A little over four months ago, the University transitioned to ConnectCarolina. Since then, we’ve all worked hard to learn the new system, a new approach to accounting, and new reporting tools. As we begin our fifth month using ConnectCarolina, we wanted to update the campus research community on several challenges that we are still working through.

The first challenge has to do with managing multi-year sponsored projects. Many of our sponsored projects are awarded in multi-year segments (i.e. a 5-year grant) even though the sponsor may only release a single year of funding at a time. In a situation where we have been awarded a multi-year grant, ConnectCarolina, as currently configured, recognizes the current budget period rather than the entire project period. While the decision to implement funding end dates that prohibit spending beyond the authorized period was a conscious effort to improve compliance with sponsor requirements, we had not anticipated the extent of the ramifications. If there is any delay in getting the next funding authorization from the sponsor - even a day - the project record in ConnectCarolina lapses and the system prevents additional spending on that project. Further, any salaries that are scheduled to be funded from that project continue to be paid, but those expenses are charged to departmental ‘suspense’ accounts, which are departmental F&A funds.

Since go-live on October 1 we have seen a significant amount of salary expense charged to departmental suspense accounts instead of sponsored projects. We are working hard to address this and have both a short-term and long-term plan to do so. In the short term, we will be making some changes to ConnectCarolina to allow many of these sponsored projects to be charged as long as we are still within the multi-year project period and as long as there is budget that the sponsor would approve to be spent. Currently, this change is scheduled to be made by the end of February but we will continue to inform you of any changes in the implementation timeline. It should be noted that if funds are spent that the sponsor does not approve, the department will be expected to cover those costs. At the same time we are working in parallel on a longer-term solution that both affords more flexibility in spending on multi-year awards while ensuring that the University remains compliant with federal and state regulations.

The second major challenge is related to the first and has to do with retroactive salary adjustments. For a variety of reasons the campus needs the ability to retroactively move salary between sources,
e.g., as a result of effort reporting where an individual states that the expended effort is different than the salary paid from a project. In addition, for reasons just discussed, departments may need to move salary and fringe benefit expenses off of suspense accounts to their appropriate sponsored projects.

Retroactive salary adjustment functionality was not available when ConnectCarolina was launched on October 1. Some retroactive salary functionality was released to the campus on November 10 but it is limited. Specifically, retroactive salary adjustments on periods of performance prior to October 1, 2014 can be processed, but most of the adjustments that need to be effected after October 1 cannot be processed.

Planning is underway for a custom solution that will serve campus needs permanently, but given the urgency of this situation, we are working hard on a short-term solution which we hope to make available by the end of February to allow campus units to request retroactive salary adjustments on salary paid after October 1, 2014. **Until this short-term solution is made available, we are advising departments not to process retroactive salary adjustments for salary paid after October 1, 2014.** You may continue to submit retroactive salary adjustments for periods prior to October 1, 2014. We will provide further information on the timing and use of the short-term solution in the next couple of weeks.

We know the past several months have been stressful for both faculty and staff. We want to assure you that the problems referenced above (and others) are known and teams are working hard to address them as quickly as possible, with the most critical issues being addressed first. We appreciate your patience. While the transition period has been difficult at times, we are confident that the ConnectCarolina system will provide better capabilities for UNC and make Carolina stronger in the future.