

<b>Policy Number</b>	305.001
<b>Policy Title</b>	GRANT ACCOUNTING POLICY
<b>Responsible Officer</b>	Chief Financial Officer
<b>Responsible Office</b>	Chief Financial Officer
<b>Summary</b>	The following policy outlines proper management of sponsored agreements to meet the fiduciary responsibilities of the University.
<b>Definitions</b>	<b>Project Manager</b> – Person charged with conducting the activity proposed, <b>CFO</b> – Chief Financial Officer.
<b>Approving Body</b>	Academic Council; Administrative Council
<b>Approval Date</b>	Aca C – 11.06.2017; Admin C – 10.09.2017 Aca C – 09.13.2024; Admin C – 09.11.2024
<b>Last Revision</b>	September 2024
<b>Re-evaluation Date</b>	Fall 2028
<b>Departmental Impact</b>	Accounting, University

*Failure to follow the following policy may result in disciplinary action, including termination of employment.*

### **Policy Statement**

Employees of the University may seek funding from sponsored awards. A sponsored award must come from external sources of funding (outside of Columbia International University). Sponsor’s awards will require that certain guidelines must be met. These guidelines are typically related to expenses within the project. In order to facilitate the strict nature of financial guidelines imposed by award sponsors, Grant Accounting policies and procedures must be followed.

It is the responsibility of the Project Manager to be well versed in the rules and regulations of the sponsor. The Project Manager will have technical and fiscal responsibility for the project. Failure to comply with the terms and conditions of the grant may be grounds for termination of the project.

### **Rationale**

Projects that are sponsored by outside sources are not funded by the University. Failure to comply with strict rules, regulations and financial reporting may result in termination of the project funding by sponsors. The aftermath of such termination of funds may leave the university exposed to financial or contractual obligations that it is not ready to meet. It is imperative that employees intending to seek sponsor awards adhere to the University procedures to protect Columbia International University and themselves.

### **Policy Procedures**

The accounting department’s responsibility in relation to the project subject to a sponsored award, lies with stewardship support to the Budget Officer of such project.

### **Responsibilities**

The grant accounting policy objective is to make sure that financial matters are completed and in full compliance with Columbia International University’s policies and procedures as well as the sponsor requirements.

Accounting Office responsibilities related to the stewardship of projects are as follow:

1. Establishing a project code for the new award and notifying the Project Manager and Budget Officer of the project code.
2. Facilitating budgetary activities of restricted funds. This includes approval of requisitions, purchasing card expenses and other forms of payment authorizations.
3. Preparing and making available financial reports and expenditure documentation in a timely manner as required by sponsor.
4. Monitoring of project award account numbers to prevent over expenditure.

5. Closing expired restricted projects and properly disposing of any remaining balances.
6. Assist with all external audits and reporting related to the restricted project.

Budget Officer Responsibilities are as follows:

1. To supervise Project Manager in fulfilling their responsibilities.

Project Manager Responsibilities are as follows:

1. Making sure that all sponsored award expenses are reasonable, allowable, allocable and timely.
2. Submitting proper documentation with all requests for payment.
3. Making sure we are fully compliant with all cost-sharing commitments and providing proper documentation of such.
4. Exercising oversight of project budget to prevent over expenditures.
5. Performing periodic reviews of project transactions and notifying the accounting office of any discrepancies.
6. Preventing conflict of interest.
7. Aid the accounting office as requested.

### **Account Number Procedures**

1. Every restricted project is accounted for separately within our budget system.
2. The project code will not be created until the grant has been awarded. No expenditures for a project funded by a sponsored award will be approved until the award is fully executed. If expenditures were to be approved before the grant has been executed the organization would be at risk of occurring unreimbursed expenses.
3. In rare circumstances and with the approval of the CFO, account numbers will be created for projects that do not have an executed award because of paperwork delays. Proper documentation and an agreement in principal between the sponsor and Columbia International University must be obtained before this can be done.

### **Control Procedures**

1. The Budget Officer of each division will review monthly project code reports to monitor revenues and expenses of restricted projects. The Budget Officer will analyze the restricted projects for certain variances:
  - a. Over expenditures compared to budget
  - b. Expenses vs. revenue
  - c. Overall balance of project and percentage of budget used at period end
  - d. Correct account numbers used for expenditures and revenue
2. As a result of the project analysis the Budget Officers will contact the Project Managers to discuss any variances.

**Hyperlinks** [www.ciu.edu/policy](http://www.ciu.edu/policy)

“WKU Policy & Procedure Document: Grants and Contracts Accounting – General Policies and Procedures”, [www.wku.edu/policies/docs/233.pdf](http://www.wku.edu/policies/docs/233.pdf), (May 16, 2016) “Grants & Contracts Accounting: General Information”, [policies.gatech.edu/business-finance/general-information-0](http://policies.gatech.edu/business-finance/general-information-0), (September 2016)