1.0 GENERAL INFORMATION

1.1 Review and approval of sponsored project expenditure requests is a crucial process in the administration of sponsored programs. Costs must be in accordance of the approved budget and must meet the allowability test. Four general tests for allowability of costs are:

- Cost must be reasonable;
- Cost must be allocable to sponsored agreements under the principles and methods provided in the circular;
- Costs must be given consistent treatment through the application of generally accepted accounting principles appropriate to the circumstance; and
- Cost must conform to any limitations or exclusions set forth in the Circular or in the sponsored agreement as to types or amounts of cost items.

1.2 If an expense does not meet the above criteria, it is not eligible for inclusion in the indirect cost rate, regardless of the purpose. These costs must be identified and considered unallowable by the Principal Investigator and the Office of Sponsored Programs. The Contracts and Grants Office also reviews the award and fiscal reports when preparing financial reports to verify that all charges are allowable in accordance to the specified agreement.

1.3 All expenditure requests from sponsored projects have to be reviewed and approved by the Office of Sponsored Programs (OSP), prior to their referral to the processing area.

1.4 The average turnaround period is three business days for review, approval/denial and referral of the document to appropriate area.
2.0 DEFINITIONS

2.1 Non-Payroll charges are goods, equipment, and travel charged to a sponsored research project.

3.0 RESPONSIBILITIES

3.1 Principal Investigator is responsible for determining that there is a need for goods, services and equipment to meet the requirements of the sponsored project. He/she is also responsible for submitting the request to encumber the funds and for identifying any unallowable costs and ensuring that these requests are not forwarded to the Office of Sponsored Programs for review.

3.2 Office of Sponsored Programs (OSP) is responsible for the review and approval of proposed goods, services, equipment and travel costs according to the sponsoring agency’s guidelines, the sponsoring agency’s approved budget, contract terms and conditions, as well as applicable state and other federal regulations and laws.

3.3 The Purchasing Office is responsible for procuring the goods, services and equipment and determining conformity to University’s procedures. The Purchasing Office is also responsible for ensuring proper management and retention of documents.

3.4 The Controller’s Office (CO) is responsible for procuring travel requests, processing cost transfers and processing all vendor payments in accordance with University policies and procedures.

3.5 The Office of Contracts & Grants is responsible for invoicing the sponsoring agency and preparing/submitting all fiscal and financial reports to the funding agency.

3.6 Training Team is responsible for the development and coordination of training on regulatory requirements for all individuals with responsibilities in the review and approval of non-payroll expenditures charged to sponsored projects, including but not limited to PIs, OSP staff, C&G staff and grants administrators.

4.0 PROCEDURES

4.1 GENERAL PROCEDURES

4.1.1 Review approved budget and agreement to determine allowability of cost.

4.1.2 Review the “Consistent Treatment of Direct and Indirect Costs of Sponsored Agreements” documents to determine whether the purchase of goods or equipment is allowable.

4.1.3 Review of available balances through PeopleSoft (PS).

4.1.4 All expenditure requests must be signed/approved by the Principal Investigator (PI). TAR’s must also be signed/approved by the traveler’s supervisor.

4.1.5 To purchase equipment the PI must provide quotes, as indicated in Section 3.2.

4.1.6 If the document cannot be processed, the staff must call the PI and let him/her know that the expenditure request will be returned. Explanation for the decision to return must be provided to the PI.

4.2 EQUIPMENT

4.2.1 Purchases of equipment from $1,000 to $4,999 require two quotes; from $5,000 to $24,999 require 3 quotes; over $75,000 competitive solicitation or Sponsored Research Exemption.
4.2.2 Equipment should be purchased 60 days prior to the ending date of the agreement, without prior approval of sponsoring agency.

4.3 **GOODS**
4.3.1 All requisitions accompanied by an invoice require an After-the-Fact justification.

4.4 **TRAVEL AUTHORIZATION REQUESTS (TARs)**
4.4.1 TARs must also be signed by the supervisor.
4.4.2 TARs paid from grants/contracts from Florida State Agencies for out-of-state, require prior approval from the agency. The PI is required to complete a form prior to the trip.
4.4.3 Requests for advance travel funds must be received by the University Travel Office at least 14 working days prior to the departure date.
4.4.4 All foreign travel must have prior approval from the funding agency, FAMU Office of International Services and FAMU President.

4.5 **REIMBURSEMENT VOUCHERS (OTHER THAN TRAVEL)**
4.5.1 A justification letter is required for the approval of Reimbursement Vouchers.
4.5.2 Original receipts are required.
4.5.3 Maximum amount of $100.

5.0 DISTRIBUTION OF DOCUMENTS

5.1 To return documents, the staff will either place them in the pick-up tray in the front desk or refer them to the Grants Specialist to mail them back to the PI. Pick-up documents must be entered by the staff as returned in the Tracking System. Documents returned through campus mail must be accompanied by a return letter, signed by the OSP Director, using the template in the DSR-Tracking System/FAMRATS.

5.2 Approved/disapproved expenditure requests are referred to the Grant Specialist for distribution to the different areas.

6.0 RECORDS

6.1 The appropriate record retention guidelines should be followed for the retention and disposition of documents. Generally, documentation should be maintained for three years following the submission of the final financial report unless sponsoring agency requires it to be maintained for a longer time period.