

Project Accountability and Over-Expenditure Procedure

Classification	Table of Contents
Financial Management	Purpose 1
Approval Authority	Scope 2
Vice-President (Finance & Services)	Definitions 3
Implementation Authority	Procedure 4
Financial Services	Parent Operating Standard 5
Effective Date	Instructions/Forms 6
April 2, 2020	History 7
Latest Revision	
April 2, 2020	

Purpose

- 1** The purpose for this procedure is to outline:
- the process by which Project Holders obtain approval of Over-Commitments and Over-Expenditures in projects;
 - project management details;
 - the role of Research Accounting in monitoring Over-Expenditures and Over-Commitments.

Scope

- 2** This procedure applies to Over-Expenditures and Over-Commitments on projects at the University.

This process applies to all externally restricted projects (Fund 50, 60 & 70).

This procedure does not apply to:

- claim based projects or fee-for-service/cost recovery projects where the sponsor is invoiced based on expenses incurred or according to a set fee schedule; and
- Internally Restricted Net Asset (IRNA) projects (Fund 11, 12, 13, 14, 18 & 19).

Definitions

- 3** In this procedure:
- “Project Holder” means the designated individual who has control over the funds. This includes individuals who have a contract to conduct sponsored research at the University and applies to both internal and external funding awards.

- b) A “Sponsor” is an organization, granting agency or entity which agrees to provide funds to a Project Holder to conduct a project.
- c) A project is “Over-Committed” when future salary (e.g., payroll appointments) and non-salary (e.g., purchase orders) expenditures together with actual expenditures incurred to date for the project exceed the total revenues awarded to the project.
- d) An “Over-Expenditure” for a project occurs when expenditures incurred to date for the project exceed revenue recorded to date for the project.
- e) “SLT” means employees of the University who, at the relevant time, are designated as members of the Senior Leadership Team
- f) “University” means the University of Calgary.

Procedure

4 Obtaining Approval

- 4.1** If an Over-Expenditure or Over-Commitment is anticipated by the Project Holder or identified by Research Accounting, the Project Holder will submit a request for approval of the Over-Expenditure or Over-Commitment to the dean of a faculty, the head of a school or department, or the most senior SLT member of an administrative unit as appropriate, on the prescribed form attached to this procedure.
- 4.2** If the dean of a faculty, the head of a school or department or the most senior SLT member of an administrative unit agrees that the Over-Expenditure or Over-Commitment is warranted, they will sign the form as indicated and forward it to Research Accounting.
- 4.3** Research Accounting will review the request and approve as a delegate of the Vice-President (Finance and Services).

Project Management Details

- 4.4** Research Accounting may suspend a project with Over-Commitments or Over-Expenditures. Suspension will only occur after consultation with the dean of a faculty; the head of a school or department; or the most senior SLT member of an administrative unit which is not a faculty, school or department.
- 4.5** Over-Expenditures may not be cleared by reallocating costs from one project to another unless the costs were initially charged in error or are an eligible charge against the project to which they are transferred.

Monitoring Over-Commitments and Over-Expenditures

4.6 Research Accounting will provide each faculty/department and Project Holder with quarterly over-expenditure reports. Project Holders are responsible to review and clear the Over-Expenditure. The dean of a faculty; the head of a school or department; or the most senior SLT member of an administrative unit which is not a faculty, school or department will review and follow-up, where necessary, on any outstanding Over-Expenditures.

Parent Operating Standard **5** [Project Accountability and Over-Expenditure Operating Standard](#)

Instructions/Forms **6** [Approval of Over-Expenditures and Over-Commitment Form](#)

History **7** *Approved:* March 1987 by Vice-President (Finance and Services)

Effective: April 1, 1987

Revised: April 1, 1994

Revised: August 28, 2014 (editorial revisions) approved by the Vice-President (Finance & Services).

Revised: April 2, 2020 – OE Policy changed to Operating Standard