

GRANT ACCOUNTING

Objective:

To determine whether the department has procedures in place to help ensure that all sponsored project costs are properly and timely recorded in the University's accounting system.

Potential Impact:

Could result in financial loss due to inaccurate financial information and/or audit findings, which could adversely affect future funding.

Helpful Tools:

- UH System Administrative Memorandum:
 - 03.A.01.- Expenditure of All Funds Administered by the University of Houston System
 - 3.A.2 - Entertainment Expenses
 - 3.A.3 - Business Travel
- UH – Downtown Policy Statements: Grant Administration
 - 6.A.1 - Debarment and Suspension Policy
 - 6.A.2 - Disclosure of Lobbying Activities Policy
 - 6.A.3 - Standards of Conduct in Government-Sponsored Research
 - 6.A.4 - Procurement Integrity Policy
 - 6.A.5 - Privacy Act and Freedom of Information Policy
 - 6.A.6 - Guidelines for the Administration of Sponsored Research
 - 6.A.7 - Ethical Conduct in Research and Government-Sponsored Activities
- UHD Website:
 - [Grant Accounting](#)

Contacts:

Dr. Jerry Johnson
johnsonj@uhd.edu
713-221-2720 S625

Brandi Smith-Irving
smithirvingb@uhd.edu
713-221-8681 S625

Frequently Observed Weaknesses/Deficiencies:

- Personnel not added to/removed from grant payrolls in a timely manner, creating the need for payroll reallocations.
- Invalid encumbrances not promptly liquidated.
- Failure to ensure all grant expenditures are recorded timely.
- Copies of monthly PS 1074 reports not provided to Principal Investigator(s) regarding the financial condition of their project(s).

Best Business Practices:

1. Review salaries, benefits and position assignments. Timely preparations of all payroll documents to transfer expense to appropriate funding source or terminate personnel effective the last day of the award.
2. Review outstanding commitments and liquidate unnecessary encumbrances.
3. Verify cost center activity monthly and documented per Policy Statement.
4. Principle Investigator (PI) signs off on cost center verifications on a monthly basis to indicate review and approval.
5. Copies of the grant agreements and approved budget on file in the department.
6. Maintain adequate documentation supporting all expenses charged to a sponsored program.
7. All revisions to grant budgets approved by PI or Business Administrator.
8. Actual expenses compared to budget for compliance with budgetary restrictions.

AREA

This questionnaire is designed so that “no” answers indicate that an internal control weakness may exist and the procedure/process may need to be examined in greater detail. **Comments should be provided for “No” answers.** When such weaknesses are identified, a change in the process may be necessary OR a control may need to be put into place to address the weakness. The appropriate UHD contact office (as outlined in the self-assessment text) may be contacted for assistance with identified weaknesses.

Self-Assessment of Internal Controls for Contracts	Yes	No	N/A	Comments
Are the expenditure documents (i.e. ePARS, vouchers and purchase requisitions) prepared by personnel who have been specifically trained on the applicable regulations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the College or Departmental Business Administrator check the coding on all travel and purchase documents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the Principal Investigator (PI) sign all expenditure documents authorizing expenditure of grant funds?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are the grant cost center verifications prepared monthly and documented per Policy Statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the Principle Investigator (PI) sign off on cost center verifications on a monthly basis to indicate review and approval?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all revisions to grant budgets approved by the PI or Business Administrator?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all expenses charged to a sponsored program necessary, reasonable and allowable for the conduct of the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all expenses charged to a sponsored program supported by adequate documentation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the department have a copy of the grant agreements and the approved budgets on file?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all necessary payroll documents prepared on a timely basis to either transfer expense to another funding source or terminate personnel on the award effective the last day of the award?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are actual expenses compared to the budget for compliance with budgetary restrictions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the appropriate personnel follow-up on all outstanding purchase orders?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Self-Assessment of Internal Controls for Contracts	Yes	No	N/A	Comments
Are delinquent vendors contacted to submit invoices?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are all outstanding commitments reviewed for validity and are invalid commitments are cancelled?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the recipient's cost sharing or matching contributions meet all of the following criteria:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Are allowable in accordance with OMB Circular A-21,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Are verifiable from the recipients records,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Are not included as contributions for any other federally-assisted project or program,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Are necessary and reasonable for proper and efficient accomplishment of project objectives,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Are not paid by the federal government under another award, except where authorized by federal statute to be used for cost sharing or matching, and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
• Are included in the approved budget when required by the federal awarding agency.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the department have procedures in place to track cost sharing and/or matching contributions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the department have procedures in place to determine if the costs are reasonable, allowable and can be allocated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are cost transfers fully explained, justified and approved by the PI and the Director of Sponsored Programs?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

This is a living document and will be updated as revisions are necessary. Periodically, you may want to check for updates and revisions. We welcome any questions and feedback regarding the information contained in this tool including any comments regarding how this may be more useful and effective.