

EASTERN MICHIGAN UNIVERSITY

Grant & Contract Overrun Policy

PURPOSE:

To ensure that Eastern Michigan University adheres to applicable Cost Accounting Standards

PROCEDURE:

Oversight and Responsibility for Non-Collectible Costs on Grants and Contracts

Non-collectable costs include the following:

- Project costs in excess of authorized budgets (overruns)
- Costs determined to be non-compliant with sponsor regulations (unallowable)
- Costs incurred outside of the award period (before or after) (unallowable)
- Costs determined to be unrelated to the grant (unallowable)
- Billings (during the award or final) determined to be uncollectible due to dispute or bankruptcy (uncollectible).

Principal Investigator Responsibility: The PI ensures that risks of incurring non-collectible costs are managed appropriately by:

- Complying with all sponsor terms and conditions
- Understanding and complying with all applicable fiscal regulations and restrictions
- Monitoring budget statements and adhering to approved budgets (including cost-sharing requirements)
- Ensuring that all expenditures are made within the grant period.

The PI will work with Sponsored Research Accounting (SPA) to provide timely resolution of non-collectible costs and prevent recurrence.

PI RESPONSIBILITY:

The PI will: regularly monitor and review summary budget statements for all sponsored programs within the unit to ensure that spending levels are appropriate and within budget. Any apparent budgetary issues will be promptly discussed with the SPA . Appropriate corrective action will be taken to minimize or avoid potential non-collectible costs.

SPONSORED RESEARCH ACCOUNTING RESPONSIBILITY:

Work with the PI to avoid or minimize non-collectible costs on sponsored projects.

- Review all fiscal terms, conditions, regulations, and restrictions of grant and contract awards.
- Monitor expenses for fiscal compliance. PI has access to detailed monthly statements of account (BOE, E-print reports, Finance Self-Serve). The PI should monitor, review, and take prompt corrective action to avoid or minimize non-collectible costs.
- Initiate billings and fiscal reports to sponsors as required and within the time limits as specified in the award.
- Provide timely warning to PI and ORDA in the event that billings become delinquent. Suspend account activity whenever budgets are exceeded, budget periods have expired, or sponsors become insolvent.

REIMBURSEING SPONSORED ACCOUNTING FOR NON-COLLECTIBLE COSTS:

Reimbursement for non-collectible costs will first be charged to discretionary accounts under the control of the PI. If insufficient funds are available, the remaining cost will be reimbursed by a discretionary account at the unit level. If insufficient funds are available at the unit level, the remainder will be charged to a discretionary account under the control of the Dean or Associate V.P. for Graduate Studies and Research.