

Payment methods:

A. Overview of AcctSum schedule

Refer to Award letter and Fund Requirement for any instructions for financial reporting requirements as well as Research Accountings Account summary Excel spreadsheet titled “acctsum”.

The acctsum schedule is used for several administrative functions. It provides Index Number, method of payment, Sponsor, Start Date, Tem Date, CGS, PI, Contract #, Indirect cost rate applied, and Budget. There is a tab for managing the Ben Franklin Indexes. There is separate schedule (tab) for reporting requirements including if Federal SF 272 or SF 269 SF425 forms are required, when final invoice is due after termination, etc.

A method of payment is established in the award letter of a sponsored research project between Lehigh and an external entity. An external entity can be a Federal, State, local, Foundation or private entity.

The method of payment will determine how the Grant is setup in FRMFUND which in turn determines the entries made when Banner process FRRGRNT is run. The RABM attribute is used to identify the Method. Method of payment consist of each the following:

B. Cost Reimbursement Letter of Credit:

NSF, HHS, Dept of Education, Department of Energy, Department of the Interior, Department of Labor, the EPA, and the Department of Defense (which Includes ONR, AFOSR and DOD) have electronic payment management systems where Lehigh is registered through ACH and is able to request payment for reimbursable expenses related to Sponsored Research and Student Financial Aid. Dominic Wallitsch and Jen Pastor have User Id’s and Passwords for each Payment Management system that enable them to initiate a payment request.

Financial Management for agencies that are setup in Banner as Letter of Credit Drawdowns are managed through the monthly drawdown procedure. Access reports are run by LOC Grants that identify Agency, Index Number, Status, End Date, Ar Code, Acct code, Fund Balance, Budget, Project to date expenses, Project to Date Budget Balance Available, Cash Balance, Receivable Balance and Outstanding Accounts Payables. Reconciliations are done and the drawdown is reviewed and submitted via the Agencies Payment Management System.

Active grants are reviewed semi-monthly and monthly. A mid-month draw is done if expenses occurred are greater than \$100,000. A month end draw is done after each month end closing process cycle.

Funds are wired from the Federal Agency to Lehigh University Banner Index Fund 000001. The Daily Cash sheet is provided via email to Jen Pastor from F&A Ann Marie who is the Coordinator in Finance and Administration (F&A) Office. The F&A Office are in the Alumni Memorial Building. Jen prepares the entry to move the Funds from 000001 to the relevant Banner Fund listed below. An autoloan entry is prepared by Jen Pastor and processed by Dominic Wallitsch to move funds from the LOC payment Fund to the actual award Fund.

Student Financial Aid Index	Student Financial Aid Index Desc
	Direct Loan
	Pell Award
LOC Payment Fund and Account Code	LOC Payment Fund Description
	Dept. - Interior Payment Fund
	DOE Letter Of Credit
	DOL Letter Of Credit
	Letter Of Credit Hhs
	NSF Letter Of Credit
	EPA Payment Fund
	EDUC Letter Of Credit

The Department of Education’s Payment management system is titled G5. Research Accounting requests funds for active federal awards as well as Financial Aid Funds administered by Lehigh University. They include the following:

Lehigh Index	Lehigh Index Desc
	Pell Award
	Direct Loan
	SEOG 73500
	JLD (CWS) Program
	CWSP
	FWS - Comm Service
	FWS - America Reads

Pell and Direct Loan Funds are requested periodically from Jen Mertz, Director of Financial Aid. This request is provided via email to Jen Pastor, Research Accounting Financial Coordinator who accesses the G5 payment management system and draws the requested funds. A copy of the email along with a cover page for approval and the support from the G5 system is attached to an Approval form. The drawdown is reviewed and approved by Dominic Wallitsch, Manager of Research Accounting.

Monthly reports are reviewed for Financial Aid Funds 423082, 423318, 423320, 423323 and 423324. G5 enables Lehigh to drawdown money for funds available from the Department of Education in reference to these funds. Please note, however, there is a limit to funds authorized to these Financial Aid Funds in G5 and Lehigh typically reaches this limit before June 30th. A report from G5 provides the amount authorized and available and this balance is reconciled to the monthly reports prepared by Research Accounting. In Fiscal year 2017, the final draw for these funds was made on April 10-2017.

C. Cost Reimbursement Periodic invoicing

Periodic invoicing is typically done on a monthly or quarterly basis (also, see Scheduled basis below) where Lehigh is responsible for preparing both an invoice and a summary of costs for a specified period. The summary of costs are typically subtotaled by Salary and Wages, Employee Benefits, Tuition, Travel, Materials and Supplies, Equipment, Professional Services, and Indirect Costs. The summary of costs schedules will also provide the Budget, Expenses for the reporting period, and Cumulative expenses to date. Other information displayed on the invoice/Summary of costs statement include Lehigh’s mailing address and contact information, Invoice number, Sponsor Name and contact information, and Award number. (Note, some entity’s may request expenses broken down by additional functional categories and/or additional administrative information for billing purposes.)

Cost Reimbursement Funds are set up in FTMFUND and FRMFUND to book a Grants Receivable (Account code 11560) when FRRGRNT is run.

D. Fixed billing

The award letter billing instructions will provide details on the billing parameters of a fixed billing award contract. The instructions will provide 1) the fixed amount(s) Lehigh is able to request reimbursement for, and the date that Lehigh is responsible to send an invoice requesting reimbursement. The total fixed billing amount will be the same as the total award budget. (Please note, an amount on a fixed billing payment method may not always be the same amount for each fixed billing payment.)

E. Fixed Price:

The award letter’s billing instructions will provide details on the billing parameters of a fixed price award contract. This instructions will provide 1) the fixed price amount(s) Lehigh will receive reimbursement for, and the date that Lehigh should receive reimbursement from the external agency. The total fixed price amount will be the same as the total award budget. (Please note, an amount on a fixed price payment method will typically be the same amount paid for each payment made by the external agency)

F. Scheduled:

The award letter’s billing instructions will provide details on the billing parameters of a contract where scheduled payments are made.

Fixed Price, Fixed Billing and scheduled payment are set up in FTMFUND and FRMFUND to book a Deferred Revenue (Account code 22220) when FRRGRNT is run.

G. Paid in Full:

Lehigh receives full payment of the award through this method of payment before any research has been conducted.

H. Cost Share – Interest:

See documentation on Cost Share procedures and Interest procedures.

I. Billing through ACH

Automated Clearing House (ACH) is an electronic network for [financial transactions](#) in the United States. ACH credit transfers include [direct deposit](#), payroll and vendor payments. ACH is a computer-based [clearing](#) and settlement facility established to process the exchange of electronic transactions between participating [depository institutions](#).

Uses of the ACH payment system

- Bank treasury management departments sell this service to business and government customers
- Business-to-business payments
- Direct debit payment of consumer bills such as mortgages, loans, utilities, insurance premiums, rents, and any other regular payment
- Direct deposit of payroll, Social Security and other government payments, and tax refunds
- E-commerce payments
- Federal, state, and local tax payments
- Non-immediate transfer of funds between accounts at different financial institutions (when a real-time transfer is required, a wire transfer using a system such as the Federal Reserve's Fedwire is employed instead)
- Charitable Donations.

J. Documentation on SPONSORED PROJECT PAYMENTS

PURPOSE:

To establish the authority and responsibility for the deposit of payments for sponsored projects.

Types of Payments:

- ACH/ Wire Transfers
- Checks

POLICY:

1. Research Accounting has the sole authority and responsibility for the deposit of cash received as payment for sponsored projects and along with the Bursar's Office, for the identification and posting of those payments to the appropriate sponsored project fund.
2. Checks and accompanying correspondence received representing payment on sponsored projects must be forwarded to Research Accounting immediately upon receipt.

ROLES AND RESPONSIBILITIES:

RESEARCH ACCOUNTING AND BURSAR'S OFFICE:

- Record the receipt of a payment, identify the proper FUND to post the payment, process journal entry to post payment to proper FUND.
-

