

How To Use This Guide

The purpose of this guide is to provide a resource tool for understanding and using the components of Eastern Michigan University's accounting system. Due to the restrictive nature of sponsored agreements, it is especially important for Project Directors to understand the financial status of a grant fund at all times.

This guide will provide information on the following topics: components of EMU's accounting system; the role of grant & contract accounting staff; departments to contact with specific questions; a summary of forms and how they are used; common questions and answers related to grants & contracts.

The Role of Accounting Staff in Grants & Contracts

The University Accounting Office, located in the Hover Building, is responsible for the following administrative functions:

1. Opening funds.
2. Requesting reimbursement from sponsoring agencies.
3. Reviewing expenses.
4. Meeting with project directors to explain the University's accounting system and provide advice on financial matters pertaining to the grant.
5. Completing financial reports required by sponsoring agencies.
6. Maintaining the University's official audit files for grants and contracts.
7. Closing funds.

The accounting system utilized by the University is the SCT Banner System.

The **Expendable Restricted Fund** is the fund in which all of the grants and contracts are recorded. By definition, expenses relating to Expendable Restricted funds must be in compliance with regulations established by the external sponsor.

1. **Opening funds. Funds** are opened upon Board of Regents acceptance or upon approval of a Request for Pre-Award Authorization. All requests for new funds must be approved by the Office of Research Development (ORD) and are then submitted to the Accounting office for processing. At the time funds are opened, a budget is established in Banner and signature cards are sent to Project Directors. The budget amounts are based on the approved contract for the project. **Modifications of budgeted amounts must be requested by the Project Director through ORD.**
2. **Requesting reimbursement from sponsoring agencies.** Funding is requested by the Accounting office depending upon the requirements of the sponsoring agency. The most common methods of requesting funding are letter-of-credit electronic requests, invoicing, and submission of reimbursement request forms.
3. **Reviewing expenses to assure reasonableness and accuracy.** Expenditures for supplies, services, and equipment are subject to the same procedures as expenditures of other University funds. However, grant and contract expenses are often subject to

additional restrictions according to sponsor regulations and University procedures. The Accounting office works in coordination with ORD, Payroll, Personnel, Purchasing, and Accounts Payable to monitor grant expenses. If the University is required to provide matching cost-share support as part of a grant or contract, the Accounting Office will establish a separate fund for cost-share expenditures.

4. **Meeting with Project Directors to explain the University accounting system and provide advice on financial matters pertaining to the grant.** The Accounting Office is committed to helping Project Directors and their support staff understand the financial aspects of their grant. Accounting staff are available to provide training and answer questions regarding the accounting process.
5. **Completing financial reports due to outside agencies.** The Accounting office, with the concurrence of Project Directors, is responsible for submission of financial reports for all grants and contracts. Most financial reports require the signature of the Controller; some require the signature of the Vice President of Business & Finance and/or the President. Project Directors are strongly encouraged to review their grant fund on a regular basis. The basis for all financial reporting is the SCT Banner System.
6. **Maintaining the University's official audit files for grants and contracts.** The Accounting office maintains the official audit file. Audits are performed by an independent accounting firm and/or outside agencies and are based on financial statements produced from the SCT Banner System.
7. **Closing funds.** Upon completion of a grant or contract, the Project Director may submit a request to close a fund to the Accounting Office. The Accounting Office reviews the fund to ensure the appropriateness of expenses and completion of financial reporting. If there is an fund surplus or deficit, it is transferred to an appropriate fund or returned to the sponsor according to the guidelines of the grant.

Departments to Contact With Specific Questions

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| Applying for a grant | ORD | 734.487.3090 |
| Opening a fund | ORD | 734.487.3090 |
| Initiating expenses | Accounting | 734.487.0027 |
| Requesting budget modifications | ORD | 734.487.3090 |
| Is an expense allowable? | Accounting | 734.487.0027 |
| Hiring support staff | Human Resources | 734.487.1052 |
| Purchase orders | Purchasing | 734.487.1200 |
| <u>Payroll</u> transactions | <u>Payroll</u> | 734.487.2393 |
| Checks sent to vendors | Accounts Payable | 734.487.0022 |
| <u>Travel</u> | Accounts Payable | 734.487.0022 |
| Open commitments (encumbrances) | Accounts Payable | 734.487.0022 |
| Invoices | Accounting | 734.487.0027 |
| Technical reports | Sponsor | Varies |
| Changing authorized signers | Accounting | 734.487.0027 |
| <u>Moving</u> expenses to correct accounts | Accounting | |

BANNER FORMS FOR DEPARTMENT USE

Signature Card - Sent to Project Directors when an account is opened. If changes are needed, send a memo to accounting signed by the responsible person.

Requisition - Purchased by departments from University Publications. Generated by Project Directors to purchase goods and services, to reimburse employees for departmental purchases, or to reimburse another University account for internal charges (e.g. copy charges).

Purchase Order - Generated at the Purchasing Department based upon a Requisition submitted by Project Directors.

Travel Voucher - Purchased by departments from University Publications via Requisition. Project Directors must submit to their Department Head before the trip. If a cash advance is requested, the approved voucher must be in the Accounts Payable Office at least 10 days before the trip.

Expense Transfer Form – This form is used when an expense is posted to the wrong account. It must be signed by the responsible person incurring the expense. Attach a copy of the account statement that is in error.

Equipment Transfer Form - Supplied by the Plant Fund Accountant in the Accounting Office. This form is used whenever tagged equipment is moved or discarded.