



WPI

Title: Finance Grant Management Procedures
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Expenditure Review Procedures

For sponsored projects, the Principal Investigator (PI) is responsible to determine what goods, and services (including personnel) are needed to carry out the scope of work.

The WPI community uses a variety of Workday tasks to submit expenditure requests. The workday business process routes requests to various approvers based on the worktags entered on the request. Every member involved in expenditure initiation, approval, and processing should be familiar with WPI policies and procedures. Grant administrative personnel are also knowledgeable in Federal and Sponsor terms and conditions along with any award specific requirements.

The business process is kicked off by the expenditure initiator. This person will enter the details of the goods or services needed. The initiator can be any member of the WPI community, but is often the PI, a researcher, or departmental staff member. Their role is to ensure they accurately input details of the order including vendor, item description, quantity, amount and worktags funding the purchase.

Once the request is submitted it will route for approvals. Additional approvals may be added; However, these are the minimum required approvals on sponsored projects.

- Grant Buyer - Larger or more complicated sponsored awards may have a grant buyer role assigned. This person will review for accuracy and allowability prior to SPA approval. In cases where there is no grant buyer the request will go directly to SPA and then to the PI.
- SPA - A member of Sponsored Programs Accounting (SPA) will review requests for compliance with federal cost principles, allowability on the sponsored project, and WPI policy. See below for further details.
- PI - The PI will review all requests for allocability to ensure the request is within the programmatic scope of work and is necessary to carry out the project.
- Controller - Non-payroll expenditure requests in excess of \$25,000 are routed to the Controller.
- Accounts Payable - Accounts Payable will review non-personnel requests for items such as proper documentation and duplication of invoices.
- Talent & Inclusion (T&I) – T&I will review personnel requests for items such as adherence to any applicable employment laws and WPI compensation policies.

When all approvals are complete, payment will be initiated. Non-personnel payments are issued by Accounts Payable and personnel payments are issued by Payroll. Both of these offices are part of the Controller's Office.

SPA's review of expenditure requests ensures all transactions meet the below requirements. Future budget installments, additional time, and allowed budget variations may be taken into consideration.

- Is within the award period of performance and items or services will be received/used for the project prior to the end of the award
- Has available funding overall
- Has available funding in the budget line
- Is allowable under the federal cost principles, sponsor terms and conditions, and award specific restrictions, if applicable

Budget and Expenditure Monitoring Procedures

Award budgets are monitored by PI's, departmental staff, and Sponsored Programs Accounting.

PI's and departmental staff are responsible to refer to their grant budget reports prior to submitting an expense to ensure there is available funding and the grant is open and allows the expense. If the balance is not sufficient, the transaction should be reviewed to see if the appropriate grant worktag is being used. PI's and departmental staff are also responsible to review posted transactions and budget reports on an ongoing basis. This includes:

- Identification of costs that are potentially unallowable per award or program specific terms and conditions
- Clerical errors where expenditures were charged to incorrect sources
- Monitoring to check grants for deficits

If the PI identifies an unallowable transaction, clerical error, or deficit, they will submit a cost transfer to SPA to correct the erroneous grant worktag(s).

SPA reviews all expenditure requests as outlined above prior to the transaction posting to the award. SPA also performs after-the-fact budget monitoring as an additional layer of review of grant transactions. This includes the following reviews, which are performed monthly.

- Monitoring to check grants for deficits
 - If a deficit is identified, SPA will reach out to the PI with a detailed transaction listing for the PI to review to confirm allocability.
- Adherence to special conditions
 - SPA reviews award budgets to ensure we are meeting financial special conditions (such as no travel allowed on an award).
- Monitoring of high-risk budget lines such as participant costs or professional services
 - Some budget lines are given additional scrutiny during review to ensure the financial sponsor terms and conditions are met.
- Review of large budget deviations
 - Large deviations are reviewed against sponsor terms to determine if a formal budget revision is required.
- Review of indirect costs to ensure they are properly applied
 - Awards are reviewed to ensure the appropriate indirect cost rates are applied.

In all instances SPA will review any concerns and work with the PI to resolve, as needed. This could be in the form of a reclassification, cost transfer, budget revision, post-award action, or deficit removal.

If an unallowable cost is identified on a grant, it is promptly removed by a cost transfer. Please refer to SPA's *Allowable Costs and Activities* and *Cost Transfer* policies for additional information.