

Finance & Operations Policy FO-ORA-08
Budget and Expenditure Monitoring Policy

Upon notification of a new award Sam Houston State University (SHSU), Office of Research Administration (ORA) will assist the PI in monitoring project sponsored budgets and expenditures in accordance applicable guidelines. Applicable guidelines include but are not limited to: Uniform Guidance, sponsor requirements, university policy and terms and conditions of the grant or contract agreement.

Principal Investigators (PI) will be required to monitor sponsored project budgets and expenditures throughout the life of the grant or contract ensuring that budget and expenditure requirements are allowable, allocable, and reasonable in accordance with the sponsor's requirements.

Reviewed by: TSUS (03/20/2013)
Cabinet (01/22/2013)
Susan Hurley, Manager, Research Administration (7/23/2018)
Amanda Withers, Controller (7/23/18)

Next Review: As Needed

PROCEDURES TO POLICY FO-ORA-08

1. Expenditures charged to sponsored projects must be reasonable, and allowable and allocable costs.
2. Principal Investigators (PI) will be required to monitor sponsored project budgets and expenditures throughout the life of the grant or contract ensuring that budget and expenditure requirements are allowable in accordance with the sponsor's requirements.
3. The Office of Research Administration (ORA) will assist the PI to ensure, that all projects meet the sponsor's terms and conditions related to the sponsor's approved budget and the project expenditure.
4. The ORA will assist the PI with determining the allowance or disallowance of expenditures for the project. The ORA will use the following process to review and approve expenditures:
 - a. Review all requisitions, invoices and vouchers to ensure expenditures related to the grant are allowed according to the approved budget and budget justification for allowability.
 - b. Provide guidance to PIs on direct costs expenditure categories that are not allowed, per the sponsor.
 - i. ORA will request from the sponsor an approval of direct costs not initially budgeted, if required by sponsor, or if deemed necessary based upon reasonableness, allowability, and allocability of costs.
 - c. Ensure Facilities and Administrative Costs (F&A) are properly charged based upon the terms and conditions of the grant.
5. The ORA will assist the PI with ensuring charges are reflected in the correct budget categories. The ORA will use the following process to implement budget control:
 - a. Review all budget categories to ensure the approved budget does not exceed the category.
 - b. Notify PIs that a budget category has been exceeded.
 - c. Assist the PI with ensuring direct and indirect costs expenditures are properly charged.

Sub-Contract Monitoring

As a condition of award acceptance, Sam Houston State University (SHSU) is obligated in its role as the primary recipient to comply with federal, state, and local regulations. The primary recipient and the sub recipient are responsible to the sponsor for the management of funds and for meeting performance goals; however, the monitoring of technical and financial activities associated with a subrecipient is a major responsibility of the University, in particular the PI and ORA.

1. The PI will monitor costs and activities of subrecipients as appropriate to confirm that funding provided to the subrecipient is used for the purposes authorized in the negotiated agreement and that performance goals (scope of work or specific aims) articulated in the scope of work are achieved.
2. The ORA will assist the PI with monitoring costs activities of subrecipients as appropriate to confirm that funding provided to the subrecipient is used for the purposes authorized in the negotiated agreement.
3. SHSU will require each sub recipient to permit the sponsor and/or the University and its auditors to have access to the subrecipient's applicable records and financial statements, as necessary.
4. SHSU will advise subrecipients of the requirements imposed on them by federal laws, regulations of the flow-down provisions of the prime contract or grant agreement and any supplemental requirements imposed by the University.
5. Subrecipients must submit to the Sam Houston State University's PI and ORA office timely and accurate invoices, financial and technical reports.
6. The Subrecipient must submit a budget and budget justification for each funding year of the grant or contract.
7. The Subrecipient must request to SHSU's ORA and SHSU's primary PI in writing for any budget changes needed for the grant.
8. The Subrecipient must make a request in writing to SHSU's primary PI for changes needed to the scope of work. The scope of work changes must be submitted to the ORA.

Approval Procedures:

1. All requisitions, invoices and vouchers will be prepared by the PI or PI's designated assistant.
2. All requisitions will be reviewed and approved electronically in the University's accounting system by the applicable university official.
 - a. Office of Research Administration
 - b. Controller's Office
 - c. Vice President for Financial Services
 - d. University President
3. All invoices/vouchers will be reviewed and approved manually or electronically by the applicable university official. The PI must sign all manual documents.
 - a. Office of Research Administration
 - b. Controller's Office
 - c. Vice President for Financial Services

d. University President

Approval Limits:

4. The ORA accountants will approve requisitions, invoices and vouchers with a dollar amount of no more than \$20,000.
5. All requisitions, invoices/vouchers greater than \$20,000 but not more than \$50,000 must be approved by the Research Administration Manager.
6. All requisitions, invoices/vouchers above \$50,000, but not more than \$750,000 must be approved by the Associate Controller or Controller.
7. All requisitions, invoices/vouchers above \$750,000 must be approved by the VP for Financial Services and the University President.