

Grants Cost Accounting Procedure

Grants/Contracts accounting for Pacific University is subject to the same monitoring, review and reconciliation process established for the University's regular operating accounts and thus follows the same policy and procedure requirements currently established. Expenditures and funding activity for Grants/Contracts are recorded in temporarily restricted General Ledger (GL) accounts and are isolated from regular operations. A new GL account number is established for each new Grant/Contract and the accounts are closed at the time of completion. If a Grant/Contract identifies a Scholarship award within the document, then a second temporarily restricted GL account will be established to monitor the scholarship funds and these accounts are also closed at the time of completion.

The Principal Investigator (PI) and his/her department Administrative Assistant review their account activity on a frequent basis, with a regular review taking place on a monthly basis. They review the account for budget requirements and to confirm funding and expenditures are recorded accurately. The Administrative Assistant keeps a spreadsheet of the Grant/Contract activity in addition to the University's database and reconciles it formally with the Grant Accountant (Accountant) on a quarterly basis.

The Accounts Payable (AP) and Purchasing departments review each invoice approved for payment. They review them for [allowable costs](#), [non-allowable costs](#), signature approval, Federal and State reporting regulations and other [University policy and procedures](#).

The Accountant then reviews the funding and expenditures of the account on a quarterly basis for accuracy and compliance with the grant's approved budget and OMB guidelines. Where there are variances from the approved budget and actual expenditures, the PI and Administrative Assistant will be notified by the Accountant to identify the variance. Once the variance is identified, the Accountant will follow the [Grant Cost Transfer policy](#). If the budget needs to be adjusted between the funder and the University, the PI will contact the funder, request a change in the budget (in accordance with the funder's policy) and notify the Accountant and Grant Officer when they receive the approval. If it is not approved, the PI will need to contact the appropriate Dean or Director for assistance.

For Federal grants that are funded by the American Recovery and Reinvestment Act of 2009 (ARRA), the PI must submit the cumulative expenditure amount quarterly to the ARRA reporting website. The PI must also submit a progress report to the funder within the requested timeframe.

For specific Federal accounts (USDA, NSF and NIH), additional reporting of the expenditures and cash requests are completed by the Accountant on their respective websites. After careful review and appropriate authorizations, the funds are requested and received into the University's bank account, and recorded to the individual grant accounts. The funds then are released from temporarily restricted status to unrestricted status to cover the expenditures.

The closing of the account indicates that all other narrative progress and final reports have been submitted to the funder. If there are funds remaining in the grant and the PI would like to use those funds, the PI would need to contact the funder and request an extension to spend the remaining funds. If the PI is granted the additional time and approved to spend the extra funds, they must notify the Accountant and Grant Officer with the approval.

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Account number structure – Fund Management

The University’s General Ledger (GL) accounts use a 13-digit account structure, grouped into major categories and sub-categories. Grants, contracts and scholarships also receive a GL tag code “GC”. The GL tag code allows the user to run GL reports for all grants, contracts and scholarships, simply by selecting the GL tag code field and inputting “GC”.

Specific Account Structure of NSF Noyce Fund Accounts:															
Fund Type: Operating Fund		Program #/Budget Area	Program #/Budget Area	Program #/Budget Area	Type of Dept. Activity	Functional Class. Of Dept.	Grant/Fund/Contract/Schol.	Grant/Fund/Contract/Schol.	Grant/Fund/Contract/Schol.	Object Code: Type of Asset, Liab., Net Asset, Revenue or Expense	Object Code: Asset, Liab., Net Asset, Revenue or Expense	Object Code: Asset, Liab., Net Asset, Revenue or Expense	Object Code: Asset, Liab., Net Asset, Revenue or Expense		
							3 digit range 300-599								
1	-	0	0	1	-	0	6	3	5	3	-	X	X	X	NSF Admin. For Noyce Schol. Fund
1	-	0	0	1	-	0	9	4	1	9	-	X	X	X	NSF Noyce Scholarship Fund