

Monthly Review of Transactions without Prior Fiscal Approval FAQ

1.) What if there is no supporting backup documentation or PI approval?

There are a few action items that may be taken if there is no supporting backup documentation on the source document (ZV60, Concur or Ariba).

Business Office staff may email the person who created the document to request the backup documentation or Footprints information. In most cases, there should be an email, footprints ticket or purchasing request form/credit card form to accompany the purchase and support the request. This may require emailing the purchasing center or initiator to request the information.

If there is no supporting backup documentation, business office staff should contact the PI to ensure this was requested by them or an authorized lab member and obtain appropriate approvals.

Backup documentation should be added to the source document (i.e. attached in Ariba, SAP or Concur). If backup documentation is available, but was not included in the FI Document attachments, you can still add the information after posting.

Resources on Backup Documentation: [BLCA 330 Audits, Backup Documentation and Records Retention](#)

2.) What if the person requesting the materials, supplies or services is not authorized on the grant that was charged?

Business office staff should review the departmental grant file to see if the user was authorized on the PI Signature Delegation Form.

If the individual is not listed, work with the PI to see whether that person should indeed be added as an authorized approver. If so, add the user and save the updated PI Signature Delegation Form to the departmental grant file.

Sample PI Signature Delegation Forms can be found on the [Account Management Guidelines](#) page 4.

If the individual should not be added to the PI Signature Delegation Form, obtain PI approval and attached backup documentation to the source document (Ariba, SAP or Concur). Communicate with the end user that they should obtain PI approval on all orders before requesting the materials, supplies or services.

3.) What if the charge is unallowable?

It is the expectation that if an unallowable purchase is identified during this monthly review that charges are moved via a correcting document (JV) to an allowable funding source in a timely manner.

All charges should be allowable, allocable and reasonable. The financial burden of audit disallowances resides with the academic unit.

For more information on allowable, allocable and reasonable, see [BLCA 200 Cost Principles for Educational Institutions](#).

4.) What if the G/L used does not correctly reflect the purchase or acquisition?

If an incorrect use of G/L is identified, the business office should prepare a correcting document (JV) to correctly allocate the expense to the appropriate G/L in a timely manner. Correct G/L use is important to providing accurate financial reporting and financial statements. Questions about whether to correct a G/L should be directed to the Business Manager for discussion.

If dollar amounts of transactions are small, these can be gathered up and processed together for efficiency, but still need to be completed in a timely manner.

See [BLCA 280 Corrections and Certifications](#) for more details on timeliness and correcting documents.

5.) What if there is no “benefit to the project or business purpose” indicated on the backup documentation?

If the purchase is easily discernable that it is related to the research mission and research area, the PI approval should serve as the allocability certification. The PI or someone with first-hand knowledge who is authorized by the PI (should be listed on the PI Signature Delegation Form) should authorize each purchase. By authoring the purchase, they certify that the project being charged is receiving the appropriate benefit. For example, the Chemistry professor ordered chemicals and reagents on their project.

If the purchase seems outside of the scope of research or is not initially clear on the business purpose, business office staff may ask additional questions to ensure there is a benefit to the project and file the documentation in the departmental grant file. For example, a Mathematics professor has purchased aluminum foil through Fisher Scientific. There may be a perfectly reasonable explanation but additional questions may be asked to confirm that an error did not occur.

6.) What if the purchase contains a split allocation with no explanation?

If the expenditure is split between multiple accounts, there should be supporting documentation and proportions should be determined with no undue effort. The allocation method should be relatively easy with a high degree of accuracy. Relatively easy indicates that it's:

- Quick (does not take much time)
- Easy (most people can understand the allocation method)
- Cheap (benefit to the project is clear and obvious, thus making identification method relatively inexpensive)

Check with the PI or purchaser on what methodology was used to determine the split.

Include this documentation in the backup documentation for the purchase.

See [BLCA 200 Cost Principles for Educational Institutions](#) for more information on split allocation methodologies. See [BLCA 290 – JV Better Examples](#) for some sample split allocation methodology descriptions.

7.) Many areas are coordinating the running of the report at the College level. If one Financial Unit included in the file finds an issue that requires another transaction to be selected, do they all have to get an additional transaction?

No, just the Financial Unit with the issue needs to add an additional transaction.