

College of Medicine Non-Compliant Grant Transaction Transfer Process

Beginning in FY20, grant financial transactions determined to be non-compliant per sponsor guidelines and University rules/regulations will be transferred/removed from the grant via journal voucher to the responsible unit's departmental indirect overrun account.

The process will only be used for what the College of Medicine Sponsored Research Administrative Services office determines to be non-compliant unallowable expenditures, per University procurement procedures, sponsor policies, and college-level consideration of the expense circumstances. Cost transfers will only be made to the indirect overrun account. This process will not address over budget situations on grants. No cost transfers will be made to the direct overrun account.

As transactions are identified, the following individuals – based on details that are readily available -- will be notified via a standard email of the concern:

- Individual who initiated the transaction
- All approvers of the transaction in the electronic workflow
- Procard holder
- PI of grant where the expense has posted
- Dept./Center Administrator or delegated business officer for responsible unit of the grant
- Dept. Chair/Center Director for responsible unit of the grant

SRAS will create the JV to transfer the charge to the indirect overrun account of the responsible unit. A copy of the JV will be provided to:

- PI of grant where the expense has posted
- Dept./Center Administrator or delegated business officer for responsible unit of the grant

This will not apply to the use of an incorrect general ledger (g/l) expense account number provided for the transaction, unless by correcting the expense account number it would result in the expense being considered unallowable.

For example, if a lab coat purchase is processed as a lab supply, this is not the correct g/l expense account. To correct the g/l expense account would result in the charge being unallowable without a budget revision, so the charge would be moved to the indirect overrun account.

Note that if a budget revision would be needed to make the expense allowable, it will be removed until a budget revision can be prepared and submitted to OSPA for review and consideration. As budget revisions are expected to be requested before expenses are incurred, instances of this occurring would only be pursued in extenuating circumstances.

This process will apply to overtime charges if a cost center is not provided within 60 days of when the overtime is incurred. SRAS will send proactive emails to the DA each month for the previous month's overtime charges.

This process will apply to recharge and service center if backup isn't provided with 60 days of when the charges are incurred. SRAS will send proactive emails to the DA each month for the previous month's recharge and service center charges.

SRAS will follow the University's policy for cost transfers, BPM Appendix 2.

Expenses moved to this cost center may be transferred to another non-sponsored cost center. Completion of JVs to move expenses from the indirect overrun account will be the responsibility of the department/center.

A sample list of unallowable items that will be removed follows.

College of Medicine
Sponsored Research Administrative Services
Examples of Costs Unallowable as a Direct Charge

(Not an all-inclusive list)

- Seat upgrade fees unless these follow UK Travel Policy
- Kentucky State Sales Tax
- Meals charged on hotel folios
- Airfare change fees
- Inappropriate meal charges (ex., spouses of speakers/consultant)
- Meal per diems outside of travel policy
- Transportation costs to/from meal location unless prescribed by the conference
- Split travel costs without consistency of the allocation
- Hotel folios without traveler's name included
- Group meals that don't include an invitation with the meeting's purpose, agenda, and attendee roster
- Alcoholic beverages
- Entertainment
- Fines and penalties
- Goods or services for personal use of employees
- Any transaction with incomplete documentation per UK policies and procedures
- Any specific sponsor restricted item
- Any transaction backup that includes evidence of another grant being used for the expense other than the original one selected

Note: If a cost is unallowable as a direct charge, it is also unallowable as a cost shared expense.

References:

OMB Uniform Guidance

UK's purchasing policies guidance, including Procard Policies and Cardholder Manual/Policies

UK's Travel Policy

UK's BPM (including Appendix 3)

Sponsor Guidelines

OSPA Website

RFS Website

7/2/2019