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Parent Policy: [Financial Management and Practices Policy](#)

## **Research – Over Expenditure (Unauthorized) Procedure**

<b>Office of Administrative Responsibility:</b>	Research Services Office
<b>Approver:</b>	Vice-President (Finance and Administration) and Vice-President (Research)
<b>Scope:</b>	Compliance with this University procedure extends to all Academic Staff and Colleagues as defined in the Recruitment Policy (Appendix A), Professors Emeriti, Graduate Students and Postdoctoral Fellows.

### Overview

As a general principle, **over expenditure** of a research **project** is not permitted. The University recognizes that occasionally there may be circumstances which might justify a temporary over expenditure of a **restricted research project**, to allow continuity of research activities. The **project holder** must request such authorization in advance of incurring over expenditure. Refer to the *Research – Over Expenditure (Authorized) Procedure*.

In circumstances where the project holder reports to a Chair, it is the responsibility of the Chair, after receiving notice that the project has been inactivated due to over expenditure, to ensure that unauthorized over expenditures are resolved and, where the Chair fails to do so, these amounts will be charged to the Chair's operating budget. In circumstances where the project holder does not report to a Chair, the responsibility falls to the appropriate Dean or Vice-President. The project holder remains at all times personally responsible and liable for over expenditures.

### Purpose

To set out the actions to be taken to resolve unauthorized over expenditure of research funds in a timely manner.

## **PROCEDURE**

### 1. INACTIVATION OF OVER EXPENDED PROJECTS

When a project has an unauthorized over expenditure, the Research Services Office (RSO) will inactivate the project within approximately 9 days after month-end in order to prevent further over expenditure and will notify the project holder, Chair and Dean of such action.

### 2. PROJECT HOLDER RESOLUTION OF UNAUTHORIZED OVER EXPENDITURE

The project holder is responsible for resolving the unauthorized over expenditure within 30 days following receipt of notice of the inactivation of the project by:

- a. requesting in writing to the RSO for the project to be re-activated; and
- b. moving transactions out of the project to clear the over expenditure and taking appropriate action to ensure there are no continuing or outstanding commitments against the project (i.e. purchase orders, payroll, internal charges such as telephone and photocopying), and providing written confirmation to the Chair and the RSO of these steps having been taken; or
- c. proceeding with the arrangements to personally repay the over expenditure if other options have been explored and no other recourse is available. In this instance, the project holder and Chair will contact Faculty Relations to prepare the repayment agreement.

### 3. CHAIR RESOLUTION OF UNAUTHORIZED OVER EXPENDITURE

- a. Following notification from the RSO that the project has been inactivated, the Chair must ensure that project balances are monitored thereafter to make certain that the unauthorized over expenditure is resolved by the project holder.
- b. If the project holder has not resolved an unauthorized over expenditure within 30 days following receipt of notice of the inactivation of the project, the Chair is responsible for resolving the unauthorized over expenditure within the next 60 days by:
  - i. requesting in writing to the RSO for the project to be re-activated; and
  - ii. moving transactions out of the project to clear the over expenditure and taking appropriate action to ensure there are no continuing or outstanding commitments against the project (i.e. purchase orders, payroll, internal charges such as telephone and photocopying); and/or
  - iii. determining whether to proceed with collection of the over expenditure by:
    1. recovering the over expenditure from external sources by depositing a cheque in the project as an external cost recovery; or
    2. entering into a written re-payment agreement with the project holder outlining how and when the project holder will repay the over expenditure; or
    3. taking steps to initiate deductions from the project holder's salary to discharge the project holder's obligation arising from the over expenditure, pursuant to the relevant Article of the regulating Agreement: (i.e. "Where a staff member is indebted to the Board and where other acceptable arrangements have not been made with respect to repayment, the Board is entitled to deduct the amount of such debts from the salary due and payable to the staff member.")

The Chair will contact the Dean and the Faculty Relations Office for consultation prior to initiating collection of the repayment pursuant to such an Article from the relevant regulating Agreement.

#### 4. RESOLUTION OF UNAUTHORIZED OVER EXPENDITURE

On a bi-annual basis and following appropriate consultation with the Chair and Vice-President (Research), RSO will clear over expenditures that have been unauthorized for greater than 90 days by charging them to the Department operating budget (account 502672 – Over Expenditure Chargeback) or in the case of non-departmentalized Faculties to the Faculty operating budget (account 502672). If the over expenditure chargeback is recovered from external sources then the cheque is deposited to the operating budget (account 502672).

The project holder remains at all times personally responsible and liable for over expenditures charged to operating budgets.

#### 5. YEAR END PROVISION FOR UNAUTHORIZED OVER EXPENDITURES

At March 31, for the University's audited financial statements, RSO may be required to accrue a provision for restricted research project over expenditures to the Department's operating budget.

### **DEFINITIONS**

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. <a href="#">▲Top</a>	
<b>Over expenditure</b>	Occurs when expenditures have exceeded the total budgets approved to date.
<b>Project</b>	Funding with a finite life span. Research funding at the University is classified in the financial system as a project to enable efficient and effective administration, control and reporting.
<b>Restricted research</b>	A research award with externally imposed restrictions as to the use of the

<b>project</b>	funds. These projects are created within Fund 530, 531 or 535.
<b>Project holder</b>	The individual accountable for the research project, who ensures compliance with sponsor terms and conditions and University policies and procedures.

## **FORMS**

There are no forms for this Procedure. [\[▲Top\]](#)

## **RELATED LINKS**

Should a link fail, please contact [uappol@ualberta.ca](mailto:uappol@ualberta.ca). [\[▲Top\]](#)

[Eligibility to Apply for and Hold Research Funding Policy](#) (UAPPOL)

[Recruitment Policy \(Appendix A\) Definition and Categories of Academic Staff, Administrators and Colleagues](#) (UAPPOL)

[Research Administration Roles and Responsibilities Procedure](#) (UAPPOL)