

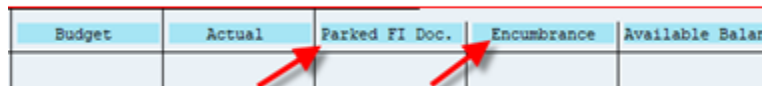
# Sponsored Projects Financial Management – FAQs

Welcome to the Research Financial Services LISTSERV series on “Sponsored Projects Financial Management” answering common questions. Sponsored project financial management requires the application of award terms and conditions along with Sponsor, Federal and Institutional policies and procedures. Note underlined sections are hyperlinks for further information.

(Previous FAQ editions [here](#))

## Open Items

Budget	Actual	Parked FI Doc.	Encumbrance	Available Balan



**What is an open item?** An expense that has not fully processed is referred to as an open item. This includes payroll encumbrances, purchase order, subawards, cost transfer JVs, unposted concur expenses, PRDs, etc.

**How do open items affect grants?** Open items consume the available budget and are not considered a posted expense until fully processed (posted and paid). If the encumbrance is incorrect, the available balance will be inaccurate. Open items related to purchase orders (PO) means the vendor(s) cannot be paid when a PO needs a goods receipt, invoice receipt or has an item quantity difference. The institution is not entitled to request reimbursement from the sponsor on open items/encumbrances. *Open items prevent financial closeouts in a timely manner.*

**When should an open item be identified?** [BPM E-17-6](#) states [reconcilers](#) are to identify and include open items as part of the monthly process. This information should be shared with all relevant Departmental staff so they may investigate and resolve in a timely manner.

**Who is responsible for resolving?** As stated in [BPM E-1-3](#), everyone has an element of financial management responsibility. Departmental staffing can be different among units; this could result in the employee responsible being tasked with processing payroll cost distributions, placing and receiving orders, reviewing vendor invoices, processing concur expense reports, processing cost transfers, etc. [BPM E-1-3](#) also requires units to have organizational policies and procedures in an Administrative Manual that identify positions, roles, and responsibilities.

**Why is it important to review open items?** To reduce artificially consuming the budget, the reconciliation process should validate and verify the individual item(s) is correct in terms of allocability, allowability, necessity, reasonable, etc. Upon identification a correction is needed, [federal guidelines](#) state cost transfers should be made promptly after the error occurs but no later than 90 days following the occurrence. [BPM E-50-3](#), states the above and includes corrections are subject to additional reviews and processing. Time delays resolving open items pose additional fund management issues and an audit risk for non-compliance of internal controls. A delayed confirmation of a good or service delivery or invoice processing requires additional time and effort to settle.

**How is an open item identified?** Open items in SAP will be listed as an encumbered or parked document, and are related to a wide variety of expense types. The nature of the expense type will narrow the method by which is used for validation. The good news is that open items can be identified

using SAP T-codes, Tableau reporting and other systems available to administrative support personnel. Please note that unposted concur Procard or travel documents do not individually display in SAP.

**What are the most used resources associated with open items?** Below is a small sampling of quick reference cards to assist with open items.

- [ZCOSOBJ](#) Employee Cost Distribution Objects (t-code)
- Regular faculty and staff [payroll encumbrance 9016 infotype](#)
- Concur – [Tracking and Reporting on All Expenses Related to a Trip](#)
- Concur – [Workflow and Report Tracking](#)
- Concur – [Tableau Travel and Expense Management Report](#)
- [ME2K](#) Purchase Orders (t-code)
- Cost Transfer – [Online JV Process](#)
- [Subcontract/subaward purchase order T-codes](#)
- Purchasing – [Editing Shopping Carts](#)
- Purchasing – [Open PO Encumbrance Report](#)
- Purchasing – [Creating Goods Confirmations in SAP](#)

**What additional resources are available?** There are several web pages and guidance documents, including a few more QRCs available. The resources, many from central offices, encompass a variety of topics, guidelines and procedures.

- Open Items (Presentation from Sponsored Projects Bits & Pieces) [pdf](#) and [video](#)
- [Account Reconciliation Toolkit](#)
- [CDEM](#)
- [Payroll Services](#)
- [Project Payroll Confirmation and Sponsor Salary Cap](#)
- [Concur Travel and Expense Management](#)
- [RFS Financial Administration](#)
- [Cost Transfers](#)
- [Cost Share Funding](#)
- [Subaward Invoices](#)
- [Purchasing/Procurement learning and training resources](#) (myUK login required)
- IRIS Training – [Materials Management](#)
- IRIS Training – [Grants Management](#)
- IRIS Training – [Position Budget Control](#)

**Have you heard about the FAST courses?** Finance and Administration Specialized Training ([FAST](#)) program are training segments on specific topics related to financial management. Several topics correlate to open items.

**Additional Resources:**

- RFS: <https://www.uky.edu/ufs/research-financial-services>
- OSPA: <https://www.research.uky.edu/office-sponsored-projects-administration>
- CGS: <https://www.research.uky.edu/collaborative-grant-services>
- BPM: <https://www.uky.edu/ufs/business-procedures-manual>
- Sponsored Project Bits & Pieces Presentations: <http://www.uky.edu/ufs/sponsored-projects-bits-pieces-presentations>
- Uniform Guidance (UG): <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>