

State and Federal Drawdown Responsibilities and Procedures

Definitions

Allocable: A cost is allocable to a particular award if the goods or services involved can be directly charged to the Award based on the benefit provided.

Allowable: A cost is allowable if it is permitted as a cost within general federal regulations, the terms of a specific Award, and/or WOU's F&A rates.

Cost Transfer: An after-the-fact transfer of costs to or from a sponsored award after the expense was initially charged to another sponsored award or non-sponsored project account.

Direct Cost: Those costs that can be identified specifically with a particular project, or other internally or externally funded activity, or can be assigned to such activities relatively easily with a high degree of accuracy.

Reasonable: A cost is considered reasonable if the nature of the goods or services, and the price paid for the goods or services, reflects the action that a prudent person would have taken given the prevailing circumstances at the time the decision to incur the cost was made.

Unallowable Cost: Those costs that cannot be charged to a sponsored award due to sponsor and/or WOU policies, regulations, and restrictions. These regulations vary by the sponsor and the same sponsor may have different restrictions for different awards, depending on the source of the funding, the type of award (e.g. grant, cooperative agreement, or contract), or the purpose of the award (e.g. research, equipment, conference, training). Therefore, whether a cost is considered allowable or unallowable for a sponsored award may only be determined through a close review of the award documentation, sponsor regulations and guidelines, and WOU policies and procedures.

Procedures

Western Oregon University completes a federal drawdown monthly unless instructed otherwise by the funding agency. Draws are requested on a reimbursement basis. The Grants Accountant in the Business Office (BO) runs a FZRCASH report in Banner to calculate the amounts drawn previously, the amount available to draw, and the amount to be requested for reimbursement this period.

The Grants Accountant sends the drawdown sheet to all PIs and to Sponsored Projects Office (SPO) for approval

After running the FZRCASH report in BANNER, the cash for Western Oregon University (WOU) grants are collected normally in one of the following ways:

- 1) USDE Grants – Log into the US Department of Education website. After expenditures are made, funds are drawn and wire transferred to WOU.

- 2) Department of Justice Grants – Log into the US Department of Justice Grant Payment Request System (GPRS). The amount reported on FZRCASH report is drawn and wire transferred to WOU.
- 3) Department of Health & Human Services Grants – Log into the Department of Health & Human Services Division of Payment Management (DPM) website. The amount reported on FZRCASH report is drawn and wire transferred to WOU.
- 4) Oregon Department of Education Grants – Log into the Oregon Department of Education (ODE/EGMS) website. The amount reported on FZRCASH report is drawn and wire transferred to WOU.

A journal entry is made at the time of the drawdown or billing of the funds. On all of these, a receivable is set up when the funds are drawn (or billed) and revenue is credited. When the money comes in, the receivable is credited.

Roles and Responsibilities

Principal Investigator:

- Review and approve monthly transaction reports provided by administrative support to ensure all direct costs are reasonable, allowable, and allocable.
- Initiates cost transfer to remove any unallowable costs before the monthly draw.
- Certify state and federal cash drawdowns before funds are drawn monthly to ensure funds are not overdrawn.

Sponsored Projects Office:

- Send out financial and effort report certifications to PIs quarterly.
- Review and approve state and federal drawdowns before funds are drawn monthly for the following
 - Direct costs are reasonable, allowable, and directly support the project.
 - Expenditures are within the constraints of the budget.
 - The drawdown amount reflects costs.
 - Funds will not be overdrawn.

Business Office:

- Compile monthly state and federal drawdown sheets and send them to PIs and SPO for approval before drawing funds.
- Once approvals have been obtained, draw state and federal funds through the system identified by the funder.