

Financial Oversight Policy Guidelines for Financial Staff

Allowability of Expenses

Clearly labeled documentation showing the PI or managers approval of the related expense must be attached to any request for payment, authorized signature or reimbursement. This applies to the following items:

- Purchase Order
- Online Payment
- Travel Reimbursement
- P-Card Purchases (must maintain hard copy of each receipt with monthly statement)
- Independent Contractor Agreements
- Subcontractor Payments

All documentation (except pcard) should be uploaded into SAP and save the all documentation to the PI's grant folder on the share drive. Any backup emails or information you might save on your pc about the expense should also be saved into SAP.

Remember – if you leave JHU for any reason, what is in SAP must be proper documentation to justify and UNDERSTAND rationale for approving the expense.

A detailed review of subcontractor payments for high risk subs should be reviewed by a financial manager, Sr. Administrator Manager prior to processing. The reviewer will initial and date the document after the review is complete. Faculty must be prepared to present documentation about how they monitor productivity of the subawardee so please be sure to remind them of this often. Auditors are requesting this documentation from PIs.

For independent contractor agreements, documentation of why the vendor was selected (for any amount) should be included in the file. The documentation should state rationale such as cost comparison, past experience, etc.

Below is guidance on what must be included for sole source purchases. Also, any relationship (business or personal) that exists prior to the expenditure at hand must also be disclosed.

Sole Source Justifications Must Include:

- a. Specific description of the supplies and services required to meet the needs
- b. A statement of facts that show the unique qualifications to meet those needs
- c. A description of efforts made to locate other sources of supply
- d. Documentation that the anticipated cost is fair and reasonable – (at minimum this should be a statement certified/signed by the PI)
- e. Any other information supporting the use of other than full and open competition

Payroll and non-payroll Cost Transfers

For any cost transfer >90 days old, please notify the administrator as to the reason for the delayed transfer prior to submitting the transfer for processing.

When submitting a non-payroll cost transfer, a copy of the transfer should be placed in each account and the original documentation of the expense should be moved to the final resting place of the expense.

Control Salary, Effort Reporting, Surplus/Deficit and Accounts Receivable

Control salary reports will be run monthly and distributed for review. The department administrator and financial managers monitor the pre review and certification of effort reporting. Reminders are sent on a routine basis to facilitate timely review and submission. Surplus/Deficit and Accounts Receivable reports are reviewed monthly by the department administrator. The files are saved on a share drive and financial team members are prompted to review the file and add their notations. This is reviewed by the department administrator, steps are taken within the department to move forward unresolved issues and the notes are then forwarded to the business office for review and comment.

Account Reconciliations

Ideally, accounts are reconciled on a monthly basis. When this cannot occur, reconciliations **MUST** be completed within **90 days** in order to ensure transfers and corrections are handled in a prompt manner. Each financial staff member reviews the statements, SAP totals, salary spreadsheets and receipts for accuracy and makes any required corrections.

You must find a way to document this process whether it be paper or electronic. For example, it could be signing and dating the reconciliation spreadsheet or keeping a log in the file that is dated and showing notes about each month. Please verify with your manager that your process meets audit standards. Auditors will occasionally request documentation to verify the monthly reconciliations are occurring.

If you complete a paper reconciliation it should be maintained onsite for one year after the completion of the project and then can be destroyed since all records are stored in SAP.

Meetings with faculty to review accounts are scheduled based on faculty preference but minimally, quarterly. The agenda from these should be documented and stored electronically.

Invoicing

Any invoice generated within the department must be reviewed by a financial manager, sr. grants and contracts analyst or administrator prior to being uploaded in SAP and sending to sponsor. The invoice copy for our files should house behind it any documentation justifying the invoice total including reports and trailing charges.

Financial Status Reports

All FSRs completed and submitted by Department directly to the sponsor must be reviewed and approved by sponsored shared services prior to submitting the sponsor. Documentation of the SPSS review should be maintained in the file with the report and electronically.

Name of Financial Team Member (print) _____

Signature _____ Date _____