



UNIVERSITY OF MIAMI POLICY AND PROCEDURE MANUAL

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| TITLE: | Overdrafts & Disallowances Policy | REFERENCE: | New |
| CATEGORY: | Office of Research Administration | PAGE: | 1 of 2 |
| | | SUPERSEDES: | New |
| APPROVER: | Barbara A. Cole | VERSION: | New |
| | Associate Vice President | EFFECTIVE: | 03/31/2016 |
| | Office of Research Administration | | |

PURPOSE:

The purpose of this policy is to establish responsibilities regarding unresolved sponsored project overdrafts and disallowances. Sponsored awards typically operate on a cost reimbursement basis with the Office of Research Administration (ORA) being responsible for recovering the funds in a manner consistent with requirements set forth in 2 CFR 200, Federal and State regulations, as well as agency specific guidelines. Failure to comply with UM's policies and procedures may result in audit findings, suspension of sponsored activities, closer monitoring by the sponsor, delays in final payments, and/or other enforcement actions imposed by the sponsor. This policy applies to all Federal and non-Federal sponsored activities, including all externally funded clinical trials.

SCOPE:

All UM personnel must be aware of the complex and detailed rules provided under Federal and non-Federal regulations as well as the terms and conditions of the individual sponsored activity. While compliance with all applicable requirements is essential, it is equally important to maintain an open research environment that welcomes the participation of researchers from around the world as part of UM's mission. To maintain this balance, UM personnel must be familiar with this policy in addition to the Federal and non-Federal regulations on restricted sponsored activities.

This policy applies to all UM personnel, namely:

- Faculty, including voluntary faculty.
- Faculty emeriti engaged as active researchers on UM research activities.
- Researchers, including research staff, postdoctoral fellows, and research associates.
- Graduate students, undergraduate students, and interns involved in research programs.
- Staff in departments, centers, institutes, and administrative offices charged with responsibilities under this policy.
- Consultants, agents, and volunteers associated with research and scholarly activities, as well as in departments and offices charged with responsibilities under this policy.

POLICY:

It is the policy of the University of Miami that expenditures in excess of the awarded amount or specifically deemed not reimbursable or unallowable will not be charged to a sponsored activity. Costs initially charged to sponsored activities that have subsequently been determined

uncollectable from the sponsor, will be charged to the department, college, institute, or center responsible for the project. Uncollectable costs will be moved promptly once the determination is made by ORA, or the responsible department, that the costs will not be reimbursed.

Overdrafts and/or disallowances must be resolved before the submission of the final report or invoice to the sponsor. To facilitate the close out of contract/grant accounts, ORA Post Award will process expenditure transfers for any unallowable expenditure that remains outstanding. This will be done when the final report or invoice is prepared, or 90 days after the account expiration, whichever occurs first. These expenditures will be charged to the responsible department.

Cost overdrafts must be transferred via a journal utilizing the accounting classifications for cost shared expenditures to a funding source other than a sponsored activity.

DEFINITIONS:

Please refer to UM's ORA website for a list of acronyms and terms commonly used in sponsored/ research administration grants, contracts, and cooperative agreements: <http://ora.miami.edu/assets/pdf/ora-policies/glossary.pdf>

PROCEDURE:

UM personnel are to use [UM's ORA website](#) for guidance on matters pertaining to sponsored activities.

UM personnel are to follow the Standard Operating Procedures (SOP) outlined, as well as utilize the various required forms and templates that have been implemented for the activities related to this policy.

UM personnel should contact the Pre or Post Award staff for consultation if additional information is needed. Contact information can be found on [UM's ORA Contacts Webpage](#).