Guidelines for Approvals of Sponsored Financial Transactions

Guidelines

Approvers are a key internal control to ensure financial transactions are correctly recorded. Approvers must review the transaction for accuracy and deny transactions that are incorrect. By approving a transaction, the approver is certifying that they have reviewed the transaction for accuracy, completeness and compliance with external requirements and University policies. Reviews must include:

- the purpose of the transaction is in compliance with University policy
- the expense is allowable, allocable and appropriate
- if applicable, the recipient of the payment is correct
- all general ledger account codes being used are correct
- the amount is correct
- the correct accounting period is used

Approval must be documented if it is not within the SAP Enterprise System. Approval documentation may include any or all of the following:

- Email approval from approver
- Written signature from approver
- Written instructions from approver with signature
- Extra Text Field used in SAP

Sponsored Transactions

Different types of approvals are required by people involved in the process. Principal Investigators (PI) and other research personnel are responsible for the scientific need and allocability of transactions. Business Center and Departmental administrative approvers are responsible for assuring the transaction complies with University, funding agency and governmental regulations regarding the management of the project.

The following grid provides detailed descriptions of what the principal investigator and financial/administrative approvals signify.

Sponsored Transaction Approvals

Type	PI Approval	Financial/Administrative Approval
Allowable	Directly benefits the project scientifically Travel expenses relate to employees contributing to the project	Allowable as a direct charge based on the University's direct/indirect definitions Allowable based on sponsor's project terms Justifications are adequate and compliant with University policy
Allocable	The good or service will be used for the project within the budget period	If applicable, allocation is based on use on the project Cost can be allocated easily with a high degree of accuracy
Reasonable	The purchase is appropriate based on project need	Appropriate purchasing procedures are followed
Funding is available	The purchase fits within the planned spending for the project Spending rate is not excessive	The purchase will not overspend the available budget for the project
Accurate	Assign cost to proper project	Review has ensured: • Correct transaction is used • all general ledger account codes being used are correct • the amount is correct • the correct accounting period is used