



POLICY & PROCEDURE DOCUMENT

NUMBER: 3.2612
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DIVISION: Finance and Administration
Research

TITLE: Grants and Contracts Accounting - Budget Monitoring

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I. Purpose and Scope

This policy provides procedures for monitoring of the budgets on indexes assigned to restricted grants and contracts.

II. Policy

1. The Principal Investigator (PI/PD) has primary responsibility for monitoring the financial activity (expenses) in their project on a regular basis. It is the PI's responsibility to correct any mistakes within 90 days from the transaction date.
2. All unallowable charges must be moved from the grant to an unrestricted/departmental index at time of discovery.
3. Before a transfer of funds within a given index can be processed, approval must be obtained from the Office of Sponsored Programs (OSP). Many agencies will waive the prior approval requirement. If the agency does not waive the pre-approval requirement, then written approval must be obtained by OSP before the transfer will be processed.
4. All budget transfers must come from OSP and be approved by OSP before they can be entered.
5. Budget transfers in the last 30 days of an award will be accepted only under exceptional circumstances and justification must be documented.

III. Procedures

1. Western Kentucky University (WKU) uses the Banner Finance System. This system enables faculty or staff to view their restricted/unrestricted indexes – including budget, encumbrances, and project to date activity.
2. The approved budget should agree with the amounts supplied by the funding agency and those internally developed by the PI and Proposal Development, in the Office of Sponsored Programs (OSP). However, the original budget is an estimate arrived at by the PI and OSP; therefore, budget reallocations are generally necessary during the life of the award to reflect actual costs. OSP is responsible for all budget transfers.
3. The PI should routinely monitor fund availability in their grant so as to anticipate necessary transfers, prevent overages, plan for future expenditures, and control spending. The PI should be able to provide written justification for any requested transfers. Transferring budget can only occur within the same project (index number). Funds cannot be transferred between restricted indexes, or between a restricted index and an unrestricted index.
4. Completing a Budget Transfer
 - a. When a transfer is deemed necessary, the PI (or designee) should complete the reallocation request form at:
<http://www.wku.edu/sponsoredprograms/reallocation.php>.
 - b. OSP will review the information, contact the sponsor if necessary, and complete an electronic transfer.
 - c. The transfer is routed to the Director of OSP for approval and then forwarded to Grants and Contracts Accounting (GCA) for approval and entry into Banner.

IV. Reason for Revision

May 2016

Revised to reflect re-organization of the Office of Research and Creative Activity and to update to the budget transfer process.

June 2021

Non-substantive changes resulting from the fifth-year review in accordance with Policy 0.000V.

V. Related Policies

All 3.25xx, 3.26xx and 3.27xx policies