

CSREES Administrative Officers Conference

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Session #49

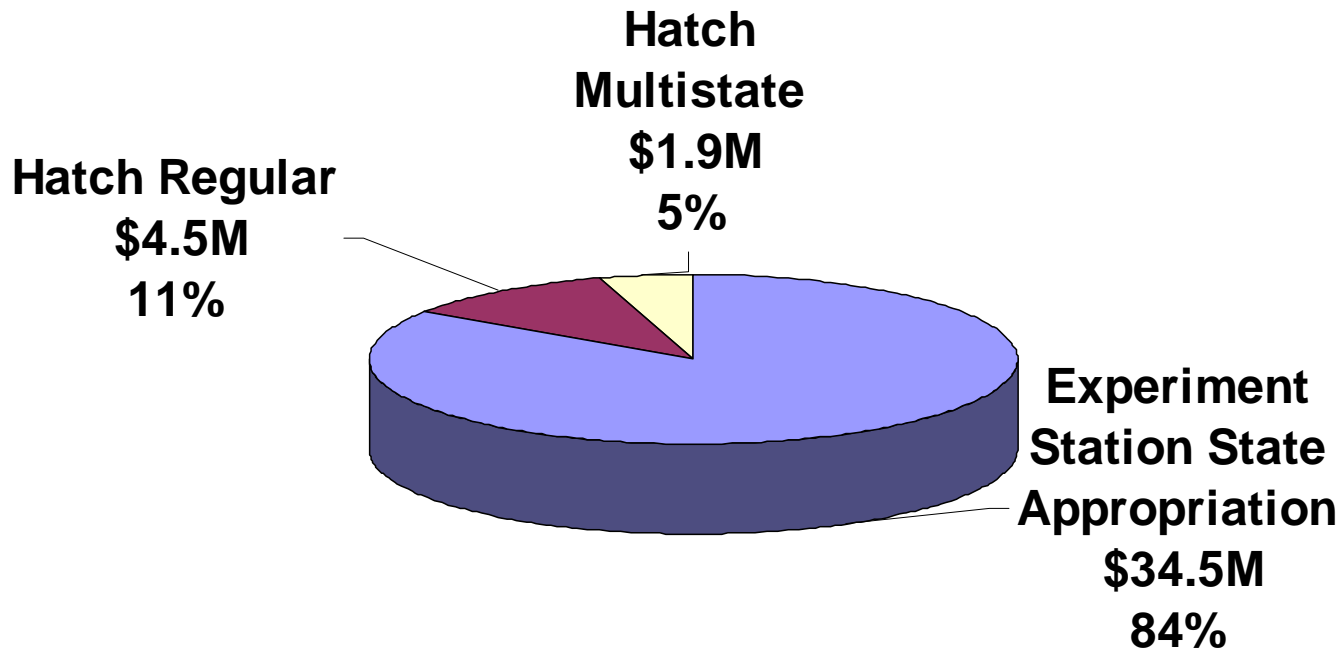
**Matching Federal Formula Hatch at the Iowa Agriculture and Home
Economics Experiment Station**



Basic Understandings

- **Faculty with appointments on state-appropriated Experiment Station funds expected to be on a project (a state project is acceptable – differs from OSU)**
- **State funds appropriated for Experiment Station research are expended to support those research project efforts**

Overview – FFY08 Experiment Station Budget



Total: \$40.9M

Central Systems Developed In-House

Fund – College or Division – Account – Dept - Project

602 – 40 – 49 – 21 – 3255

602 – Federal Funds, Hatch Regular

4x – Experiment Station

**49 – Animal Science Research Salaries, unique
designator for each purpose or award**

21 – Department of Animal Science

3600 – CRIS project number

Class/object codes assigned to each transaction

Decentralized Control

- **Departments have access to project system & can change CRIS #s at will**
 - Project expirations & replacements difficult to monitor similar to OSU
 - Depts may assign incorrect CRIS project
 - Object codes assigned by originator
 - Requires continual oversight
- **Non-Experiment Station units use project capability as sub ledger, many cross-college depts**

Effort Reporting System

- **Does not allow Experiment Station to load formula fund matching commitments on front end**
- **Cannot capture effort at project level for CRIS reporting**
- **Forms distributed for verification bi-annually, delayed 90 days from end of period to capture retroactive changes**
- **July-December report crosses federal fiscal years, not verified until after SF269 due**

SF-269 Reporting

- **ISU currently reports 1:1 match**
- **For audit purposes, ISU considers entire Experiment Station state appropriation as eligible match (>5:1)**
- **Has been accepted in all recent audits/reviews**
 - **Annual A-133 audit done by state auditors**
 - » **Methodology specifically outlined in internal control document**
 - **FY07 USDA review**
 - **FY05 internal audit Experiment Station**

Then, Now

Then vs. Now

Hatch Regular and Hatch Multistate previously allocated for research expenses of individual faculty, now allocated almost exclusively for salaries with exception of trusts

Central administration decentralized many compliance and review responsibilities

ISU Experiment Station and ISU Extension jointly made decision to switch use of formula funds several years ago to ensure compliance

Current Methodology

- **In October faculty asked to confirm % effort on CRIS projects for previous FFY to allocate salary & benefit expenses on AD-419**
- **Percents provided by faculty are used as estimate of current FFY effort**
- **50% of salary moved to appropriate formula fund accounts**
- **50% of salary left on state appropriated funds**

Current Methodology

- **Other cost share commitments confirmed and adjustments made to ensure adequate capacity remaining prior to moving salary to formula funds**
- **Once salary moved to formula funds, accounts captured on the effort report so the faculty can verify their effort on both formula funds and the state accounts**

Moral of the Story

- **Because approved in audits & reviews, will continue position that entire state Experiment Station appropriation is allowable as match-- large margin makes it unnecessary to document individual expenditures**

Fallback - would use 50/50 salary expenditures plus additional selected items if needed

Looking at the Bright Side

- **Use of faculty effort estimates on CRIS projects & subsequently moving salaries allows identification of integrated effort so move salaries to specific accounts for tracking**
- **Conversion to new Resource Management Model (RMM) at ISU creating impetus for investment in data warehousing and business intelligence**

Bottom Line – RMM occupying all available resources but may create opportunities to improve the way we document our partnership with USDA

Questions and Discussion?

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