

POLICY 7.11 – Over-Expenditure of Research Accounts

Policy Category: Research
Effective Date: August 1, 2003
Supersedes: November 22, 2001

POLICY

Definition

- 1.00 An over-expenditure occurs when actual expenditures and commitments exceed the budget available.
- 2.0 Over-expenditures in contract and grant funded research accounts are not permitted unless:
 - (a) the funding agreement allows over-expenditures (e.g., some multi year awards), and
 - (b) the Dean or departmental designate approves the over expenditure in writing
- 3.00 The grant or contract holder is accountable to reimburse the university for any deficit in a research account unless the over expenditure has been approved in writing by the Faculty.
- 4.00 If the over-expenditure of a research account has been approved in writing by the Faculty then the Faculty is accountable to reimburse the deficit in the research account from either operating or other appropriate funds.

Accountability

- 5.00 Grant or contract holders are accountable to:
 - (a) maintain their research accounts in good standing
 - (b) review monthly grant or contract financial statements. Delegation of the account review does not release the grant or contract holder from responsibility of over-expenditures
 - (c) reimburse over expenditures not approved in writing by the Faculty
 - (d) reimburse inappropriate or disallowed expenditures as determined by Research Accounting per funding agency guidelines
 - (e) where permitted by this policy, provide written approval from the Faculty to Research Accounting in order to run a deficit account balance

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- 6.00 Department Administrators are responsible to:
- (a) promptly distribute monthly grant or contract financial statements to the designated grant or contract holder.
 - (b) review the “Departmental” copy of the monthly statements and initiate appropriate action as required e.g., discuss situation/resolution with grant or contract holder, advise Chair and Dean, freeze account.

Authority to Freeze Research Accounts

- 7.00 Research Accounting has the authority to freeze grants or contracts due to failure on the part of the grant or contract holder to exercise accountabilities and/or lack of funds and/or over-expenditures.
- 8.00 Departments may freeze access to a grant or contract by:
- (a) sending a written request with a brief explanation to Research Accounting
 - (b) notifying the grant or contract holder of the situation
- 9.00 Research Development Services has the authority to freeze grants or contracts in the case of noncompliance with contract conditions.