

 California State University SAN MARCOS	CSUSM Corporation	<b>Standard Operating Procedure</b>	
		SOP Owner:	Office of Sponsored Projects
		Created:	11/10/2016
		Last Revision:	2/23/2022
<b>Expenditure Review and Fiscal Administration</b>		Pages:	5
		Approved by:	

CSUSM Corporation Office of Sponsored Projects (OSP) reviews grant expenditures on a routine basis. Expenditures may include: Direct Pay, Purchase Order, Invoices, Employment Authorization Forms, Travel, etc. All OSP staff are responsible for familiarizing themselves with and following this SOP, its contents, and provisions. Expenditure Review and Fiscal Administration consist of (1) Review of Expenditures, Expenditure Forms and Approvals; and (2) Monitoring Expenditures.

**Overview:** The Principal Investigator (PI), Project Director (PD), or authorized fiscal signatory prepare and submit grant related expenditure requests and send to the Office of Sponsored Projects for review. The Sponsored Projects Analyst (SPA) reviews the request for: (1) availability of funds, (2) date of expenditure is within award dates, (2) appropriateness of the expense to the grant, (3) completeness of documentation, and (4) an authorized fiscal signatory.

**Review of Expenditures:**

- I. Refer to the [Cost Principles Policy](#), [Cost Principles Procedures](#), and the [Sponsored Projects Administration Handbook](#) for additional information.
- II. The SPA will review each expenditure request and supporting documentation for:
  - o **Availability of Funds** – Ensure the project has enough funds remaining to support the expense.
  - o **Allowability** – Is this expense allowable on the award according to sponsor terms and conditions? Is the expenditure date within the award date?
  - o **Allocability** – Is this expense benefiting the award? Does it benefit multiple awards?
  - o **Explanation of Expenditure** – How does this purchase benefit the project?
  - o **Reasonable** – As a taxpayer, would you find the expense reasonable?
    - If within the last 90 days of the project end date, is the expense reasonable?
  - o **Documentation** – Receipts must show detail of expense, date of purchase, payment received.
  - o **Hospitality** – Any expenditure request including beverage, food (including light snacks), entertainment services, awards/prizes/gifts must also include a completed [Hospitality Form](#).
    - Note: Documentation must include individual names, affiliations, and direct/indirect benefit to CSU.
  - o **Consistent** – Is this expense treated consistently in OSP?
    - Does this expense adhere to OSP, Corp, CSUSM and sponsor policies?
  - o **Fiscal Authority** – Verify the signature on expenditure from aligns with the Project Agreement’s designation for fiscal authority.
  - o **Timeliness** – was this expense submitted within 90 days of the original purchase date? If no, PI/Project Administrative staff need to complete the [Cost Justification Form](#) and attach to the expenditure form.
  - o **Unauthorized Purchase** – were contractual services (Independent Contractor, Purchase Order) acquired prior to receiving OSP/Corporation approval? If yes, then requestor must complete an [Unauthorized Purchase Request](#).

## Summary of Expenditure Forms to Initiate Payments

Type	Use and Notes	Req	Department
<b>Direct Pay Form</b>	<p>Use to reimburse individuals for project related costs paid by personal funds. Receipts must show paid, confirmations are not acceptable.</p> <p>Only for use of low dollar purchases which don't require Purchase Order (PO).</p> <p>List of attendees and flyer/agenda is required when food is involved.</p> <p>Not used to pay Invoices with PO #s.</p>		<a href="#">Link to Adobe Sign</a> AP CRA 4600
<b>Employment Authorization Form (EAF)</b>	<p>Use to hire employees.</p> <p>HR form. See HRPR for form and policy</p>		HR & Payroll
<b>Financial Transfer Request</b>	<p>Used to transfer expenses in same business unit.</p> <p>Must have supporting docs: General Ledger backup &amp; Cost Justification Form.</p> <p>PI/PD approval needed when moving expenses.</p>		
<b>Independent Contractor Agreement (IC)</b>	<p>Use to engage professional services not affiliated with the CSU and not corporations. <b>**Includes One-Time Guest Lecturer Appointments**</b></p> <p>Contract/Consultant Determination Request must be reviewed and approved by HR prior completion of the IC Agreement.</p> <p>Once HR approves, SPA reviews IC Agreement. SPA initials that budget has been reviewed and forwards to the Finance Manager to sign as the authorized signatory. Only after IC Agreement has been signed may work begin.</p> <p>Note: Travel expenses are included in the IC invoice, not separate.</p>	X	<a href="#">HR &amp; Payroll</a>
<b>Inter Unit Business Transfer (IUB)</b>	<p>Use to pay the University or different Business Unit.</p> <p>Must have supporting GL backup, explanation, and PI/PD approval</p>		<a href="#">Link to Excel form</a> <a href="mailto:auxaccounting@csusm.edu">auxaccounting@csusm.edu</a>
<b>Invoices for Payment</b>	<p>The PI/PD and OSP need to sign and approve invoices that have a PO#. SPA to check invoice period, allowability, budget. Do Not Use a Direct Pay to pay an Invoice with a PO #.</p> <p>For events/hospitality: backup must include agenda, announcement or communication about training/event, participant list of names, time, and location.</p>	X	AP CRA 4600
<b>ProCard</b>	<p>Use for low-dollar/high volume transactions for goods.</p> <p>Issued to permanent employees &amp; long-term temp employees.</p> <p>OSP conducts after the fact review of monthly statement and itemized receipts.</p>		<a href="mailto:corpccard@csusm.edu">corpccard@csusm.edu</a>
<b>Reimbursed Time Form</b>	<p>Use for faculty course release or staff release time.</p> <p>Processed as a requisition and IUB request at the <b>END</b> of the semester.</p>		<a href="#">OSP</a>
<b>Purchase Requisition</b>	<p>Used to initiate Purchase Orders for goods/services.</p> <p>Created in PeopleSoft Common Financial System (CFS).</p> <p>SPAs must manually check CFS, if no notice is sent by project staff.</p>	X	<a href="#">Procurement</a>
<b>Scholarship Request Form</b>	<p>Scholarship requests shall be submitted with a PDF including necessary approvals AND an Excel file of the request. Requestors must include student ID numbers.</p>		<a href="#">Excel Form @ OSP Forms</a> <a href="mailto:scholarships@csusm.edu">scholarships@csusm.edu</a>
<b>Travel Request</b>	<p>Blanket travel can be used for mileage only.</p> <p>May request Travel Cash Advance.</p>		<a href="#">CSUSM Travel Office</a>
<b>Travel Claim</b>	<p>Claims must include an agenda/itinerary/receipts (NA per diem unless required by sponsor)</p> <p>Must include Travel Advance, if applicable, to clear the advance.</p>		<a href="#">CSUSM Travel Office</a>

## Summary of Supporting/Supplemental Forms for Expenditures

Type	Notes	Req	Department
<b>Authorization to Spend Prior to Award Request</b>	Use to initiate spending prior to receiving award. To allow for spending prior to the award start date, if allowable by sponsor.		<a href="#">OSP</a>
<b>Cost Justification Form</b>	Use when expenses need to post greater than 90 days Use when transferring expenses to a sponsored project (85xxx).		<a href="#">OSP</a>
<b>Cost Transfers</b>	Must have supporting GL backup with completed Financial Transfer Request*. If moving an expense to a sponsored project (85xxx), an approved Cost Justification Form is also necessary. *To transfer expenses to/from other business units use the Inter Unit Billing (IUB) form. PI/PD and OSP approval required.		<a href="mailto:auxaccounting@csusm.edu">auxaccounting@csusm.edu</a>
<b>Fraudulent Charge Documentation Form</b>	Use when disputing a fraudulent charge on a ProCard. Include in the ProCard Reconciliation Packet submission.		<a href="#">Corp Business Services</a>
<b>Hospitality / Training / Events</b>	In addition to Direct Pay, Req or Invoice, must include: 1) Participants list / Roster with affiliation 2) Announcement / Flyer / Agenda 3) Documentation must include date, time and location		<a href="#">Form: Accounts Payable</a> <a href="mailto:hospitality@csusm.edu">hospitality@csusm.edu</a>
<b>Lack of Itemized Receipt Form</b>	Use when an itemized receipt is not available. Attach to ProCard Statement, Travel Claim, Direct Pay, etc.		<a href="#">Corp Business Services</a>
<b>Payee Data Record Form (204)</b>	All payees must have a Payee Data Record Form on file prior to issuing any payments.		<a href="#">Accounts Payable</a>
<b>Project Agreement Form</b>	Use to confirm project fiscal authority when approving expenditures. Completed form is kept in the award file.		<a href="#">OSP</a>
<b>Property Status Change Form</b>	Use to document changes in property status: transfer to University because project ended, lost/missing/stolen.		<a href="#">Corp Business Services</a>
<b>Purchase Order Amendment Form</b>	Use to amend active PO. Additional documentation.	X	<a href="#">Link to Adobe Sign</a>
<b>Research Cash Advance Request Form</b>	Used for international research when processing on-campus payments are impossible or impractical. Attach to Direct Pay. Requires Corp ED approval and may need 1-up campus approval.		Pending. See shared drive: /Policies & Procedures /Corp P&Ps
<b>Sole Source / Brand name Justification</b>	Required for purchases of \$10,000 - \$149,999 which are unable to be competitively bid. Completed form is attached to the purchase requisition. Requires Corp Exec. Director or designee signature.	X	<a href="#">OSP</a>
<b>Supplier Selection and Cost Justification Form</b>	Required for purchases of \$10,000 - \$149,999 which are not Sole Source/Sole Brand purchases. Completed form is attached to the purchase requisition. Requires Corp Exec. Director or designee signature.	X	<a href="#">OSP</a>
<b>Tax Accrual Form</b>	Use in the event the current tax rate was not used for ProCard transactions. Will allow Accounting to collect tax appropriately.		<a href="#">Corp Business Services</a>
<b>Technology Order Request</b>	All technology must receive approval from IITS through their form. For the purchase of software, hardware or any info tech or equip.		<a href="#">IITS</a>
<b>Travel: Release of Liability</b>	Participants who are not employees traveling on Corp business/grants need to complete and include with travel request.		<a href="#">CSUSM Travel Office</a>
<b>Travel: Student Code of Conduct Agreement</b>	All students traveling must include a completed agreement with their travel request.		<a href="#">CSUSM Travel Office</a>
<b>Unauthorized Purchase Request for Approval</b>	Use if purchase was completed prior to receiving approval. For example, purchased prior to submitting a Purchase Req & need PO.		<a href="#">Instructions</a> <a href="#">Link to Adobe Sign</a>

### III. Approval of Expenditure:

- When documentation for the expenditure is deemed complete, the SPA will sign the document:
  - If the dollar amount is within the SPA's signature authority, generally \$15,000, the SPA will sign and date the document unless it involves equipment or a binding agreement (i.e.: independent contractor, space rental, etc.).
  - If the request involves equipment, independent contractor or a binding agreement, the request shall be initialed and sent to the appropriate CSUSM Corporation designee (Manager of Sponsored Projects, Director of Finance, Director of Human Resources and Payroll, Associate Executive Director, or the Executive Director), as necessary.
  - If the expenditure exceeds the SPA's signatory authorization the request shall be initialed and sent to the Manager of Sponsored Projects, Associate Executive Director, or the Executive Director, as necessary.
- Once necessary signatures are obtained, a PDF of the request is saved in the appropriate Project's Transactions folder. Note file naming conventions:

*Form Name, Payee Name, \$xx,xxx, Mo.Da.Yr, Fund-Project*
- Then the PDF is emailed to [apcorp@csusm.edu](mailto:apcorp@csusm.edu) with a cc to the requestor.
  - Subject Line should include easily identifiable information such as:

*Form Name, Last Name, Amount, Fund-Project*
  - Body of the email should reflect sentiments similar to:

*Dear AP,  
The attached document has been reviewed by OSP.  
Please proceed with processing.  
Thank you.*

### Monitoring Expenses:

- I. PI/PD - Regular monitoring, by the PI/PD, of a project's progress and ensuring expenses post correctly is fundamental in ensuring a project adheres to the award's terms and conditions and applicable policies. To support regular monitoring:
  - a. The PI/PD and authorized project staff have access to Data Warehouse, an interactive dashboard updated once daily to refresh expenditure transactions.
  - b. Quarterly, OSP provides financial reports listing all expenditures for each project. The report is sent via email to the PI/PD.
  - c. Any questions the PI/PD or project staff have may be directed to their assigned SPA.
  - d. Should an error be found, the PI/PD or staff with fiscal authority may request a Cost Transfer to move the expense in error. Please refer to the Cost Transfer Policy, Procedure, and SOP.
- II. OSP – Individual grants are monitored by OSP as expenditures are requested via the Office of Sponsored Projects. Each time an expenditure request (Direct Pay, Purchase Requisition, EAF, etc.) is submitted by the PI/PD or authorized fiscal designee, the request is reviewed by the Sponsored Projects Analyst (SPA):
  - a. To ensure availability of funds, appropriateness of the expense to the grant, completeness of documentation and an authorized signatory. See above, Section II Review of Expenditures, for a complete overview of the SPAs review.
  - b. To monitor the rate of expenditure spending on a project. Spending too little or too fast, if not programmatically appropriate, may raise concerns to the sponsor. In addition, excessive spending near the end of a project will also raise questions as to the benefit of the purchase(s) and whether the purchase was necessary to complete the project goals.

- c. Should an unallowable expense be requested, the originating authorized signatory is notified of the specifics and asked to review the expense and justify the proposed expense in question.

III. Errors – If expenditure errors are found:

- a. If the original paperwork was completed correctly and the posting error is the result of a keying error in Accounts Payable, a Cost Justification Form is not required. Send an email request to AuxAccounting briefly explaining the error and include a copy of the original approved paperwork.
- b. If the original paperwork was completed in error, a Cost Transfer request will need to be completed by the PI/PD or authorized fiscal administrator and reviewed by OSP prior to being submitted to AuxAccounting. If transferring to another 85xxx project, the Cost Justification form is also required. Please refer to the Cost Transfer Policy, Procedure, and SOP.

IV. Overruns and deficits – The PI/PD is responsible for reviewing and monitoring expenditures on a regular basis to ensure all costs are properly charged to a project. Should an overrun or deficit occur but the PI/PD determines that the cost has been properly charged and:

- a. If there is continuation funding for the grant and if the agency allows it, the expenditure may be transferred to the continuation funding project number. The cost transfer must be initiated by the PI/PD and attach a completed Cost Justification form before it will be reviewed by OSP.
- b. If there is no continuation funding, the overrun may be transferred to the PI/PD's Campus Project (86xxx) account with a financial transfer request (FTR).
- c. If there is no continuation funding and no PI/PD Campus Project (86xxx), the overrun may be transferred to a Department or College Campus Project account with appropriate approvals.
- d. In rare circumstances, should no appropriate alternate funding source be available, the PI/PD may request that the deficit be charged to CSUSM Corporation's Disallowance Reserve. This transfer request must be approved by the CSUSM Corporation Executive Director.

V. Indirect Cost (referred to as IDC or F&A)

- a. Indirect cost calculations are processed once per week by Auxiliary Accounting and based on the cumulative direct costs charged to the project.
- b. If a cost is transferred off a project, the IDC should be corrected automatically through Auxiliary Accounting's weekly IDC calculation and processing.
- c. IDC expenses are validated by the assigned SPA during regular reviews of the project such as during bi-monthly cash draws, invoicing, and monthly account reviews.

**Additional Related Information:**

[Sponsored Projects Administration Handbook](#)

[Cost Principles Policy](#)

[Cost Principles Procedures](#)

[Corporation Procurement Policy](#)

[Cost Transfer Policy](#)

[Cost Transfer Procedure](#)

Cost Transfer SOP (in progress)

**Summary of SOP Updates**

- 11.16.16 – Desktop Procedure Created.
- 04.28.21 – Desktop converted to SOP.
- 02.23.22 – SOP updated to merge Fiscal Administration 05.01.14, Expenditures 11.10.16, and Form Desktop Procedures. Formatting updated.