

**University of Denver**  
**Office of Research and Sponsored Programs**  
**Expenditure Documentation and Approvals**  
(Effective November 1, 2011)

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**I. PURPOSE**

For its awards, the University is required to provide adequate documentation to support expenditures and demonstrate that expenditures have been appropriately reviewed and approved to ensure that expenditures are appropriate and allowable to the award.

**II. POLICY**

In order for an expenditure to be charged to a sponsored award (grants, contracts, etc.) the expenditure transaction must include adequate documentation to support that the nature of the transaction. The transaction must be certified by the Principal Investigator (PI) or appropriate designee that the expenditure is appropriate and allowable to the award. By certifying the transaction the PI or designee is certifying that the expenditure is:

- Reasonable, allocable and necessary to fulfill the requirements of the project,
- Allowable under the terms and condition of the award,
- Allowable under OMB-A-21, unless specifically allowed by the award.

In addition to the certification, ORSP must review and approve all award expenditures before payment to validate that the expenditure is:

- Allowable under OMB-A-21, unless specifically allowed by the award,
- Within the award period of performance, and there are funds available on the award for the expenditure.

**III. PROCEDURES**

**A. ADEQUATE EXPENDITURE DOCUMENTATION**

Expenditure documentation must be able to support the nature of the transaction when reviewed by ORSP, auditors, sponsors, or others who may require access and are unfamiliar with the project. Documentation such as invoices, original receipts, and registration forms should be accompanied with the payment request.

If the nature of the transaction can not be determined by an unfamiliar person from the documents, the submitter should include additional documents so that the nature of the transaction can be reasonably determined. For example, many invoices contain only a part number. In this situation, the submitter should make sure adequate text exists either in the Banner system or the document to describe the transaction or attach the catalog reference from the order.

OMB Circular A-21 will be the reference to determine expenditure allowability. If an expenditure is not an A-21 allowed expense, but allowed by the agreement, this exception should be noted by the submitter in the text with the appropriate reference. For example, if alcohol (not allowed by A-21), is being charged and is allowable under the agreement, the text should include:

“Alcohol allowed on this agreement per Section XX of the grant agreement”.

Unallowable A-21 expenses that do not include an exception reference in the documentation will be disapproved and returned to the department.

## B. CERTIFICATION FOR APPROPRIATENESS AND ALLOWABILITY

Since the PI is the person with ultimate responsibility for, and is most familiar with the conduct of the project, the PI or his/her designee is the best person to certify whether an expense is appropriate to a project. The PI or his/her designee should also be knowledgeable on expenses that are allowable under OMB-A-21.

The PI or his/her designee will be responsible for certifying the following statement on all University accounts payable documents:

“For grant funds, I certify that this expenditure is appropriate and allowable to this award”

The certification must be signed by the PI or his/her designated signature authority under DU Purchasing Policy. If signed by the designee, this person must have adequate knowledge of the project since they are certifying as to appropriateness and allowability of the expenditure. This may require the designated submitters and approvers to get additional information from the PI in order to submit for payment. When appropriate, this additional information should be added as text information. Even if designated, the PI still remains ultimately responsible for the charges to the award.

This applies to all accounts payable documents including Purchase Requisitions/Orders, Direct Pays, and PCard transactions. Transactions that do not contain this certification will not be paid and documents will be returned by ORSP and/or Accounts Payable to the department.

### Purchase Requisitions

For purchase requisitions in Banner the above statement must be added to the FOATEXT form on the requisition (see Exhibit #1). Submitting and approving in Banner will act as an electronic certification signature.

### Direct Pays

The above certification statement has been added by Purchasing to the signature boxes on the University's direct pay cover sheet (see Exhibit #2). Nothing additional to signature is required by submitter/approver.

### PCards

PCard packages must include the above certification statement. PCard coordinators must either:

- Stamp this statement below Card Coordinator signature using ORSP issued stamp,
- Hand write this statement below Card Coordinator signature, or
- Attach and sign the supplemental signature page (see Exhibit #3) to the PCard package.

By adding this certification, the card coordinator is certifying for the PI or designee that the expenditure is appropriate and allowable.

### C. ORSP REVIEW AND APPROVAL

All award expenditures are to be submitted to ORSP for review and approval prior to being submitted to Accounts Payable to be paid. Expenditures submitted directly to Accounts Payable will be returned to the department. Expenditures submitted to ORSP must include adequate documentation and a signed certification statement (as noted in the prior section).

In addition, ORSP reviews expenditure documents for:

- OMB-A-21 allowability
- Period of performance
- Funds availability-this includes individual budget line items

When necessary, ORSP will consult the award documents for sponsor approval of a particular expense. This is most often done when scientific or computer equipment is being purchased. If the signed certification is missing, or when documentation is not adequate to make the above determinations, the documents will be disapproved and returned to the department for more documentation or narrative explanations.

The PI or department should contact ORSP before submitting for approval and payment if there are any questions regarding allowability or required documentation.

### D. EFFECTIVE DATE

This policy and procedures and procedures are effective November 1, 2011. ORSP and Accounts Payable will no longer accept prior forms of Direct Pay and PCard sheets after November 20, 2011.

Procurement Text Entry FOAPOXT 8.4 (RED) 25-OCT-2011 01:29 PM			
Text Type:	REQ ▾	Code: R0125530 ▾	Change Sequence: <input type="checkbox"/> Item Number: <input type="checkbox"/>
Vendor:	MAXIMUS Maximus, Inc.		
Commodity Description:			
Modify Clause:	<input type="checkbox"/> ▾	<input type="checkbox"/> Copy Commodity Text	Default Increment: <input type="checkbox"/> 10

EXHIBIT #2

DIRECT PAY COVER SHEET

☐

VENDOR INVOICE

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MISCELLANEOUS PAYMENT

Form ver.8/31/11

BANNER DOCUMENT CODE (IXXXXXX)

TRANSACTION DATE

PAYEE NAME

TRANSACTION AMOUNT

NAME OF INDIVIDUAL SUBMITTING REQUEST

SUBMITTER'S EMAIL ADDRESS

SUBMITTER'S PHONE NUMBER

FUND-ORG-ACCOUNT INFORMATION

SUBMITTER'S\*/REQUESTOR'S\*\* SIGNATURE AND DATE

By signing above, I certify that this transaction was completed in accordance with University policies and procedures, it is appropriate in terms of scale, budget, and relation to the mission and goals of the Department and the University, and the Department is in receipt of the goods or services for which this payment is being requested. For grant funds, I certify that this expenditure is appropriate and allowable to this award.

\*Submitter - The individual who entered this transaction into the Banner System.

\*\*Requestor/Principal Investigator - The individual/s who purchased the item/s or services being paid for by this transaction.

AUTHORIZED APPROVER'S SIGNATURE AND DATE

By signing above, I certify that I am familiar with the details of this transaction, it was completed in accordance with University policies and procedures, it is appropriate in terms of scale, budget, and relation to the mission and goals of the Department and the University, and the Department is in receipt of the goods or services for which this payment is being requested. For grant funds, I certify that this expenditure is appropriate and allowable to this award.

ENCLOSURE/PICK UP

DESCRIPTION OF TRANSACTION

EXIT #3

For grant funds, I certify that this expenditure is appropriate and allowable to this award. \_\_\_\_\_  
Card Coordinator

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## **Allowable / Unallowable Costs**

All grant/contract expenditures must be based on the cost principles outlined in the Office of Management Budget Circular A-21 guidelines. Allowable costs can be charged to the grant fund, however, unallowable costs must be charged to the department. Following is a list of unallowable costs listed in OMB Circular A-21:

1. Advertising and Public Relations Costs
2. Alcohol
3. Alumni Activities
4. Bad Debt
5. Commencement and Convocation Costs
6. Contingency Provisions
7. Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringement
8. Donations and Contributions
9. Entertainment Costs
10. Fines and Penalties
11. Fund Raising and Investment Costs
12. Goods or Services for Personal Use
13. Housing and Personal Living Expenses

14. Idle Facilities and Idle Capacity
15. Interest
16. Lobbying
17. Losses on Other Sponsored Agreements or Contracts
18. Pre-agreement Costs unless allowed by Sponsor
19. Selling and Marketing
20. Student Activity Costs

For further details, click on the White House - Office of Management and Budget link: [CIRCULAR A-21: Cost Principles for Educational Institutions](#).

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