



Office of Research Administration

GRANT BASICS

Internal Control Policies:

Maintaining objective, inclusive and reliable safeguarding of the University's assets

Accounting Policy & Procedure Manual

In late 2007, the new [Accounting Policy & Procedure Manual](#) was introduced. Below four Internal Control policies that affect most staff at the University are highlighted.

EFFORT VERIFICATION REPORTS

Are these Effort Reports really worth the effort? YES!

Sponsored research/grant funding is a significant revenue source for the University. This funding is at risk if 100% of the employees selected to complete Effort Reports do not perform this simple task according to specified timelines. If an employee receives federal funding on sponsored projects, the employee is required to verify the amount of effort spent on the sponsored projects to meet compliance.

To protect future research funding opportunities for the University, we must ensure that Effort Reports are verified, signed and dated by 100% of the employees selected to complete Effort Reports. More details are included in the Accounting Policy [APM—60.32 Effort Verification Reports](#).

TRANSACTION APPROVAL ON GRANTS

Does the PI really have to approve every transaction on a grant? YES!

Well, sort of.

The PI is responsible for authorizing, verifying and reviewing all expenditures charged to their grants or sponsored projects. But sometimes a PI may not be available and they need to have others handle some fiscal responsibilities in their place. When a PI needs to authorize a certain individual to either make purchases or verify the accounting of transactions on their behalf, a new form is available on the ORA website to document this delegation. [Delegation of Authority Form](#)

PAYROLL

Are you involved in entering and reconciling payroll?

For good internal controls, the jobs of entering, approving, and reconciling payroll should not be a one-person show. How can segregation of these duties be done in small departments? Regardless of the size of a department, it is every manager's duty to implement adequate internal controls, including segregation of duties.

Because Payroll represents the majority of the University's budget, implementing segregation of duties for entering and reconciling Payroll is very important. This new policy provides the steps to help ensure appropriate segregation of duties, [APM 55.60—Entering Approving and Reconciling Payroll](#).

NON-OWNED EQUIPMENT

Does your department use any equipment not owned by the University?

The University occasionally receives equipment on loan from a sponsor to use in completion of sponsored projects or grants. When this occurs, the University has a fiduciary obligation and/or must meet compliance requirements to track, maintain and protect this non-owned equipment in the University's possession.

Business Policy Manual [BPM—407 Inventory of Moveable Property and Equipment](#) identifies the requirements for tracking, including the use of a special "Non-Owned" tag.
