



Policy: <b>Accounting System for Sponsored Research</b>	Policy No: <b>S3.I</b>
Policy Developers: <b>Sponsored Research; Controller’s Office</b>	Original Date: May 18, 2018
Last Review Date:	Approval Date: October 17, 2019

- I. **POLICY:** All restricted operating accounts—including federal awards—are set up with a unique Fund and Organization number at John Carroll University (“the University”). The Fund number is set up using a predecessor Fund number created for each type of federal award. This allows the university to identify in the chart of accounts all federal awards received and expended. The unique Fund and Organization number also gives the university the ability to report revenue and expenditures separately by federal programs.

Records are maintained by the Accounts Payable Department and the Manager of Endowment and Grant Accounting. The Accounts Payable Department maintains records of all disbursements. Copies of check payments, which include receipts, are held for two years in the Business Office. Copies of check payments and receipts older than two years are moved to a secure storage area. The activity posted to the University’s finance and accounting system is always available to track transactions. Transactions posted to the system are indefinitely retained. The Manager of Endowment and Grant Accounting sets up a paper file and an electronic file for each federal award. The records kept include proposals, acceptance letters, notice of award, invoices that are used to draw down funds, support for invoices and any communication from the federal agency and University employees involved with the federal award.

A. **Blank Checks**

In the University accounting system blank checks are not permitted. Each check is printed at the time of processing. The blank forms that the checks are printed on are kept in storage. The only signatures accepted by the bank are those of the University’s authorized signatories, including the President.

B. **Segregation of Duties**

There is a clear segregation of duties for electronic fund transfers. Accounts Payable creates the vendor accounts for an electronic fund transfer. The actual transfer, direct deposit, or wire is processed by the Assistant Controller or the Assistant to VP for Finance.

- II. **PURPOSE:** Accounting is the means through which financial data necessary for the efficient administration of the university are recorded, classified and reported. The financial management system must meet the requirements of the institution and the University’s sponsors while still being governed by the principles and concepts of institutional accounting and finance. This policy incorporates generally accepted accounting principles (GAAP) and

## S3.1 Accounting System for Sponsored Research Policy

---

Federal regulations, including [45 CFR 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards](#), and [2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

**III. SCOPE:** This policy pertains to all employees who handle accounting and finances relating to Sponsored Research, particularly accounts associated with federal grants.

**IV. DEFINITIONS:** Any reference to a job position in this policy should be understood to include said employee's designee.

**V. CROSS REFERENCES:**

**A. [University Policies](#)**, including but not limited to

1. Sponsored Research Policies
2. Bank Account Reconciliation

**B. Federal Regulations, Statement, and Mandates**

1. [45 CFR 75.302](#)
2. [45 CFR 75.327](#)
3. [2 CFR 200.302](#)
4. [2 CFR 200.327](#)
5. [HHS Grants Policy Statement](#)
6. [HRSA Legislative Mandates in Grants Management for FY 2018](#)

***This policy will next be reviewed five years from the date of last review.***