

UNIVERSITY RESEARCH FUNDS USAGE GUIDELINES

Introduction

We are pleased that you have been awarded funding (and, in some cases, released time) to support your research, creative activity, or special project.

Whether your funding has come from Eastern Michigan University or some external agency, all awards are considered University funds and must be spent according to University policy and procedures.

Some faculty, especially those who are receiving an award for the first time as an employee of EMU, encounter difficulties in spending their awards. In fact, about 20% of all dollars awarded, both internal and external, are unexpended by the end of the grant period. This money, which could have been used to accomplish the goals of a project, must then be returned to the funding source. We want you to spend your entire award. To that end, we have prepared this document to explain procedures to fully spend your award with the least amount of trouble.

The exact amount of your award is stated in the award letter. If any amounts from your original proposed budget have been disallowed, the reason will be explained here. You are required to spend funds in accordance with the approved budget. If you need to rebudget later, you will need to have the revised budget approved by the Associate Provost & Associate Vice President for Research (AP & AVP for Research).

If you have received a Faculty Research Fellowship (FRF) or Provost's New Faculty Award, the following fund, org, and program numbers should be used on all Direct Pay Forms, Inter-Department Expense Transfer Forms, and Employee Reimbursement & Travel Forms:

Faculty Research Fellowship (FRF)	G00005/116350/20
Provost's New Faculty Research Award	G00005/116300/20

All completed paperwork must be forwarded to the AP & AVP for Research, Academic Affairs, 106 Welch Hall, for an authorized approval signature. Be sure to note the award and year (e.g., FRF Fall 2011) on all paperwork.

Unless you have obtained prior approval for an extension, *funds must be expended within the stated award period*. For Released Time and Cash Only FRFs, University funds must be expended during Eastern Michigan's fiscal year, which runs from July 1 through June 30. For spring-summer support FRFs, University funds must be expended by June 30 of the fiscal year following the award. The Provost's New Faculty Award is awarded on a calendar-year basis and funds must be expended between Jan. 1 and Dec. 31 of the award year.

It is important to expend your award as early as possible in the fiscal year and ensure that accounting paperwork has time to clear before the fiscal year closes on June 30th. New Faculty Research award expenditure paperwork should be received by December 15.

If an expenditure poses a special problem, if a transaction must be completed swiftly, or if you are undecided as how best to expend funds, contact the AP & AVP for Research's office at 487-3201.

The following describes each type of expenditure you are likely to encounter and the steps to follow. If you have questions about procedures or want to know the balance available in your account, call the AP & AVP for Research's office at 487-3201.

Meanwhile, best wishes on a successful conclusion to your project!

Procedures

A. Purchases of goods and services in excess of \$5,000.

While the upper limits of cash funding for internal research awards range from \$3,000 to \$5,000, there are instances where cost sharing with departments/schools may result in a combined payment in excess of \$5,000. In this case, your department/school should initiate the purchase procedure and send an Expense Transfer Form to 106 Welch for our share of the cost.

B. Purchases not requiring a purchase order.

1. Employee Reimbursement

Employees can be reimbursed up to \$300 for allowable *tangible goods* purchases. Employees can obtain reimbursement by completing an [Employee Reimbursement Form](#). Eastern Michigan University is a tax-exempt entity. Therefore, Michigan taxes paid on these purchases may not be reimbursable. Employees should contact the Purchasing Department prior to securing goods for University purposes to obtain a Blanket Certificate of Exemption letter to be presented at time of purchase whenever possible. It is recommended that the employee secure a preapproval before purchasing goods out of their personal funds. If the purchase is deemed not reimbursable, the purchase will not be reimbursed and the purchase becomes the sole responsibility of the purchaser.

Please note:

- The Employee Reimbursement Form must be signed, receipts for goods or appropriate travel-related documentation attached, and forwarded to 106 Welch.
- Detailed original receipts must be attached to the ERT. Charge card statements are not acceptable for reimbursement.

2. University Payment Card

The Payment Card (P-Card) will be used for all direct purchases of goods or services of less than \$5,000. The intent is to eliminate the need for small dollar purchase orders, direct reimbursements and operational advances (if applicable). The Payment Card may not be used to pay for consulting services.

- If you wish to make a purchase using a University PCard, you can contact the AP & AVP for Research's office at 487-3201 and have the expenditure charged directly to the research account.
- Alternatively, a departmental University PCard can be used to make purchases. In this case, an [Interdepartmental Expense Transfer](#) Form should be completed to reimburse the department for the expenditure. Please make sure that the expense was an item in your approved budget or your department may not be reimbursed.
- Please note that certain restrictions on PCard use apply and all expenditures must be in line with University policies and procedures. PCard procedures can be found at <http://www.emich.edu/finserv/payable/pc.htm>.

3. Direct Payment

Direct Payment will only be utilized for the purchase of goods or services for dollar amounts of \$5,000 or less *where suppliers do not accept the University Payment Card*. The vendor invoice should be attached to a [Direct Pay Form](#), which should be forwarded to 106 Welch. Please note: Business & Finance regulations state that invoices submitted for payment that are not in accordance with University policies will be considered a personal expense by the individual placing the order with the vendor.

C. Travel

1. All University Travel Procedures must be followed. (Please refer to the Accounts Payable website for details: <http://www.emich.edu/finserv/payable/travelprocedures.pdf>.) Also, travel expenditures must be in line with your approved research budget.
2. *All travel must be authorized in advance* including approval by the traveler's Vice President. International travel must be approved by the traveler's Immediate Supervisor, Dean, Executive Council Member, and the University President using the [International Travel Form](#). Please note: even though your approved research budget may include travel, you still must get this preapproval.
3. All travel using University funds must be documented by an ERT, regardless of reimbursement.
4. If you would like hotel reservations, air travel, or conference registration paid online using a University PCard, please contact the AP & AVP for Research's office at 7-3201.
5. Travel (as per your approved research budget) can also be arranged through your department, using its PCard. An Expense Transfer Form should then be completed to reimburse the department.
6. Travel Advances:
 - a. Advances are only issued for international travel to places where the use of a credit card is not practical or for team travel. If you need to request an advance, please contact the AP & AVP for Research's office as early as possible to ensure that Accounts Payable will allow the advance and to allow time for issuance of a check. The request for the advance should be made on a [Cash Advance Request](#) form.

- b. If you have received an advance you must complete another ERT form and send it, together with appropriate documentation, to 106 Welch within 30 days of completion of travel.
 - c. Advances are issued per trip. A second advance will not be granted until the previous cash advance has been settled in full with Accounts Payable.
 - d. It is particularly important that advances for travel that has been completed by the end of the fiscal year (June 30) be liquidated in that year. If you return from travel late in the fiscal year, please send your ERT to 106 Welch as soon as possible.
7. Frequent problem areas:
- a. When a personal car is used for travel (as per your approved award budget), the University issues mileage reimbursements, not gas refunds. A mileage chart can be found at <http://www.emich.edu/finserv/payable/milchart.pdf>.
 - b. Meal expenses will be reimbursed on a per diem basis and no receipts are needed. Per Diem rates for all *overnight travel* are: breakfast \$7.00; lunch \$11.00; dinner \$23.00. Where meals are included in conference registration, per diem amounts will not be reimbursed.
 - c. Receipts are necessary for all transportation expenses, including taxis, airport buses, etc., and for accommodation expenses.
 - d. Conference itinerary must be submitted with your ERT.
 - e. International travelers must submit rate-of-exchange information for the dates of expenditures.

D. Hiring Help

1. Hiring an EMU Student Employee

Your department secretary can help you with this process. Student employees are hired as though they work for your home department. This ensures efficient reporting, tracking, review, and payment of wages. For reimbursement to your department of this expenditure, the department secretary should complete a Student Payroll Expense Transfer Form and attach a copy of the relevant Labor Report. This form should be sent to the AP & AVP for Research's office in 106 Welch.

2. Payment by Honorarium

Honorariums can be used to pay modest compensation to:

- Individuals who currently work for the University as a student or regular employee for a service performed outside the scope of their regular job function and on their own time.
- Individuals who during the 12 months prior to the date on which the services commenced were employed by the University in a regular or temporary capacity.

Submit both the [Honorarium/Supplemental Employment Request for Payment](#) form and the [Honorarium Approval Request](#) form to 106 Welch. Only the top portion (down to the employee signature line) of the EMU Honorarium/Supplement Request for Payment should be completed; do not obtain any signatures prior to seeking approval. Reminder:

do not promise payment to recipient until after approval has been received. Please submit these forms at least 30 days before employment starts.

3. Hiring an Independent Contractor

An independent contractor:

- Does not currently work for the University as a student or regular employee.
- Was not employed by the University in a regular or temporary capacity during the 12 months prior to the date on which the services commenced.
- Is not expected to be hired by the University immediately following termination of services.
- Is usually paid on a freelance basis and often works through a limited company that he or she owns.

Paying an Independent Contractor is a very detailed process that requires strict adherence to all University policies and procedures. As procedures are currently being reviewed, please contact your department secretary or the AP & AVP for Research's office (7-3201) to obtain further information.

Never pay an employee, student worker, or outside organization/person out of your own pocket. Even if such expenditure is in your approved budget, you cannot be guaranteed a University refund if proper procedures were not followed.

E. Small payments as incentives to research participants

In order to meet the dual requirements of preserving the confidentiality of human subjects' data and ensuring compliance with IRS Tax law and internal controls, the Business and Finance Division and the UHSRC (University Human Subject Research Committee) are implementing the following procedure for payments.

For studies involving payments of \$50 (includes cash, gift cards or tangible gifts) or less, only the number of subjects, amount, and location of log needs be reported to the Accounts Payable Office. *Studies in which participants are anonymous should limit payments to no more than \$50.* Each department is required to keep a log of recipients on file for review by auditors (both internal and external) and the IRS.

When requesting a cash advance or reimbursement, please use the [Human Subject Cash Advance/Reimbursement](#) Form.

All Cash advances for human research studies must be reconciled and submitted to Accounts Payable no later than *60 days* after the date of the advance check. Cash advances will only be given to EMU Faculty or Staff (dissertation chairperson). Multiple cash advances may be required for studies where data collection exceeds 60 days. Amount requested should represent that which can be spent within 60 days.

Payments of more than \$50 to individuals participating in research studies will be recorded by Accounts Payable. All research participants receiving more than \$50 must complete a W9 form and be paid through Accounts Payable. *These individuals must be informed in the consent document that their Social Security number and home address will be required and payments from EMU in aggregate of \$600 or more will be reported to the IRS as compensation.*

For studies involving payments of more than \$50, a Direct Pay form must be submitted for each individual or may accompany a group of W9s.

Confidentiality of subjects for the study must be determined by the UHSRC and justified in the UHSRC approval letter. Any exception to the \$50 anonymous payment must be recommended by the full UHSRC.

EMU employees *may not* receive anonymous compensation for their participation in any human subject research. All Payments for HSR to employees must be processed on an Honorarium through Payroll.

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If you have any questions, want to check the status of your award budget, or need advice on the best method for paying an expense, please contact the AP & AVP for Research's office (7-3201).

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