

SPONSORED PROJECT BUDGET AND EXPENDITURE MONITORING PROCEDURE

When Sponsored Program Accounting receives an award from Sponsored Program Administration, the Senior Accountant creates a fund number and enters the approved budget into the Banner System. All grant expenditures are processed at the department level and are approved by the department head or the designated employee. When a document is entered into the Banner System, the system checks the expenditure against the budget. If budget is not available for the line item or is in excess of total funds available for the award, the document is routed electronically to the Non-sufficient funds queue. A Sponsored Program Accountant reviews the NSF queue on a daily basis. If a document is in the NSF queue, the accountant pulls the project folder to determine if the expenditure can be approved or not. Depending on the constraints of the project, the document is either approved or disapproved. If disapproved, the department is advised that they will need to receive approval from the agency to revise the budget before the expenditure will be allowed. The Sponsored Programs Accountant reviews all federal equipment purchases to ensure the item is approved in the budget.

The Sponsored Program Accounting staff is provided a copy of the cost circulars (including A-21, A-110, Uniform Guidance etc.) to assist them in the review of expenditures. The Assistant Controller, Manager and Assistant Manager are involved in the training of the Sponsored Program Accountants. The cost circulars are also available on the Controller and Treasurer web site under Sponsored Programs Accounting for departmental use. Departmental training is provided periodically.

Principal investigators prepare the research proposals that are sent to the agencies (proposals include preliminary budget amounts, types of expenditures). In addition, Principal investigators and/or Departmental Business Coordinator in the department receive a copy of the finalized contract or grant and related budget between the agency and the University. These individuals are very familiar with the contract and the requirements and have a thorough understanding to determine reasonableness, allocability, and allowability.

Principal investigators initiate purchase requisitions through the Department Business Coordinator in the department. The Principle Investigator and the Department Business Coordinator examine all purchase requisitions to determine if the proposed expenditure falls within the scope and budget and falls during the period of the program. If the department has a question about the expenditure, he or she may call Sponsored Program Administration or Sponsored Program Accounting. If the parties involved are still unsure about whether the expenditure is allowable, he or she may refer to one of the Circulars published by the Federal Government's OMB or contact the sponsoring agency and ask whether the proposed expenditure falls within the parameters of the research grant or contract.

Monthly reconciliations are done at the department level to ensure allowable expenditures are posted to the sponsored fund.

Cost overruns are identified during preparation of the final invoice and or financial report provided to the sponsor. Cost overruns are covered by departmental funds.

Last update: 05/23/2017 by Assistant Controller for Sponsored Programs Accounting

