PURPOSE:

To establish a policy and procedure on the treatment of expenditures which exceed the funding provided by the sponsor for a particular project.

DEFINITIONS:

None

POLICY:

The principal investigator (PI) and or applicable sub-department, department, school, or division is accountable for the overdraft on a sponsored project and must provide funding from other departmental account(s).

REFERENCES:

None

PROCEDURES:

1. Although circumstances may dictate a temporary overdraft on a sponsored project, resolution of overdrafts must accompany the final account reconciliation. This resolution must occur within 60 days of the award end date.

2. For resolution, Sponsored Programs (SP) - Financial Administration, in collaboration with the PI, will pursue one or more of the following actions:
   a.) obtain additional sponsored funding;
   b.) request the PI to establish a cost sharing account to absorb the overdraft. Cost sharing accounts are created to provide records for mandatory institutional cost sharing.

3. If no resolution can be reached, the overdraft will be cost shared by SP Financial Administration to the appropriate departmental operating account on a timely basis.