UNIVERSITY OF MIAMI
SPONSORED PROGRAMS POLICIES AND PROCEDURES
Section I: Award Closing
Policy 14: Expenditure Cut-Off

Approval: April 5, 1996
Reviewed: December 2006

PURPOSE:
To establish guidelines for the submission and evaluation of expenditures in the final phase of a sponsored project period.

POLICY:
The university will adhere to the sponsor’s time frame for performance of a sponsored program. Unless written sponsor approval has been obtained, principal investigators (PI) may not incur expenses that were not obligated or incurred within an award’s defined project period (including authorized extensions). Obligations and expenditures incurred at the end of a sponsored project will be reviewed by Sponsored Programs (SP) Expenditure Compliance Office for appropriateness and returned to the PI/department, without processing, if they are not consistent with this policy.

PROCEDURES:
1. The PI and/or the departmental administrator is responsible for monitoring the financial status of sponsored accounts and for not incurring costs beyond the end of the designated project period.

2. The following areas must be reviewed by the PI and departmental administrator at the end of the project:
   - Standing Purchase Orders: To close a standing purchase order on a sponsored account, send a memorandum or purchase requisition/Change Order to the Purchasing Office identifying the following: account number, vendor, purchase order number, sub-object code, and effective date of closing. No orders may be placed against a standing purchase order after the close of the project period.
   - Centrex Telephone and Long Distance Charges: To cancel telephone service and long distance charges on sponsored accounts, send either a copy of the original interdepartmental requisition form with a notation to cancel, or a memorandum to Telecommunications via SP Expenditure Compliance, which identifies the telephone number, service, or long distance code, and the effective date of the change of service.
   - Duplicating Charges: To cancel recurring duplicating charges on a sponsored account, send a memorandum to Duplicating Services via SP Expenditure Compliance with the following information: account number currently being charged, account number now to be charged, and the effective date of the change.
   - Petty Cash and Travel Reimbursements: These must be closed consistent with university policy and are to be submitted within ten working days of the close of the project period.
3. The PI and departmental administrators should remember the following policies on the purchase of supplies and equipment during the final quarter of the project period:

- Equipment acquisitions may require justification of the usefulness to the project in the close-out period.
- Supplies are to be acquired in reasonable amounts for the expected activity during the close-out period. “Stockpiling” in the terminal year of a project period may result in audit disallowances.

4. SP Expenditure Compliance is responsible for reviewing all expenditures for appropriateness and available funding. For the purpose of expenditure cut-off determination, the date of approval by SP Expenditure Compliance, as reflected by the date signed as well as internal control records, will constitute the official university date of funding obligation. Purchase order request cut-off dates for sponsored program accounts are established as the last working date prior to or through the end date of the sponsored program account budget period.