



Section 600: Reporting

OSR Policy 600.4 — Accounting for Sponsored Program Expenditures

Responsible Officer:	Director
Responsible Unit:	Financial Reporting and Cash Management
Effective date:	July 1, 2008
Last revised on:	June 1, 2009

Policy Statement

Because sponsored research utilizes funds belonging to organizations other than the University, the Office of Sponsored Research ([OSR](#)) and the administering department work in tandem to provide fully-defined financial information to the sponsoring agency for all required financial reports.

Departments are expected to stridently follow the terms and conditions of the award when spending and recording expenditures. For reporting purposes, the following general standards apply:

- All expenditures must follow the protocols for direct and indirect costs as established in [OMB Circular A-21](#).
- Each line item must be described precisely to ensure funds are being expended properly. This is a requirement of the final report at close-out and is best practiced throughout the life of the project by use of a shadow system.
- No spending is allowable after the end date of an award period. Expenditures must occur within the assigned project period.
- The amount of funding for an established award is finite; thus, overspending an award account is unacceptable.

Financial reports are reviewed by OSR and sponsoring agencies for consistent spending behavior throughout the life of a project. Irregularities in spending habits are susceptible to questioning. To avoid the appearance of erratic or improper spending, it is critical that departments begin incurring expenses immediately and on a regular basis, once an account number is assigned to a project.

In addition, departments are responsible for maintaining and tracking current financial data in FRS and also for items that do not yet appear in FRS. This includes maintaining accurate job titles, establishing categories for specific supplies and coordinating accurate personnel (PD) forms, including the number of hours worked.



OSR is responsible for preparing and submitting reports when they are due to the sponsor on behalf of the PI, utilizing the financial information tracked by the department. This includes providing expenditure summaries explaining how budgeted monies have been used and additional agency requirements, such as requests for draw down of funds and invoices for expenditures. OSR submits financial reports to the sponsor and the administering department.

Reason for Policy

An awareness of the co-dependent relationship between departments and OSR underscores the significant impact each has in producing accurate, timely reports to sponsors, and helps maximize funds efficiently. In addition, this policy provides common protocols for maintaining sponsored award accounts that uphold the integrity of research at UNC Chapel Hill.

Exclusions/Exceptions

1. Overdrafts are unallowable on sponsored award accounts. In such cases, the administering department will be required to pay for overdrafts from departmental accounts.
 2. Program income, the gross revenue earned from activities, which is borne as a direct cost toward meeting cost sharing or matching requirements, must be disclosed in accordance with specific agency requirements on periodical and final financial reports.
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Procedures and Related Policies

Certain variables require careful consideration when working with expenditures because they can affect the accuracy of reporting. The following policies discuss detailed aspects that must be taken into account when preparing data for reporting.

- [OSR Policy 600.5](#) [Effort Reporting](#)
 - [OSR Policy 600.6](#) [PARS \(Personnel Activity Reporting System\)](#)
 - [OSR Policy 600.6 – Pro 1](#) [Establishing and Certifying a PAR](#)
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OSR Research Tool Kits

[OSR Guidelines for Direct Charges to Sponsored Research Projects](#)

Contacts

Questions and concerns can be submitted online at [Ask OSR](#) or by using the [OSR staff directory](#). Within [RAMSeS](#), the “*Speak to Someone*” option assists in locating the staff member best suited to address project-specific issues.



References

 [Research Administration Glossary at Carolina](#)

1. OMB Circular A-21, *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions*, Section C.

Revision History

Prior Revisions: The policies in the *Office of Sponsored Research Policies & Procedures Manual* supersede any OSR policies, procedures and appendices previously included in the *University Business Manual*, a publication of UNC Chapel Hill's [Division of Finance](#).

