



East Stroudsburg University

Budget and Expenditure Monitoring Procedure for Sponsored Activities

Purpose

The purpose of this procedure is to ensure that East Stroudsburg University adheres to and complies with sponsor agency guidelines and/or regulations regarding budgets and expenditures of grants, contracts, and other sponsored projects. This procedure applies to all University faculty members and other employees who perform research, educational services, or other activities by a grant, contract, or other sponsored agreement.

Definitions

Principal Investigator (PI) – In the context of funding from sponsored agencies, the principal investigator is the person who has the appropriate level of authority and responsibility to direct the project or program supported by the grant. Not all agencies may use the term “principal investigator” but may use the term “project director,” which has the same definition as described above.

Small Purchase – Purchase of services that are less than \$600, or goods that are less than \$1,500 and are either purchased via Procurement Card or through a direct order by the PI to the vendor.

Procedure

The most important tools for monitoring the progress on a grant are reports. The following SAP and Business Intelligence reports are available to the PI:

- Budget Status Summary
- Budget Allotment Details
- Encumbrance Details
- Actual Operating/Transfers/Capital
- Revenue Details
- Travel Expenditure Details
- Student Employment (PPE Detail)
- Actuals – Trend
- Accounts Payable Payments
- Grant Report

The PI of the grant can request read-only access to the accounting system and/or Business Intelligence to review progress against the budget or request a hard copy of the reports from the Grant and Compliance Accountant. The PI should check the progress against the budget no less than monthly. The Grant and Compliance Accountant also reviews the progress against the grant through ongoing monthly reviews.

An expenditure request that is entered into the University’s accounting system (SAP) will only be accepted by SAP if there are funds available. SAP availability control precludes incurring

obligations in excess of total funds available. Once a requisition is entered in the system and charged to a grant, it is routed to the Grant and Compliance Accountant who reviews the expenditure to determine whether it is within budget and if the cost is allowable prior to releasing the requisition for processing (approving). If the expense is unallowable, the Grant and Compliance Accountant will reject the requisition and have the PI re-submit the charge to an alternate fund. If a portion is unallowable, the PI will need to re-submit the requisition charging only the allowable cost to the grant, and the unallowable cost to an alternate fund.

All invoices must be approved by the PI and Grant and Compliance Accountant prior to payment, whether small purchases that are made through direct charge, or orders placed through the SAP requisition process. Unallowable costs are treated in the same regardless of purchasing method.

If there are cost overruns or unallowable expenses, the Grant and Compliance Accountant and/or PI will identify them during the review process. Cost overruns and/or unallowable expenses must be reclassified via a journal entry to an alternate fund by the Grant and Compliance Accountant. See Cost Transfer Procedure for Sponsored Activities.