

## POLICY 7.11 – Over-Expenditure of Research Accounts

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

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### **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.