



Sponsored Program Accounting Adjustment Policy

Policy Number: 600-030
Effective Date: April 3, 2007
Last Updated: April 3, 2009
Issuing Authority: Vice President for Research and Compliance
Responsible Offices: Restricted Fund Accounting (or Grant/Contract Accounting once established by the university)

Purpose:

To provide guidance for accounting adjustments for sponsored programs conducted by Grant Contract Accounting (GCA). While accounting adjustments should not be conducted frequently, they fulfill an important function in maintaining accurate financial reporting by facilitating adjustments.

Policy:

It is the policy of Howard University and all related entities, business units, subsidiaries and affiliated organizations including, but not limited to, Howard University Hospital (hereinafter referred to collectively as "Howard University") to use accounting adjustments only for transactions that cannot be made in the accounting system using another mechanism. For example, expenses that can be adjusted by completing a cost transfer should be completed using that mechanism. (See Cost Transfer Policy)

The Assistant Director of GCA or the Controller must approval all sponsored program accounting adjustments under \$500. The Controller must approve all sponsored program accounting adjustments over \$500.

Business Process Description

When a sponsored program accounting adjustment is necessary and cannot be made by processing a cost transfer or other adjustment, GCA initiates the adjustment by completing an *Accounting Adjustment Form* (TO BE DEVELOPED AS PART OF IMPLEMENTATION OF POLICY). Examples of adjustments that may need to be processed using an *Accounting Adjustment Form* include, but are not limited to:

- Write-off for uncollectible accounts receivable
- Adjustment for system rounding
- Interest adjustment
- Receipt of program income

For accounting adjustments over \$500, the *Accounting Adjustment Form* and any supporting documentation are submitted to the Controller for approval. For accounting adjustments under \$500, the *Accounting Adjustment Form* and supporting documentation are submitted to the Assistant Director of GCA for approval. Once the necessary approval is obtained, the accounting adjustment is completed by GCA.

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Roles and Responsibilities:

Grant Contract Accounting (GCA)

- **Accountant:** The Accountant completes the *Accounting Adjustment Form* to initiate the adjustment. The *Accounting Adjustment Form* is submitted to the Assistant Director of GCA for review and approval (if under \$500), or review before submission to the Controller for approval (if \$500 or greater). Once approved, the Accountant is responsible for completing the accounting adjustment in the University accounting system and maintaining a file to document the adjustment. Accounting adjustment documentation, including the *Accounting Adjustment Form*, must be placed in the file of the account for which the adjustment is being made.
- **Assistant Director:** The Assistant Director reviews all *Accounting Adjustment Forms* for GCA and approves accounting adjustments up to \$500.

Office of the Associate Vice President and Controller

- **Controller:** Reviews and approves accounting adjustments of \$500 or more.

Related Processes/Events:

- Cost Transfer Policy

Forms and Links:

- OVPRC Website <http://ovprc.howard.edu>