

### Policy Statement

To comply with OMB “Uniform Administrative Requirements, Cost Principles and Audit Requirements,” Principal Investigators (PI) of externally funded grants or contracts are required to review their grant and contract accounting units on a **monthly basis**. The monthly review is designed to ensure that all expenditures are allocable, allowable and reasonable and that any errors or discrepancies are corrected in a timely manner.

The Principal Investigator (PI) is the primary person responsible for the fiscal management of the grant or contract. The PI may delegate some of the duties associated with the financial management to a department or grant administrator. However, the delegation of tasks does not shift the obligations of the PI and the PI assumes full fiscal responsibility for all activity within the grant or contract.

On a monthly basis, the Business Office provides information in regards to how much funds are available. The PI is able to review summary and detailed expenditure reports through online reporting via ARCHES and the PI is responsible to perform a thorough review of the expenditures on each grant or contract. If needed the PI can request additional information from the Business Office.

### Procedures

Expenditure reports, prepared and issued by the Business office, serve as the official record of project expenses. On a monthly basis, the following expenditure reports are provided to both the PIs and, depending on reporting access, department administrators (via online ARCHES reporting service):

- **Grant Summary Report** – a summary of activity that provides a comparison of budget to actual expenditures, including pending commitments and the available balance as of month-end.  
Provided via email by the Business Office
- **Grant Non-Payroll Detail** – a list of all non-salary transactions charged to the grant or contract for the given month (i.e. supplies, travel, fringe benefits, indirect costs, etc.). Provided via online access.
- **Grant Payroll Detail** – a list of all monthly salary expenses and year-to-date totals by employee.  
Provided via online access.

The review of the monthly reports should ensure the following:

- All costs assigned to an accounting unit are allowable, allocable and reasonable
- All costs charged to the grant or contract directly benefit the project
- Expenses incurred on the grant or contract are within the project period; exceptions may be made in the event that the sponsor authorizes pre-award costs

- No unallowable or unauthorized expenses were charged
- All budgeted personnel working on the project are being correctly charged to the grant or contract
- Salaries charged to the grant or contract represent only those of employees working on the program
- Spending levels are on target, i.e. funds are being allocated in such a way that all research objectives can be met
- Funds are expended in accordance with sponsor and University policies
- Immediate action is taken to resolve errors identified during the review process

It is expected that the PI or his or her delegate will review the fiscal status of his or her grant or contract(s) monthly and promptly correct expense transactions that are incorrectly recorded. Departmental personnel are responsible for preparing and submitting the cost transfer request with the knowledge and approval of the PI. Cost transfers should be submitted to the Business Office upon identifying the error and no later than 90 days after the end of the month in which the expense was incurred. Any cost transfer request in excess of 90 days from the close of the month in which the expense was incurred will require the approval of the Controller, and will only be allowed on a limited and exceptional basis.

### **Payroll Review Process**

The PI is responsible for reviewing and approving time under the NSF job codes within TimeClock Plus (the College's timekeeping software). The time keeping software is configured to only allow assigned supervisors (in this case the PI or their assigned department or grant administrator) to approve employees under their supervision and under their assigned job codes. The only exception to this rule is for administrators within the Human Resources or Payroll Departments. The Human Resources or Payroll departments will approve time that has been approved via another means (telephone, email, etc) by an authorized supervisor (the PI, department or grant administrator).

The PI is responsible for reviewing both student employees and non-exempt employees that have provided direct work for the grant or contract. The PI completes the review of employee timecards within the time keeping system every Monday. This is the Monday following the work being completed (ie the time clock system runs from Monday through Sunday). The approval and review process is closed by the Payroll Department on Tuesday. After the time clock system is closed, the Payroll Department conducts a second analysis of all employee time for the College by reviewing exception reports. These exception reports include long shifts, overtime, requested leave, short term disability, etc. During this validation process, the PI may be contacted in regards to various exceptions and may be asked to confirm the accuracy. The PI is given the opportunity to request changes during this weekly process.

If an expense is not caught during this process and is subsequently identified then the PI can submit a Cost Transfer to the Business Office upon identifying the error.