

NUMBER: BUSF 3.19
SECTION: Business and Finance

SUBJECT: Contracts and Grants - Elimination of Accounts Overdrafts

DATE: December 18, 2006

Policy for: All Campuses
Procedure for: All Campuses
Authorized by: Rick Kelly
Issued by: Contract Grant Acct

I. Policy

Departments will be notified when they have Contract and Grant accounts in an overdraft situation and will be required to take the appropriate action to eliminate the overdraft(s). If no action is taken by the date indicated on the notification, the Contract and Grant Accounting Department will transfer the expenditures to the departmental indirect cost recovery account (usually the E150 account) or the departmental operating account (usually the A000 account). This procedure will facilitate more timely action on the elimination of overdrafts and the institutional liability will be recognized in the appropriate accounting period. The department or administrative unit will continue to be responsible for the proper monitoring and control of the expenditures associated with the sponsored program accounts.

Contract and Grant Accounting will continue to monitor the expenditures on the sponsored programs on an after-the-fact basis and will advise the department of any major deviation which occurs on the accounts. This procedure will streamline the monitoring/reporting procedures through the University system and result in more efficient and effective sponsored programs administration.

II. Procedure

The Contract and Grant Accounting Department will send written notification to the departments which have accounts in an overdraft situation on a monthly basis and request that action be taken by a specific date to resolve the overdraft or the above policy will be used to resolve the overdraft(s).

The account may be closed or deactivated after the overdraft has been eliminated when it is determined that all applicable accounting entries have been made and no additional financial activity is authorized on the account.

The following class codes will be used by the Contract and Grant Accounting Department to make the appropriate accounting transactions to eliminate the overdraft(s) from the Contract and Grant accounts. These expenditure class codes will only be used by the Contract and Grant Accounting Department.

CLASS CODE	DESCRIPTION
52150	C&G ACCOUNT OVERDRAFTS
62150	C&G ACCOUNT OVERDRAFTS (IIT CREDIT)

III. Reason(s) for revisions

Update changes in contact information and add web-based information.

Send comments to [Tony Huggins](#)