically done for a salary cost. So it’s first crucial to ensure that your prior year funds are executed by the deadlines that are set by ORD. So we all know we’re supposed to get down two percent this year and if we’re not, ending above two percent is going to be \_\_\_\_\_ [00:08:51] in October. The other goal then is to get what is remaining from that two percent and get it down to zero in your prior year by January 15th.   
  
So carryover at our station level, we’ve been hearing lot about the results and larger balances and leads to possible recissions of our overall budget. So our ORD and VHA must make the case to OMB and Congress to provide additional funds for research. And those messages are undercut when we don’t spend the money out in the field. So just really pay attention to those deadlines that are set. They mean it, and they’re going to start pulling funds in October for anything above two percent, and then anything remaining in your prior year after that by January 15th needs to be spent out. And to do that, we do cost transfers. Next slide please.   
  
So again, the goal is to have prior year funds to zero dollars by January 15th. But it also, throughout the year, you have money coming back to your prior year. You may do a 1358 adjustment and funds back. You may deobligate a contract and funds come back. Each time those things happen, you’re not allowed to \_\_\_\_\_ [00:10:04] your dollars and so you need to request a cost transfer to get those closed out to zero. So you need to pay attention to prior year balances throughout the whole year so that you’re constantly making it back to zero. Every time funds come back, submit the cost transfer back to zero-dollar balance.   
  
So the basic steps in requesting these cost transfers that we’re going to go through is moving the ceilings if needed. Create the initial request. Emailing fiscal the request. And then always, always, always confirm the cost transfer has been completed. Don’t just take the word for it. You have tools at your disposal to verify between the status of allowance and F20 daily reports. You want to make sure the costs transfers are done. They may have created just a simple error that it went backwards the other way. You really just need to check those out and make sure that it has been completed. And so we’re going to reiterate that through all of these different types of cost transfers. Next slide please.   
  
So the first step is movement of ceilings if it’s needed. And the movement of ceilings can only be done within the same program. So for example, if you have—you’re going to do a cost transfer for salaries, but your prior year dollars is in—supply all other fund control point. Then you’re going to want to move ceilings from your all other supply to your salary fund control point in prior year so now that your funds are in the salary fund control point, and you can transfer the cost. Now before you do that, if you have a balance in your all other supply, you need to check and make sure that there are no pending IFCAP transactions prior to your ceiling move. You don’t want to find out—move all your money from all other to salary and then find out you had pending credit card charges that were sitting there in IFCAP pending and now you don’t have the funds in all other.   
  
So determine if you have IFCAP pending, leave enough funds in the all other fund control point to cover those, and then request a ceiling transfer of the amount that you do not need with those pending transactions. Now you do need work to close out those pending items because now those are prior year dollars and we need to get those closed out because they are showing us committed, not obligated, and they end up in the sweep on January 15th that those are not—well, they will end up in a sweep, but they’re not closed out on January 15th. So you’ll request a ceiling transfer the amount not needed to cover from all other to salary which ends up getting all your money in the salary fund control point. But now if you did have IFCAP pending and those items have been closed out and funds came back, they weren’t utilized, you’re now going to have funds again in your all other and you need to do it again at that point. Transfer the ceiling so that you can do a salary cost transfer.   
  
So the next slide—go ahead—is an example. So here is a \_\_\_\_\_ [00:13:07] allowance that shows 91,000 dollars in FMS unobligated and only 3,500 dollars in salary. So I can’t do a salary cost transfer because all my funds are in all other. But they’re all in the same program, Program 81, so I can move the ceilings. I first check and in this example, I was lucky, there’s no IFCAP pending so I can go ahead and transfer the same amount. So I’m going to email fiscal and asked them to move ceilings from fund control point 4602, which is an all other to fund control point 403, which is a salary fund control point in the amount of 91,830 dollars and 56 cents. And they look at the transaction they completed, and then the next day once fiscal has told me they have completed the ceiling move, I checked the SOA to confirm. And now the SOA will show that I have no funds available in unobligated in my all other fund control point 4602 and all my funds are now remaining are in fund control point 403. So now I’m ready to do the cost transfer. Next slide please.   
  
But before you can request a cost transfer, you need to identify the salaries that will be part of this request. So if you do not use WinRMS, you should be getting paid reports from fiscal for however you’re tracking those expenses. So you’re going to pull those for each pay period, you’re going to request the cost transfer from. If you use WinRMS, it actually provides it for you. If you go to reports in WinRMS, go to employee salary reports, click on Excel instead of PDF, because I like to make notes for fiscal and it’s easier to send them an Excel sheet and total it up for them because you may not be using all the salaries. Then select the current pay period report into the cost transfer and select the pay period used.   
  
You may need more than one pay period to complete the cost transfer, so you can go back and pull the additional pay periods and those reports and bring them all together in one nice Excel sheet for fiscal showing them the salaries that you want to cost transfer. So you’re going to calculate the salaries you need, so in this case, I need 95,000 dollars in salaries that would be for our Program 81. That would be two pay periods. So I would pull those two pay periods, calculate up the salaries that I need for each individual. It wouldn’t be everyone that I would need for those two pay periods because the amount would be greater than 95,000.   
  
And so get it down to the exact amount we need. You may do a partial cost transfer, so to get to the exact total of 95,000, it may be somebody’s partial pay period cost. So whatever you need to do to use that Excel sheet to total up to the amount that you need to cost transfer. Make sure though when you do this that you haven’t already use that pay period. So if you’re doing let’s say March, you deobligated the contract and you’re going to do a cost transfer and you already did a bunch in January, you cannot reuse those pay periods. So just make sure you’re selecting a new pay period for your request. So now that you have the information, it’s time to submit. Go ahead and go to the next slide.   
  
So here’s the request to fiscal. Please perform the cost transfer listed below. So our salary fund control point for Program 81 is fund control point 403. I want to transfer costs from current year, which is 23/24 dollars to fund control point 403 which is 22/23 in the amount of that 95,000 dollars. I’ll then attach the spreadsheet that lists the salaries for the individuals, the pay periods, and the hours that make up that request so they can see. Give them the information that they need. They can see which individuals are a part of this cost transfer. And once fiscal is done and they tell you we completed the cost transfers, you close that loop.   
  
The next day you go \_\_\_\_\_ [00:16:56] allowance and I should see that my prior year dollars are zero. If they’re not showing zero, then there was an issue, and you need to reach out to fiscal and work that out. I also can check the F20 because I’m going to enter this cost transfer in WinRMS. So I want the EW number. So I’ll go to F20 report, and I’ll find two EW numbers. The transaction from the cost being transferred. There should be one in prior year and one in current year and use that information to enter that into—if you use WinRMS into that system or whatever you’re using to track your dollars so that my prior year, my tracking system also shows zero remaining. Next slide please.   
  
So the next type of cost transfer we’re going to talk to is Inter-Program Transfers. So these are when you’re going to do a cost transfer that’s within the same appropriation. So 0161A1 appropriation we’re going to transfer costs amongst the program. So there in yours slide are the different programs. The five different programs from ORD and we’re going to want to transfer funds between them. The reason why we would do this is well, for one, salaries. An individual can only be on one fund control point, which means one program for salaries. Although you may have individuals that work on projects and other programs. And so I’ll go through an example like that.   
  
The other case would be supplies. Maybe by using a core facility for example and that you get one bill for the core facility and it’s in one program, but other programs utilize that core facility. You want to transfer those expenses then to that program. So a justification must be included though to move the cost between the programs. Next slide please. So here is an example. We’re using Disney. We have Mickey Mouse here is working on HSR&D, which is Program 84. And they’re working at 75 percent effort. But they also run a CSR&D Program 85 project at 25 percent. Since Mickey had most of his effort in HSR&D, his salary is applies to fund control point. So you always want to apply individual to the fund control point where the majority of their work is. So in this case, it’s Program 84.   
  
But now a cost transfer needs to be done of that CSR&D. Program 85 is charged the remaining 25 percent. So this is something that you’re going to request from fiscal. If it’s a reoccurring salary cost transfer such as in this example, for the year, they’re going to be split this way. You would want to have these completed at a minimum quarterly so that your program balances stay intact. So you’re going to track the salary of the individual by pay period so you can routinely request the cost transfer from fiscal. So here’s quarter one example. Fiscal, please complete the following cost transfer for quarter one. Twenty-five percent salary needs to be transferred to CSR&D, Program 85 for his work on the project.   
  
And then here’s the amount of the cost that needs to be transferred and they’ll \_\_\_\_\_ [00:20:01] through the different programs. And then I give them the fund control point. So it’s from HSR&D our fund control point 414. It’s in current year, ’23, ’24 to our fund control point that’s clinical which 417. So we all have different fund control points so I’m just using \_\_\_\_\_ [00:20:20] as an example here and then the year ’23, ’24 CSR&D Program 85 and the full dollar amount for quarter one. And so you want to do this each quarter and for every individual that’s split like this. Next slide please.   
  
So all other fund control by cost transfer. So this is the example I gave of a core facility. So there’s an obligation for under one research program that shares expenses with another, you can do a cost transfer for that. So the one example I’m giving here is a core facility, but it may be that a piece of equipment was purchased and it’s going to be split between the program. Well, again, you can only use one fund control point, so you’ll transfer those costs. In this example, we have a contract that set up for our core facility at our affiliate and it’s set up under one fund control point which is our biomedical Program 81.   
  
However, we have a rehab program that also utilizes these core facilities. And so when we get the invoices, they have both the biomedical and the rehab individuals on that invoice but they’re being paid out of biomedical. So upon receipt of that invoice, and IPPS and the payment of that, I can look at the charges and determine which piece of it should go to rehab. And then I can send a request to fiscal. So again, this is after you get the invoice, and it had that expense that you can show fiscal has incurred. So please request a cost transfer from biomedical all other to rehab program all other in the amount whatever it is for their cost whether it was monthly, quarterly, however you’re getting those invoices. And the rehab investigators utilize this purchase order, which is a contract for core facility and biomedical needs to be reimbursed for these expenses. And then I attach the invoice describing their usage and highlighting which ones were the rehab and how you got to that expense. Next slide please.   
  
Alright. And then what I didn’t say there, which I’m going to reiterate though is that you’ll close the loop once fiscal says those cost transfers between the programs have been done, you do your two checks. You look at the status of allowance and the F20s for those EW numbers. The EW number is the cost transfer. And now I’ll pass it on to Diane to talk about between appropriations.

Diane Murphy: Go back one slide Jason. There we go. Okay, so now we’re going to talk about cost transfers that you have between research and your medical center. Usually this practice is when there’s an individual that’s being paid salary and their time is split between research and your medical center. This often is a recurring salary cost transfer. The sample that we’re using here is looking where you have an individual that works 75 percent for your medical center and only 25 percent for research. So since this individual does the majority of his time for the medical center, he is going to be paid salary from the medical center appropriation. So you will need to request to your fiscal department for a cost transfer to be done to have his 25 percent of his cost against your research appropriation.   
  
So here’s an example here of an email that you could send to your fiscal office. Again, we say fiscal. It could be somebody in budget or it could be somebody in accounting. That depends on each facility and what duties they have aligned to their fiscal people. But here you’re going to ask them to complete a cost transfer for the first quarter expenses for this individual, and you have gone here and determined how much 25 percent of this individual’s salary is going to be to transfer the cost from the medical center appropriation to your research. And again, the cost his originally hit in medical center, so we’re just transferring that 25 percent of his cost to your research appropriation.   
  
And here listed the fund control point that the individual hits. So the first one that we’re listing there is fund control point 482 which was the medical center fund control point and where you’re wanting these costs to be transfer to. So we have listed the fund control point and your budget fiscal year, which you would use your current year which is ’23, ’24 right now. Identifying your research fund and what program it is and the total dollar amount. And then below there showing a breakdown per pay period and how you came to this dollar amount. So you would send this again, a minimum doing it once a quarter depending on how you work with your fiscal department. You may be able to do this once a month for capturing two pay periods at a time that you want to at least get this done quarterly so that this helps you to be able to identify your cost and have your funds up to date as much as possible. Next slide.   
  
And here’s a sample of a memorandum of understanding here and this is between the hospital and the research office. And you’re identifying that you have a position that you’re going to be paying for so much percentage of this person’s salary. And you had the signature for ACOS from research and then your director from the medical facility on file to be able to have supporting documentation for why we’re doing these cost transfers. Next slide. So now also talking about all other fund control point cost transfers. So you may have an agreement with the medical center and research where maybe services are being provided by the hospital.   
  
Maybe a piece of equipment was purchased by the hospital and the hospital is going to utilize it 75 percent and we’ve agreed that we’re going to be using it 25 percent and we’re going to pay that percentage to help support the cost of that equipment. So once that equipment has been invoiced, then the request for the cost transfer can be made to your fiscal department. And you will go and send an email to your fiscal department again with your supporting documentation that you’re paying 25 percent of this equipment that was purchased by the hospital. And identify that you’re going to be using your research all other funds to do that. Next slide.   
  
Okay, next slide reimbursements. So there’s already been a training that has been provided a few months ago about reimbursements. And there is a link to this training where you can go back and look at that in more detail than how we’re going to go through this today. But just to touch on it a little bit. We want to talk about your first step with setting that up your reimbursables is knowing what type of reimbursable is it. You have your research nonprofit corporation, and those funds are sent to you in the 0161X2 funds. You have your nonfederal institutions, for example, your universities. And those funds are sent to you in 0161R1 funds.   
  
And then you have your interagency agreements which would be within other federal agencies, and those are also sent to you in your 0161R1 funds. And so once your reimbursables are sent, you get those on your TDAs that come to your finance office. And most of your finance offices when they get that, they’re going to communicate with you that they’ve received these funds and show you the TDA and communicate with you as far as depositing those funds into the appropriate fund control point. After those funds are put into your fund control point, then you want to start working up a cost transfer to be able to transfer costs that has happened in another fund control point. And it’s going to be in fund control point that’s not a reimbursable fund control point. And identify that so you can transfer that cost to your reimbursable fund control point so that you’re utilizing these funds and being able to use that money that’s coming back to you on these TDAs. Next slide.  
  
So here we’re going to go through this four-step process for completing this cost transfer. So after you receive your TDA for the reimbursements and you’ve identified the bill of collections that you had processed to know why those reimbursements are coming to you. So to do this, you can contact your fiscal office and they can give you a copy of the monthly F827 report. This is a general ledger report that they utilize every month, so they should know exactly what this report is. And this report will identify to you the bill numbers that were utilized for you to receive those funds for that month. And you will want to be able to ask for this monthly from them.   
  
If you’ve been receiving funds all year long and you wait until February to ask fiscal for this monthly report, if they pull February’s report, it’s going to show you the total dollar amount but it’s not going to identify each bill this happened for the entire year. Their February report will only show the deals that happened in February. So make sure you get this information from them monthly so that you’re able to work with it each month and stay on top of that and have the appropriate information that you need to be able to do this. So in looking up your bill number, the items on the bill you can provide, and this provides you the information to complete your cost transfer. The cost transferred should be between where the original cost occurred and the reimbursable fund control point.   
  
So an example, you put a bill in saying that you’re billing the university for storing mice and buying mice and everything. So wherever you had an order placed where you purchase these mice, but then you then provide these mice to the university and you’re billing them for the mice, that was monies that the university paid back to you. You wanted to go back to where that original order was where you ordered the mice. So it’s good information when you set up your bill to make sure that you’re putting in your description your original order number so that it’s easier for you to follow where you want the funds to go to.   
  
After you’ve got all this information, then you want to request your cost transfer from fiscal, and as always, go back and check to confirm that the cost transfer has been completed. Again, just like Kari stressed earlier, always confirm to make sure that that has been completed. They may send you an email and say it’s done, but there’s always things that can slip through and maybe they did it for a different dollar amount than what you requested. Or maybe they hit a different fund control point. So you always want to go back and confirm that what you requested this what has been completed by fiscal. Next slide.   
  
And here is an example of a TDA or the 827 report that you can get from your fiscal office. So it’s showing the budget fiscal year, the fund, the general ledger account. And you may have to give that information to your fiscal office if you haven’t been requesting that before. When you request for them to get this information, ask them to give you the information for general ledger 425P. It’s got your cost centers. The CR is the FMS document that actually creates the funds. Shows that the funds have been collected. You got your dates there. Your document. And then there highlighted is the bill number that was input. Therefore, that bill number should be able to provide the information to you to let you know the original order that was placed and where these funds should go to.   
  
So in this example, the bill collection is K22CLIG which was for salary. And that individual was in fund control point 403 and came out of ’22, ’23 funds and it was BLR&D funds. So again, you email to your fiscal department, and this is an example that you can use for that asking to transfer the cost from 4302. Budget fiscal year ’22, ’23. And again, it’s from your BLR&D funds. And again. you’re doing that because that’s where your bill of collection was set up for your salary. And then you want that cost to go to 4641 ’22, ’23 and that is your reimbursable funds here. And that’s because that’s where your funds came back into was in your ’22, ’23 reimbursable funds. And for the full dollar amount, and you’re referencing the bill number that you had submitted for Donald Duck’s salary and the period there. So that’s supplying the information to fiscal, so they have supporting documentation to be able to process that cost transfer for you. Next slide.  
  
And again, always check to confirm that this was completed. I know we’ve said this several times through this presentation, but again, always check. Make sure that your documents are being done and that they are being done correctly. You can utilize VSSC to go to the F20 daily activity. And everybody has access to VSSC, so it’s not where you need to go request access to this. Everybody should be able to go to VSSC. You go to the F20D option there under the fiscal section, and you’re able to select your fiscal years, your VISN, your facility and actually drill it down to what you’re looking for. You select your fund, you’ve got the 01A1 funds. You can go to the R1 funds.   
  
Or even your X2 funds so that you can drill that down and enter your date range. So that if fiscal told you yesterday that they completed your EW, then you could go in today and say, I want to look at yesterday’s activity and pull up June 27th’s activity to see that that has been completed. And that EW, your cost transfer is going to have an identifier as an EW. And you’ll want to check both your A1 funds and your R1 funds or if it was X2 funds to make sure that it gets both appropriations correct there. Sometimes your fiscal department when they reply back to you that they have completed the EW, you might can get in the habit of asking them if they can provide you that EW document ID number so that’ll make it easier for you to identify that. Next slide. Alright. And now we have—go back one slide Jason. Alright. And now I think I’m handing it off to John right?

Jason Berlow: Me and then John. Maybe we’ll go a little over here because we have questions. So I’ll go quick here. So regarding everything you learned with cost transfers, please remember if you receive Toxic Exposure Funding in FY ’23, and this will also apply in FY ’24 once we identify additional projects for TEF funding. Cost transfers will require quarterly per the guidance which you can see here. And it’s required because of the reporting requirements for TEF. It’s highly scrutinized. We’re already under audit. There’s a departmentwide audit on how the TEF allocations are allocated and distributed and to show that we’re adhering to the PACT Act legislative authorities for the PAC Act.   
  
So it’s really important that you really make sure you know the guidance. Make sure your fiscal is aware of the guidance and that these quarterly expense transfers are performed by the tenth business day of the month. So the policy is here, and you’ll see and there’s SOP at the end of the policy and it’s also in the allocation memo that we distributed. It’s the same. We say it should be done on the tenth business day following the end of the year, so that’ll be July 17th for July for the third quarter. So you can expense transfer everything that’s been incurred from October 1 to the TEF. They want to see it obligated to the highest degree to show that we can utilize TEF.   
  
And we talked a little about it in the RAFT expenditure training yesterday about how that’s also reported. So we want to show to congress we can properly report how we’re spending TEF obligation expenditures to congress. So after July 17th, we’re going to check the F20 report to see the status and expense transfers and we’ll reach out to stations that have not conducted expense transfers by July 17th. And if you have questions, you know how to reach us. So now Section 7, Budget Status, and the SharePoint site. So John’s going to brief this section.

John Verwiel: Thanks Jason. So right now, a lot of things are going on. Going into the third quarter always an exciting part of the year for finance. First, we got in our mirror is this 101 data call. Please get that completed. About half the stations have completed it. Last check, it’s due on Friday so it’ll be very important. Also, yesterday, and tomorrow we’ve had training on the RAFT Execution Report. If you’re a new AO or don’t know how to do the RAFT Execution Report, please join in on the training. It’s very valuable and we want accuracy with this one. We’ve seen some inaccurate numbers and inflated numbers if you will on the RAFT Execution Report. Right now, ORD wide, we’re at 58 percent execution.   
  
And as you know, June 30th, we’re at 75 percent of the fiscal year. So that tells us there’s some fluff in our system. You guys should have cash available on your station. And if you’re not going to spend it, please let us know so we can pull it back. In no way does that punish you or no way does that hinder you from getting an ITA for next year for the project. We need the funds available. We take a little bit of risk at the central office when we send out all the funding and increase certain areas. So we expect that. So that’s why we’re asking you to send back or offer funds back. CSP and CSR&D are especially low executing right now. So I know they have the budget subdomain, so send in request to have those funds pulled back.   
  
The one thing here this enhanced tracking obs, what we’re talking about here is, we just went through a prior year pull and we pulled back funds from all the stations that had access and didn’t have a good report or didn’t have a contract. And naturally, we give a little bit back. But now what I’m seeing is like Whac-A-Mole where several stations are actually deobligating. So our prior year balance is going up. And that’s a big concern when the fiscal year closes out and then yo continue to deobligated funds. That’s missed opportunities. We want to make sure our obligations are accurate as possible and we know when we have contract actions, the vendor may come in under contact and then there’s a deobligation. But that’s okay.   
  
But when you’re trying to hide the funds and then deobligate and the funds are expired, that’s lost money. After the ’22 and ’23 at 9:30 when those funds expire, no new obligation can be created. No new cost transfers can be done. So it’s important that we do not deobligated funds just to obligate it. That’s kind of what we’re seeing. So we’re going to be looking at that closely because again, because of missed opportunity. The next couple years ’24 and ’25 in particular are going to be lean years. Meaning it’s going to be a tight fiscal year. Two years ago, we were scrambling to spend money. Now is not the case. Funds always are important, but especially more so now in a year where our budget is not increasing enough to support large increases in initiatives or large increases in salary. So we’ll be watching closely on the enhanced tracking of obligations.   
  
The fiscal year is fast approaching to an end. We need everybody’s support to finish the RAFT Execution Report. We expect 100 percent participation as well for that TC101 data call. So we really rely on the AOs and budget analyst in the field to help us with analysis. And we do appreciate everyone’s support and I know Tony \_\_\_\_\_ [00:44:53] is on the call and he appreciates everyone’s support and getting back and completing these task as we send them out. So got a couple of them in front of us right now. And I can’t emphasize enough that you need to partner with your fiscal office. The fiscal office at your station is your friend and they’re your partner to get things done. Especially when it comes to cost transfers, so get to know your budget analysis assigned to the department. Because they’re critical to get these cost transfers completed.   
  
Would like to say, for those stations lucky enough to get ARP, the American Rescue Plan funds, we had 20 million this year. This is the last year for that. We did very well with that particular exercise. About a month ago very quickly, we were able to obligate through cross transfers 100 percent of those funds. And this year we do have TEF, but not a whole lot. But next year, 46 million will be available for TEF. And it’s important that you identify a TEF project so that we can cross transfers those expenses to the TEF appropriation. The TEF appropriation, we’ll share that with you for obvious reasons for the cost transfers. But we have to send you the money first, so it’s a two-way street. We send you the money, then you can do the cost transfer.   
  
Just a FYI. We do have several new budget analysts in our office. Maria Negrete was a Titan Alpha contractor. She is the new budget analyst. She lives in San Antonio. Erin Olson from St. Louis, she’s now a budget analyst. She’s supporting little ORD and CSP right now. And Joy Langston comes to us from OMB and she’s a current analyst and works with Jason on the budget. They came in just over the past couple of months, so we’ve been busy training them getting spun up. Jason or Tony, I’m sending it back to you. Those are my comments.

Jason Berlow: Thanks John. We’ll jump to the questions. The only last thing we want to plug is the website and the best practices. There’s a lot of information that could be helpful for you especially if you’re getting into an IAA issue or something and I would really recommend you watch training IAAs. It’s a really good introduction of everything that you need to help you understand how to frame what you’re going to do. So all these trainings really help you frame what you do so they’re very helpful. So I know we’re running—there’s a lot of information to cover, so let’s get the questions and we’ll go over to make sure we get all the questions. Okay, I’ll read it and then I’m not going to answer it. Diane or Kari can. If a reimbursement—or John—comes in in 2024 funds for FY 2022 work, can we transfer it to FY ’23, ’24 salary against it? That’s a great question. Do you want me to answer it?

Diane Murphy: You go ahead Kari.

Kari Points: So \_\_\_\_\_ [00:48:56] the first issue. If a reimbursement comes in as a FY ’21 fund for FY ’22 work, it shouldn’t be coming in as a FY ’23, ’24 fund. It should be coming in FY ’22, ’23. So that’s the first issue here. If you’re doing a collection in FY ’23 for work that was done in FY ’22, you need to be sure when you’re entering those bills of collection that you’re using the right fiscal year. So it comes in as a ’22, ’23. And then you should be transferring this. You want to close the loop. So where the funds were spent is where you want the funds transferred from.

Jason Berlow: I’ll answer that. An IAA is Interagency Agreement. And in the training, I want to plug the IAA training. You’ll learn the difference. But IAA is Interagency Agreement, which is your 7600A, which is your agreement. The GTNC. General Terms and Conditions. And the IAA has a 7600B, or your funding document. \_\_\_\_\_ [00:50:11] is simply the new system that the government uses to manage these IAAs. So the system manages the 7600A, the GTNC and the 7600B the order in the system versus the paper form. And you can actually export the forms to paper too or PDF to do it the same. So it’s just a new system that’s using. Thanks.   
  
If a pharmacy is buying a drug for research in clinical trial, do we have to have an IAA in place or just MOU between the departments? Okay, I’ll answer this too. Anytime you have a buy/sell transaction you need an IAA. An MOU is not enough. An IAA is a required government document that meets treasury requirements to establish a buy/sell transaction. An MOU can be a million different formats where as an IAA has specific fields that are created by treasury to make sure all the proper fields are documented.

Moderator: And that’s it for right now.

Jason Berlow: Okay.

Tony: So Jason, let me add onto that. That it depends if this was a onetime transaction. Or also if it’s an ongoing transaction. So there are many times where—because pharmacies is the only one who can buy drug in the facility and so if it’s a onetime transaction, you can actually do an expense transfer for that activity. If it’s recurring, you may want to do it in IAA.

Moderator: That’s the only questions we have.

Diane Murphy: And just to add onto what Tony said, if it’s a onetime thing and you’re going to just do and it’s cost transfer between pharmacy and research, your pharmacy will need to identify their obligation number, the invoice for that drug that they’re purchasing, and how much of that order is the cost to research. And then you’ll work with your fiscal department to give them the line of accounting that they need to transfer that cost from pharmacy to get your line of accounting and research.

Participant: Alright. Well, thank you everyone.

Moderator: Thank you all those who attended and thank you the panelist for being here and just plug one more time that if folks take a minute or two to fill out that post-evaluation survey, we would greatly appreciate it. We hope everyone has a good afternoon.