

University of Richmond Grants Expenditures Policy & Procedures

Expenditure Approvals Policy

Approval of grant expenses

All expenses charged to a grant must be approved by the PI and the Grants Accounting Manager or Director of Accounting. Written and electronic approvals will both be accepted.

Verification of expenses

All expenses charged must be reasonable, allocable, allowable and within the time frame of the grant. Circular A-21 Section J and grant documentation, such as the budget justification, will be used to determine allowable expenditures. A budget report will be sent to the PI on a monthly basis for review by the PI to ensure accuracy.

Purchase order requirement

If a Purchase Order is created without a requisition, then the PI and Grants Accounting Manager or Director of Accounting must approve the purchase order. If a purchase order requisition is completed, the PI and the Grants Accounting Manager or Director of Accounting must approve the requisition. In both cases, written or electronic signatures will be accepted.

Expenditures that are \$5,000 or more must have purchase order.

- 1) For Expenditures that are \$25,000 or more the P.I. will work with the Strategic Sourcing Manager to solicit a minimum of three quotes from three different vendors or use a Sole Source Document.
- 2) Expenditures that are between \$5,000 and \$24,999 must have at least three quotes from three different vendors or a Sole Source document.

Sole Source Documents

When a piece of equipment is so specialized that only one company produces it and the PI would be unable to obtain more than one quote, then a sole source document must be completed and signed by the PI.

Expenditure Approvals Procedures

The PI is responsible for all expenses applied to a grant. Expenses can be applied to a grant in one of four ways: invoice, check request, purchasing card, and internal charge. In each instance the PI or his/her designee must initiate each process.

Invoices & Check Requests

When the PI or his/her designee makes a purchase which results in an invoice, the invoice is sent directly to the PI by the vendor. The PI or his/her designee reviews the items for which he/she was billed. Once the invoice is verified the PI codes the invoice with his/her grant index number and account code to charge within the grant. The PI also signs the invoice and then sends it to the Grants Accounting Office for approval.

Check requests are used when reimbursement needs to be made. An example of this would be travel expenses. The person seeking reimbursement would complete the check request form and code the expense to the grant index and account code. The check request is then given to the PI for verification and approval. If the PI agrees that the expense should be charged to the grant, the PI will sign the check request form and then send it to the Grants Accounting Office.

The Grants Accounting Office reviews the invoice or check request to ensure the items being charged to the grant are within the time frame of the grant, reasonable, allocable, and allowable on the grant. The Grants Accounting Office uses the grant documentation and Circular A-21 during the approval process to ensure compliance.

If the charges are allowed, the Grants Accounting Manager or Director of Accounting will sign the invoice or check request and then passes it to the Accounts Payable Office for processing. Once the invoice or check request is processed by Accounts Payable, the invoice or check request is placed in a folder with all other grant invoices and check requests processed for the day. Twice a week, the day before the Accounts Payable check run, the folder is brought back to the Grants Accounting Manager or Director of Accounting. The Grants Accounting Manager or the Director of Accounting goes into the approval screen on Banner and each of the invoices or check requests in the folder will be on the

approval screen awaiting verification and approval. The Grants Accounting Manager or Director of Accounting verifies that the data has been entered correctly by Accounts Payable. Catching any keying errors at this step removes the need for a cost transfer during the review of the monthly budget report. If the data has been keyed correctly and if the invoice or check request has both approved signatures belonging to the PI and the Grants Accounting Manager or Director of Accounting, then the Grants Accounting Manager or Director of Accounting will approve the invoice or check request on Banner and a check will be cut during the check run on the following day. If there are errors, the Grants Accounting Manager or the Director of Accounting must work with the Accounts Payable staff on a correction before the invoice or check request is approved and a check is cut to the vendor or employee.

If the PI sends the invoice or check request directly to Accounts Payable for processing instead of sending it to the Grants Accounting Office, the Grants Accounting Office will still receive the invoice or check request from the Accounts Payable Office by way of the grants invoice folder. The Grants Accounting Manager or Director of Accounting will at that time review the invoice or check request as stated above. If the data is entered correctly on Banner and if the expense is reasonable, allocable, allowable, and within the time frame of the grant, the Grants Accounting Manager or the Director of Accounting will sign the invoice or check request and approve it for check processing on Banner. If there are any errors or questions, the Grants Accounting Manager or the Director of Accounting will work with the PI to resolve any issues before approving the invoice or check request for payment. If it is found to be unallowable, the Grants Accounting Manager or the Director of Accounting will change the index and account code written on the invoice or check request to the responsible departmental index and account and not allow the charge to the grant. The Grants Accounting Office will have the Accounts Payable Office correct the data in Banner. Once the corrections are made, the Grants Accounting Manager or Director of Accounting will approve the invoice or check request on Banner and a check will be cut.

Purchasing cards

A PI may request a purchasing card for his/her grant. The purchasing card is a credit card that the PI or his/her designee may use for purchases. If the credit card will be used exclusively for the grant, the card can be coded so that all the charges are applied to the grant index number. If the card will be used for departmental purchases as well, two or more index numbers can be assigned to the card. All charges made to the card are reviewed on-line on a weekly basis by the PI. The PI reviews the charges to ensure all charges assigned to the grant index number belong on the grant. When reviewing, the PI may reassign the charge to another index and any account code while on the website. The charges are downloaded by the Accounts Payable Office on a weekly basis. At the end of the month, the PI downloads the statement and the transaction report from the website. The PI will attach all the invoices for the month to the statement and the transaction report. The PI will review the final statement for accuracy and if all charges have been assigned correctly the PI will sign the first page of the statement as proof that the charges have been reviewed and are correct. The statement, the transaction report, and all the invoices are sent to the Grants Accounting Office for review. If all the charges are reasonable, allowable, allocable, and within the time frame of the grant, the Grants Accounting Manager or Director of Accounting will also sign the first page of the statement and pass the approved statement on to the Accounts Payable Office. The Accounts Payable Office will audit the reports and then scan them into the University's imaging system. If the statement is sent to the Accounts Payable Office before it is sent to the Grants Accounting Office, Accounts Payable will send the statement back to the Grants Accounting Office for review and signature. If any errors are found, the Grants Accounting Office will notify the PI of the error and work with the PI to have the charge moved to the appropriate departmental index instead of charging the grant.

Internal Charge

If the PI uses a service department on campus, such as the print shop, for his/her grant an internal transfer will be done to charge the grant and move the funds to the appropriate service department on campus. The PI must initiate the process

and give their grant index number to be charged. The charging department will either send a journal entry to the Grants Accounting Office or they will key the entry themselves. Entries sent to the Grants Accounting Office will be given to the Grants Accounting Manager or Director of Accounting for review. If the charge is reasonable, allocable, allowable and within the time frame of the grant, the Grants Accounting Manager or Director of Accounting will sign off on the entry and it will be keyed into Banner. If the entry is keyed by the office charging the expense, the entry will stop in a Banner Approval Screen waiting for approval from the Grants Accounting Manager or the Director of Accounting before it is posted to the grant. The Grants Accounting Manager or the Director of Accounting will review the grant to be sure the charge is reasonable, allowable, allocable and within the grants time frame before approving.

Monthly Verification

The Grants Accounting Office sends a budget report showing all expenses charged to a grant to the PI once a month. The PI is asked to review all expenses charged to the grant for the previous month. If any errors are found, the PI is to circle the expense and make a note of the error on the report before signing the report and sending it back to the Grants Accounting Office. The Grants Accounting Office reviews each report sent back for any notes from the PI. If there is an error the Grants Accounting Office works with the PI to correct the error. If a cost transfer needs to be made, the signed budget report is used as backup to support the cost transfer. If all expenses charged to the grant are correct, the PI simply signs the report and sends it back to the Grants Accounting Office. The Grants Accounting Office tracks all reports sent and those which are received back. If a PI does not send their report back within 30 days, the Grants Accounting Office will follow up with the PI and requests that the report be reviewed and sent back.

Note: All signatures/approvals will be accepted in both written and electronic form.

(last reviewed and updated 10/05/10)