



Policy Brief

Last Revised: 10/22/2024

7.27 Sponsored Award Overrun and Unallowable Cost Policy

Administering Department: Office of Research Administration/Research Grants & Contracts

Scope:

Summary

This policy addresses the management of overruns and unallowable cost related to sponsored award administration at Emory University. Overruns and unallowable cost must be addressed in a timely, consistent fashion to ensure proper stewardship of sponsored award funds in accordance with regulations outlined in OMB 2 CFR 200 (Uniform Guidance) and other applicable sponsor requirements.

Applicability

This policy applies to all Principal Investigators (PIs) and research administrators responsible for the administration of sponsored programs at Emory University.

How to Comply with the Policy

Compliance with this policy requires regular monitoring of award expenditures by the PI, with assistance from their research administrators, to manage spending and prevent overruns and unallowables on sponsored awards. Any instances of overruns or unallowables must be addressed in a timely manner to ensure compliance for downstream processes which rely on accurate award expenditures, including invoicing, financial reporting, effort reporting, and award closeout.

Overruns are project/award expenses that exceed the total awarded amount authorized by the sponsor in the award agreement and cannot be billed to the sponsor or collected/recognized as revenue.

Expenditures deemed not reimbursable or unallowable:

- will not be charged to a sponsored activity
- that were initially charged to sponsored activities and have subsequently been determined uncollectable from the sponsor, will be removed promptly and charged to the department or school responsible for the award.
- must be cleared to the school/department's overrun speedtype in Compass or otherwise resolved via appropriate cost transfers, reallocations, or write-offs in a timely manner facilitated by the PI

RGC and the respective School or Unit CBO or delegate have the joint authority to transfer overrun items to the school/department's overrun speedtype. See the full policy for more detailed responsibilities of



RGC, Research Administration Services (RAS) unit, department administrators, and school business officers when completing overrun transfers.

Noncompliance with the Policy

Noncompliance with this policy, in response to sponsored award overrun and unallowable costs, may result in a delay or error in related or subsequent processes such as invoicing, financial reporting, effort reporting, and award closeout. Additionally, the corresponding Federal agency may withhold new awards or continued funding.