

**PROCEDURES 300.3**  
**Area: General Administration**

Adopted: September 18, 1998

Certified by \_\_\_\_\_

Dr. Adolphus Andrews  
Vice President  
Administration and Finance

Revisions Approved:



**SUBJECT: Budget Requirements and Related Matters**

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- A. The establishment and maintenance of a restricted fund budget requires the following:
  - 1. An award notice or a similar document, as previously noted, must be on file with the Grants Accounting Office;
  - 2. A copy of the current budget must be forwarded to the Grants Accounting. This relates to restricted funds whose monies may roll forward; and
  - 3. Any and all budget modification requests, must be communicated to the Grants Accounting Office in writing.
  
- B. Application of CUFS Grants Applications
  - 1. All restricted funds will be loaded into CUFS with a multi-year status code.

2. All restricted funds will be set up and detailed in the Grant Description Table(GDES) of CUFS in order to provide inception to date financial information.
- C. Appropriate monthly budget reports will be prepared and disseminated by the Grants Accounting Office. The reports will evidence the following:
1. Current month activity; and
  2. Year to date and/or inception to date activity.
- D. It is the responsibility of the organization manager to adhere to the budgetary restrictions of the restricted fund. This adherence includes:
1. Proper recording and entering of all purchase requisitions, employment forms and related documents; and
  2. Detail review of all budget and financial reports of the restricted fund. Notification in writing to the Grants Accounting Office of any deviations or discrepancies.
- E. Expenditure Approval Process
- The Principal Investigator is responsible for the technical direction of the sponsored project and for the initial authorization of all expenditures to be charged to that project. The Principal Investigator is responsible for expending funds in compliance with agency, state and University regulations, and for ensuring that project-specific costs are reasonable, allocable and allowable on that project. To aid the Principal Investigator in meeting this responsibility, the Grants Accounting Office serves in a

stewardship capacity over university sponsored projects by monitoring expenditures to assist with compliance of the regulations. In this capacity, all planned expenditure requests require review and approval by the Grants Accounting Office prior to processing:

**NO COMMITMENTS OR EXPENDITURES ON SPONSORED PROGRAMS WILL BE PROCESSED WITHOUT PRIOR GAO APPROVAL**

F. Consumable Supplies

Federal regulations provide that title to supplies and other expendable property vests in the University upon acquisition. Upon termination of externally funded projects, unused supplies purchased on projects may be used on non-Federal sponsored projects only if they are no longer needed for any other federally sponsored project. However, in either case, the University must reimburse the sponsoring agency for their share when the residual inventory of unused supplies purchased on this project exceeds \$5,000 in total aggregate value upon termination.

G. Subcontract Agreements

H. Sponsored projects are normally conducted by CSU employees on the premises of the University. On occasion, however, some of the work may need to be obtained from other institutions, companies or organizations. The document which formalizes this third party relationship between CSU and another institution or commercial organization to perform a substantive piece of an award made to CSU is called a subcontract agreement which is prepared by the Office Sponsored Programs in accordance with the Office of Sponsored

- I. Programs procedures for the Administration of Subcontract Agreements" document. The third party performing work under a subcontract agreement is called the subcontractor. A subcontractor, then, is an institution, company, or organization that receives, at any level, financial assistance that is passed down from the p recipient of the prime sponsored agreement. The responsibility of a subcontractor is to help CSU meet the requirements of the prime award. The portion of work being performed by the subcontractor constitutes a significant component of the research program, and the subcontractor is required to provide the resources necessary to conduct that portion of the work as compared to a vendor providing goods or services for CSU's program.

## **PROCEDURES**

Accounting Requirements and Related Matters 300.4

Personnel/Payroll Requirements 300.5

Other 300.6