



**ALABAMA STATE UNIVERSITY**

**GRANTS & CONTRACTS ACCOUNTING**

**PROCEDURES MANUAL**

- Establishment of Grant-Contract Accounts
- New Grant Award Transmittal Form
- Establishment of Agency Accounts
- Grant Accounts Travel Expense Request
- On Line Expense / Purchase Order Request
- Indirect Cost Procedures
- Monthly Active Account Review
- Monthly Project Ending Notification (90 days)
- Journal Voucher Process
- Restricted Fund Account Deposits and Cash Advance Funds Return
- Deposit Transmittal Form
- Monthly Bank Reconciliation
- Grant Closeout
- Year-End Close Out

## **ESTABLISHMENT OF GRANT AND CONTRACT ACCOUNTS**

All Grant or Contract accounts must be initially reviewed and approved by the Office of Research and Sponsored Programs accompanied with the Clearance Form Transmittal (Exhibit 1) which will have all authorized signatures. (President, Vice President for Finance, Vice President for Departmental area involved and Vice President for Institutional Advancement). This transmittal is deemed as the “*Clearance Sheet.*” (Exhibit 1)

Along with the clearing form will be a copy of the actual grant award document from the approving agency or the executed contractual agreement and approved budget. Grants and Contracts Accounting will then establish a “Project ID with speed type number” and set up within the University’s Accounting system. All applicable attributes will be used in order to query and use all reporting tools necessary for managing grant accounts. After setting up each new project, the Office of Research and Sponsored Programs and Grant Principle Investigator will receive a copy of the established account.

NOTE: Department Heads may also serve as Principal Investigators if he/she if is listed as the PI on the award.

Exhibit 1

ALABAMA STATE UNIVERSITY  
PROGRAM AND FINANCIAL  
CLEARANCE FORM FOR GRANTS/CONTRACTS

AGENCY GRANT NO. \_\_\_\_\_  
(If a Continuation)

NEW GRANT \_\_\_\_\_ DATE \_\_\_\_\_

Title or Description \_\_\_\_\_

Agency Proposal Being Submitted to \_\_\_\_\_

Principal Investigator \_\_\_\_\_

Department/Office \_\_\_\_\_

School/College \_\_\_\_\_

Proposed Project Period \_\_\_\_\_ to \_\_\_\_\_  
Month/Date/Year Month/Date/Year

Total Requested \$ \_\_\_\_\_ First Year Request \$ \_\_\_\_\_

\_\_\_\_\_ Does this research involve hazardous materials, animals or human subjects?  
Yes No

\_\_\_\_\_ Are the appropriate documents for defined research attached?  
Yes No

**(For assistance, contact the Office of Grants and Contracts 229-6974).**

\*\*\*\*\*

**Requested Funding**

(Complete a Matching Grants Worksheet for ASU Funds Cash or In-Kind Amounts)

Agency Funds Requested \$ \_\_\_\_\_ ASU Funds Cash \$ \_\_\_\_\_

Indirect Costs to be Received \$ \_\_\_\_\_ In-Kind \$ \_\_\_\_\_

**APPROVED BY**  
Appropriate Signatures

\_\_\_\_\_  
Department Head or Director Date

\_\_\_\_\_  
Dean, School/College Date

\_\_\_\_\_  
Vice President, (Appropriate VP) Date

\_\_\_\_\_  
Vice President, Institutional Advancement Date  
Director of Grants Development Initials

\_\_\_\_\_  
Vice President, Fiscal Affairs Date  
Grants Accounting Initials

\_\_\_\_\_  
President Date

**In order to be processed, proposals must be submitted to the Office of Grants  
and Contracts two (2) weeks prior to the deadline!!!**

## **ESTABLISHMENT OF AGENCY ACCOUNTS**

Any club, organization, campus group, etc. must first provide to the Vice President of Fiscal Affairs a written request to establish such an account. The request must state the **source and use** of funds involved. Only after such request is made and written approval by the Vice President of Fiscal Affairs to Grants and Contracts accounting will such an account be established. Once implemented, the responsible party will be notified of the "Project ID and speed type" and instructions of proper collection and receipting of funds. Expense request from funds received will be made through approved university policies & procedures.

## **TRAVEL REIMBURSEMENT**

### **PeopleSoft Travel and Expense Module (see appendix A23)**

#### Mileage

- Mileage rate **effective** as of **January 1, 2021** is **\$.56**. This is the federal rate.
- The mileage rate will vary annually based on the federal rate.
- Mileage should be reasonable. For travel within the state of Alabama, verify mileage via MapQuest.
- Calculate mileage based on the starting location being ASU to traveling destination not from the traveler's home unless you departed from home and the mileage is less.

#### In-State Travel

*(NOTE: No receipts are used for In-State travel; only per diems are applied; See below)*

#### If traveling:

- Less than 6 hrs. = no meal reimbursement
- 6 to 12 hrs. = \$12.75 meal reimbursement
- Greater than 12 hrs. = \$34 meal reimbursement
- \$85 per diem for overnight travel – one-night stay (Includes both lodging and meal)
- \$100 per diem for overnight travel – two or more night's stay (Includes both lodging and meal)

Non-overnight per-diem is subject to Federal, FICA, and Medicare taxes as imposed by the Internal Revenue Service. Thus, the amounts will be on the employees W-2 form.

#### Out-of-State Travel

- Must use actual itemized receipts for all expenses incurred. Actual receipts include original paper receipts but may also include electronic and faxed copies of travel receipts. All cost must be reasonable.
- Effective July 1, 2018, the University will implement a "cap" on all out-of-state meal reimbursements related to travel outside the state of Alabama. As such, meal reimbursements

will be capped at the Contiguous United States (CONUS) rate for the particular city destination where the work activity takes place and will require itemized receipts for each meal.

For the employees' convenience, meal cap amounts for various cities can be found on the U.S. General Services Administration (GSA) website as follows: [www.gsa.gov/travel/plan-and-book](http://www.gsa.gov/travel/plan-and-book). Once on the GSA webpage, select per diem rates and enter either the state or the city (or both) in order to locate the Meals and Incidental Expense (M&IE) rate for that particular city.

Additionally, please note that the University will only reimburse meals up to the capped per diem rate with an allowance for up to \$10 above the per diem rate. As such, any expenses that exceed the capped rate (other than allowance for \$10) will be at the employee's expense.

#### Other Notes:

- Deduct any alcoholic beverages from expenses. These are not to be included in reimbursement.
- If traveler has room service expenses on hotel receipt, deduct room service amount from lodging expenses and include in meal reimbursement.
- **Home Base** – All Alabama State University employees have, for work and business travel purposes, a “home base” unless otherwise approved. For most employees, home base is Alabama State University, except for those employees that are affiliated with approved University locations off-site. For the affected employees, the approved locations will then serve as home base for travel purposes. When leaving from your home of residence for a trip, your address may be considered as the home base if the distance is shorter than using Alabama State University.
- **Travel Authorizations** – All travel authorizations (TA) must be fully approved before leaving for a trip. When estimating the cost of the travel on the TA, estimates should be closely in line with the actual amount for which the traveler will be seeking reimbursement on the expense report. If the traveler submits an expense report for an amount that is not encumbered on the approved TA (within a tolerable allowance for estimation of approximately \$100), the traveler will assume the responsibility for the additional charges.

#### **Mode of Transportation**

Each department is responsible for selecting the mode of transportation, preferably the least costly to the State. After the department selects the mode of transportation and obtains approval from the Vice President for Finance, deviations are not allowed. The traveler is entitled to reimbursement for actual and necessary expenses incurred based on the authorized mode of travel. Reimbursement will not be made for private automobile use when the approved mode of travel is commercial or for commercial travel when the approved mode is private automobile use. Departments are encouraged to travel together when attending the same conferences or workshops.

## **TRAVEL BY PRIVATE VEHICLE**

### ***At what rate is the use of personal vehicles reimbursed?***

The current state mileage rate is \$.56 per mile. That covers all vehicular costs, including tolls, repairs, and fuel.

Reimbursement is based on the shortest distance between ASU and the destination.

### ***What is the reimbursement rate for driving to regional airports?***

If you use your personal vehicle to drive to an airport for a flight or to pick up an official University guest, you will be reimbursed at the current state mileage rate (this doesn't include parking charges) from the ASU campus.

## **RENTAL VEHICLES**

Rental vehicles may be used if approved by your supervisor and ASU's Transportation Department. Vehicles may be rented from another source only if an appropriate vehicle is unavailable at the state motor pool or the University's motor pool. Otherwise vehicles must be obtained from the State Motor Pool or the University's motor pool. Should you choose a commercial rental agency, a completed rental invoice is required. Gas charges will be reimbursed only in instances where the credit card provided by the State Motor Pool is not accepted. Receipts are required for reimbursement including toll charges.

If you are using a rental vehicle for both personal and University travel, note the proportion of personal use on the voucher. The University will not pay for any day on which the vehicle is used for personal use. The University will not allow rental vehicles if your conference is at the hotel in which you are lodging unless approved by VP for Business & Finance or designee.

### **Insurance for Rental/Personal Vehicles/Airfare**

Anyone renting a vehicle on University business must provide their own insurance. The University will not reimburse the cost of insurance coverage on rental vehicle.

## **AIR TRAVEL**

### ***What are the basic guidelines for air travel?***

Airline reservations are your responsibility and are to be made through your unit. The University will not reimburse for arbitrary itinerary changes.

Air travel will be arranged and paid for by the traveler and reimbursed upon return.

The University will not reimburse for non-refundable tickets where travel has not occurred, except under extenuating circumstances as approved by the University.

Air travel will be made at the lowest logical standard or discounted rate for the period of business travel.



Trips that include additional personal stops are not authorized.

**For the most current rules and regulations regarding air travel security, visit the web site for the Transportation Security Administration located at [www.tsa.gov/public/](http://www.tsa.gov/public/).**

### **FLY AMERICA ACT**

When traveling by air on Federal Grants and Contracts, Federal Regulations require the use of U.S. Flag Air Carriers for both domestic and international travel. See Exhibit 5.6 of Grants and Contract Procedures for more details regarding the Fly America Act.

Examples of Certified US Flag Carriers:

Alaska Airlines  American Airlines  Delta Airlines  Frontier Airlines  Hawaiian Airlines  JetBlue Airway  Southwest Airlines  Spirit Airlines  United Airlines  US Airways

Additional details may be found in the Comptroller's Office Policies and Procedures manual.

## **ON LINE EXPENSE / PURCHASE ORDER REQUEST**

On a daily basis assigned grant and contract personnel will automatically receive system work list which are pending request for purchase orders (Exhibit 2). Pending request may be drilled to view actual item or service description, project id and expense account control being used (Exhibit 3). Grant and Contracts accounting personnel will review to make sure the correct account control is being used according to the request description. All requisitions must include **justification** for **any expense** charged to a sponsored award. The purpose of the justification is to support and justify that

- ◆ The expense provides a **direct benefit** to the award.
- ◆ The expense **complies with any award restrictions and approval requirements** outlined in the terms and conditions of
- ◆ All costs charged to a sponsored research agreement are **allowable, allocable,** and **reasonable**. Each financial transaction charged against a sponsored research award is evaluated against these three concepts

After review of the requisition an approval or push back to requestor may be done. System requisition process will not allow request to be entered if funds are not available or if project is currently inactive.



## Exhibit 2

Detail View Work List Filters:  Feed

From	Date From	Work Item	Worked By Activity	Priority	Link		
Kamal Hingorani	10/17/2011	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 94991, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:120000275</a>	Mark Worked	Reassign
Steven B. Chesbro	11/08/2011	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 103002, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:120000846</a>	Mark Worked	Reassign
Candy Capell	11/21/2011	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 108062, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:1200001570</a>	Mark Worked	Reassign
Evelyn A. Hodge	01/19/2012	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 120192, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:1200002616</a>	Mark Worked	Reassign
Steven B. Chesbro	02/13/2012	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 126946, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:1200003166</a>	Mark Worked	Reassign
Shree Ram Singh	02/14/2012	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 127022, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:1200003169</a>	Mark Worked	Reassign
Sharron Y. Herron	03/08/2012	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 133393, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:1200003727</a>	Mark Worked	Reassign
Danielle M. Kennedy-Lamar	03/12/2012	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 131712, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:1200003583</a>	Mark Worked	Reassign
Danielle M. Kennedy-Lamar	03/12/2012	Approval Routing	Approval Workflow	2-Medium	<a href="#">Requisition 132432, ASU</a> <a href="#">Requisition 2011-08-16, N. 0,</a> <a href="#">BUSINESS UNIT:ALASU</a> <a href="#">REQ ID:1200003647</a>	Mark Worked	Reassign

Refresh

## Exhibit 3

<b>Business Unit:</b> ALASU	<b>Requester:</b> 010029659	<b>Status:</b> Pending Approval					
<b>Requisition:</b> 1200003727	<b>Requested By:</b> Latoria Harris	<b>Currency:</b> USD					
<b>Requisition Name:</b> Tekyi-Mensah Supplies	<b>Entered Date:</b> 3/8/12	<b>Requisition Total:</b> 299.90					
<b>Line:</b> 1	<b>Item Description:</b> Smart Pen echo	<b>Quantity:</b> 2.0000					
		<b>UOM:</b> EA					
		<b>Price:</b> 149.95					
		<b>Line Total:</b> 299.90					
		<b>Line Status:</b> Pending					
<b>Ship Line:</b> 1	<b>Ship To:</b> RECEIVING	<b>Address:</b>					
<b>Attention:</b> Latoria Harris	<b>Due Date:</b> 3/22/12	1251 S. Decatur St. Inventory and Receiving					
		Montgomery AL 36104 United States					
		<b>Shipping Quantity:</b> 2.0000					
		<b>Shipping Total:</b> 299.90					
<b>Dist</b>	<b>Status</b>	<b>Location</b>	<b>Qty</b>	<b>PCT</b>	<b>Amount</b>	<b>GL Unit</b>	<b>Account</b>
1	Open	01625	2.0000	100.00	299.90	ALASU	53125
<b>Dept</b>	<b>Fund</b>	<b>Class</b>	<b>Budget Ref</b>				
20216	21	100	YR01				
<b>Open QTY</b>	<b>Project</b>	<b>Open Amt</b>					
2.0000	HBCUAIDMASTERFS	0.000					
<b>GL Base Amount</b>	<b>Currency</b>	<b>Sequence</b>					
299.90	USD	0					

## INDIRECT COST PROCEDURE

Indirect Costs (also known as facilities and administrative costs), are "costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity." Alabama State University use the negotiated indirect cost reimbursement rates in effect at the time of initial award throughout the life of a project agreement. For this purpose, "life of the project" means each competitive segment of a project. The base for indirect cost is direct salaries and wages

including all fringe benefits. Indirect Cost expenses are calculated using the approved percent rate, expenses are charged to the grant, both direct and indirect cost expenses are submitted to the agency for reimbursement.

### **MONTHLY ACTIVE ACCOUNT REVIEW**

All active projects will be reviewed monthly in order to invoice according to the grant agreement or request reimbursement from the appropriate agency. This review can be done quickly by querying reimbursable projects from the University's accounting system. Grants and Contracts accounting will attempt to establish a direct wire transfer for reimbursement of expenditures from the approving grant agencies in order to increase cash flow. In addition to a monthly review, a schedule of program financial status reports is maintained with the grantor's due dates along with a schedule of annual recurring audits required by various agencies by due date and supporting materials required such as the Federal Single Audit OMB A-133 and Corporation for Public Broadcasting (CPB).

### **MONTHLY PROJECT ENDING NOTIFICATION (90 days)**

A report will be generated once a month and forwarded to the Office of Research and Sponsored Programs of special projects which will close within 90 days. This report is the budget, expense, encumbrances and available balance remaining. ORSP will then contact the Private Investigator (P.I.) to make them aware of the approaching project closing date and both offices, Grants & Contracts Accounting and ORSP will follow up to make sure allowable funds are obligated to their maximum or proceedings take place to request an extension for the project.

### **JOURNAL ENTRY APPROVAL PROCESS**

All journal entries will be reviewed by the Director. No journal entry will be posted without signatures from the preparer and the reviewer. All journal entries will be posted by the Accounting Clerk or another designee to be determined by the Comptroller or Director. **[Note, the Accounting Clerk will not be preparing journal entries.]** No one member of the Accounting staff will have the responsibility for preparing, reviewing, and posting journal entries. Daily Transaction Report – Review by Chief Accountant to verify accurate posting and recording of journal entries.

## **Restricted Fund Account Deposits and Cash Advance Funds Return**

All Restricted Fund checks and Agency project deposits will be delivered directly to the Controller's office via mail or by the various departmental designees. Checks and funds received will be logged and disseminated via email to all accounting personnel. Funds will be accompanied by a deposit transmittal properly filled out with type, number and amount of negotiable instruments (checks, money orders, etc.) and total cash (Exhibit 4). The deposit transmittal will be signed by the person delivering the transmittal and funds. The funds received will be verified and the deposit transmittal sign by cashier receiving the funds for depositing to the restricted bank account (Bank 16 / Regions Bank). A certified copy of the deposit transmittal with signatures, departmental designee and cashier, will be forwarded to the Grants and Contracts accounting office for posting and project update in the accounting system (People Soft).

Cash advance funds returned to the University will be taken to the cashier's office and accompanied by the cash advance envelope. Upon verifying the return of the cash advance funds, the cashier will sign the envelope and forward a copy to Grants and Contracts accounting if the speed type number begins with 5-2XXXX. Upon Grants and Contracts receiving the certified signed copy of the cash advance envelope the account will then be properly posted in the accounting system (People Soft).

Exhibit 4



**ALABAMA STATE UNIVERSITY**

***Deposit Transmittal***  
***Grants & Contracts Accounting***

**\*\*\*\*\*NOTE\*\*\*\*\***

**Login Session Bank 13**

**Funds Source**

- Account Number:** 128059      - **0334 (State)**  
   - **0338 (City/County)**  
   - **0343 (Corporation)**  
   - **0344 (Private)**

**Account Name:**    **Name on established account**

**Contact Person:**   **Person responsible on account**

<b>Item Type</b>	<b># of Items</b>	<b>Amount</b>
<b>Cash</b>		\$
<b>Checks</b>		\$
<b>Money Orders</b>		\$
<b>Total</b>		

---

**Name**

**Date**

*I certify that all funds received have been recorded on this transmittal and submitted for deposit and posting to above account.*

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**Name**

**Date**

*I have received and verified the transmittal amount for deposit and posting*

## **MONTHLY BANK RECONCILIATION**

By the fifteenth of each month Grants and Contract Accounting will review the bank reconciliation with the designated general accounting personnel. All previous month bank deposits and transactions and accounting system postings and transactions will be analyzed for reconciliatory purposes. Any corrections should be journal vouched immediately and be accompanied by any and all supporting documentation.

## **GRANT CLOSEOUT**

Closeout of a project or other agreement is the process by which the sponsoring agency determines that all applicable administrative actions and required work of the agreement have been completed by the university and the sponsoring agency. The date of completion is the date on which all work under grants and other agreements is completed or the date on the award document, or any supplement or amendment thereto, on which sponsorship ends. Each grant shall be closed out as promptly as possible after expiration or termination.

As stated in the section **Monthly Active Account Review**, a schedule of program status reports listed by due date is maintained. These reports will be submitted to the sponsoring agency as required on a quarterly, semi-annual or yearly basis (Exhibit 5). The listing also will include program ending dates to properly close the grant award for final reporting. In an effort to expedite the established fiscal closeout requirements of the sponsoring agency, the university will be guided by the following procedures:

- All requisitions must be submitted at least thirty (30) days prior to the expiration date of the grant.
- Purchase orders must approved and issued thirty (30) days prior to the expiration date of the grant.
- All encumbrances associated with federal projects should be liquidated within ninety (90) days from the expiration date of the grant. Any encumbrance not liquidated within ninety (90) days will not be chargeable to the grant, unless approved by the appropriate level from the granting agency (per Federal Register).
- All encumbrances associated with state and other grants (non-federal) should be liquidated within ninety (30) days from the expiration date of the grant. Any encumbrance not liquidated within thirty (30) days will not

be chargeable to the grant, unless approved by the appropriate level from the granting agency (State of Alabama contractual norm).

- The Grants and Contracts Accounting Office if required, shall submit to the sponsoring agency the final financial report. This report is normally due within ninety days (90) after the expiration date of the grant or on such date as set forth in the award document.





## **Year-End Closeout**

In preparation of year-end close all grant or contract accounts on a reimbursable basis must be analyzed to determine each sub-fund's receivable. Journal vouchers are prepared for every account where funds are due to the University to increase the receivable (DR) and recognize revenue (CR). Upon posting, a query from the system's financial transaction records are done each week until final close to determine if any other transactions have occurred and make to the necessary adjustments.

A listing of account payables is provided and analyzed by accounting staff to determine if there is an outstanding liability for the previous fiscal year. Journals are prepared and accruals are then posted to move those expenditures to the prior fiscal year using system's period of 998-year end adjustment. A query is done each week until final close to determine if any other changes are made to payables and if the transactions are in the correct fiscal year.

Final year-end bank reconciliation is done no later than fifteen days after receiving the previous month's bank statement. A copy of the bank statement and outstanding check listing will be provided along with bank reconciliation from general accounting.

A draft OMB A-133 schedule of federal awards for all direct and indirect federally funded awards is done for pre-audit review of our external auditors starting July of each fiscal year. Along with this schedule a listing of all transactions is to be provided for audit sampling. This will expedite the actual annual audit process when scheduled.