

PROPOSED REVISION TO: REG 10.05.11: Budget Overdraft

Rationale:

Request to change Paragraph 3.2 from, "If a College or Division fails to eliminate a budget overdraft within 60 days past the project end date..." to instead reflect "30 days". This is to bring NC State University in line with the UNC-GA/UNC-FIT Key Performance Indicators (KPI) CG20 and CG21 that benchmark the timeliness of project closeout.

Consultation Process:

mk Steve Keto, Associate Vice Chancellor for Finance and Resource Management authorizes transmittal of PRR for review – Completed 7/18/2011

_____ General Counsel preliminary review – Completed 7/18/2011

_____ Terri Lomax, Vice Chancellor for Research and Innovation and Matt Ronning, Associate Vice Chancellor for Research Administration review – Completed 7/18/2011

_____ [Relevant NCSU committee or other body] review, if applicable (N/A)

_____ General Counsel final review, if changes have been made (N/A)

CL 7/27/11 Charles Leffler, Vice Chancellor for Finance and Business, review and approve PRR

_____ University Council (recommendation/notification), if applicable (N/A)

_____ Board of Trustees (approval/notification), if applicable (N/A)

NC STATE UNIVERSITY
Policies, Regulations and Rules

Authority	Vice Chancellor for Finance and Business
Title	Sponsored Awards – Budget Overdrafts
Classification	REG10.05.11
PRR Subject	Contracts and Grants
Contact	Assistant Director, Systems and Compliance (919) 515-8011. Office of Contracts and Grants.

History: First Issued: July 1, 2002.

1. Introduction

This statement explains budget responsibilities for sponsored awards and the criteria to be used by Colleges/Schools/Departments/Units when budget overdrafts occur.

It is the responsibility of the Colleges/[Divisions](#) and the Principal Investigator to ensure that over-expenditures on sponsored awards do not occur. [This responsibility extends to both direct and facilities and administrative costs on all active sponsored awards.](#) "Preaudit" reviews performed by the Colleges or [Division administrative the designated](#) personnel should identify transactions which, if processed, will result in over-expenditure.

2. Rule

2.1. Expenditures in excess of officially funded award amounts are unallowable. [In the event an error is made and over-expenditures occur, the over-expenditures must be moved off the project prior to the project end date.](#)

2.2. It is the responsibility of the [College-College or Division](#) to resolve overdrafts as quickly as possible.

2.3. Federal, State and private sponsors do not permit the transfer of costs to other sponsored awards for the purpose of:

2.3.1. Eliminating overdrafts caused by expenditure overruns,

2.3.2. Avoiding restrictions, OR

2.3.3. Other reasons of convenience

3. Guidelines for Correcting Budget Overdrafts

3.1. ~~The Office of Contracts and Grants provides a monthly direct cost overdraft report to College Business Officers. Projects reflecting direct cost expenditures in excess of the approved budget must be reconciled to the budget and excess costs transferred within 30 days after receipt of the overdraft report. It is the responsibility of the Department, College or Division to review their projects periodically for budget overrun situations.~~

3.2. If a ~~college~~ College or Division fails to eliminate a budget overdraft within ~~60~~ 30 days, past the project end date, the Office of Contracts and Grants may elect to transfer the costs to the ~~department's~~ College or Division's operating budget or discretionary speed-type.

3.3. The College or Division may request that a budget overdraft be allowed to continue ~~beyond the 30-days beyond the project end date deadline~~ if proof of additional funding is provided in writing (from the Sponsor's administrative/financial authority) to the Office of Contracts and Grants. In these cases, the College retains full responsibility for all overexpenditures in the event funding is not received.