

# William Paterson University Policy

## University Policy

<b>SUBJECT:</b>	University Policy	<b>TITLE:</b>	Sponsored Funds Drawdown Policy		
<b>CATEGORY: Check One</b>	<b>Board of Trustees</b> <input type="checkbox"/>	<b>University</b> <input checked="" type="checkbox"/>	<b>Functional</b> <input type="checkbox"/>	<b>School/Unit</b> <input type="checkbox"/>	
<b>Responsible Executive:</b>	President and Cabinet Members		<b>Responsible Office:</b>	Office of the Controller	
<b>CODING:</b>	00-01-	<b>ADOPTED:</b>		<b>AMENDED:</b>	
			<b>LAST REVIEWED:</b> 10/1/2020		

### I. PURPOSE

This policy outlines minimum requirements for how the drawdown procedures of sponsored program funding must be structured in order to satisfy best practice standards. The policy seeks to ensure that sponsored program funds are drawn and applied correctly, accurately, and in accordance with funder, University, and regulatory requirements. Unless otherwise indicated by a funder or certain funding types, the policy also ensures that drawdowns are made on a reimbursement method and after all restrictions or other requirements are satisfied. The policy ensures that sponsored program funds are applied and used reliably and consistently as intended by the funding source.

### II. ACCOUNTABILITY

It is the responsibility of the Office of the Controller to ensure that drawdowns are performed in accordance with the standards established by this policy.

### III. DEFINITIONS

- A. Allowable expenses: Expenses that have been approved by the funder in the awarded sponsored program budget and are allowable under the University procurement policy, Uniform Guidance, and any other relevant regulatory or University policy or compliance rules.
- B. Drawdown: is the online request to receive the money for an existing sponsored program award that already has incurred and allowable expenses. References to drawdowns in this policy also include requests to receive sponsored program money made by invoicing the funder.
- C. Incurred expense: Expenses that have already been paid by the University, or goods/services that have been received for which an invoice has been entered into the University's accounts payable system. Incurred expenses does not include committed funds, approved requisitions, or purchase orders. Incurred expenses include payroll that has already been paid.
- D. Invoice: Issuing an invoice to a funder is how sponsored program funds are requested when an online method is not available.
- E. Reimbursement method: Most sponsored program funders provide money based on the reimbursement method, whereby money is given after the University has already incurred and recorded expenses of the sponsored program. The WPUNJ finance system, Banner, has automated procedures so that when an incurred expense is charged to the sponsored program, at the same time the corresponding grant revenue and account receivable are also recorded.

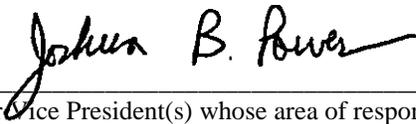
### IV. POLICY

The procedures for drawing down and invoicing sponsored program funding must be conducted with adequate internal controls and in a best practice manner.

- A. Segregation of duties must apply between these procedure areas:
- Preparer of drawdown requests vs. the authorized approver who makes the drawdown.
  - Preparer of drawdown requests vs. the deposit processor.
- B. Procedures for the drawdown or invoicing of sponsored program funds must:
- Be written and reviewed/updated from time to time so as to reflect:
    - Best practice standards and requirements of this policy, and
    - Actual current operating practices
  - Utilize segregation of duties.
  - Define documentation to be maintained for audit.
  - Define the criteria that must be satisfied prior to drawing or invoicing.
  - Provide general guidelines that apply to multiple funding sources.
  - Provide a chart of drawdown websites in current use, identify the funding agencies for each website, and list the authorized approvers.
- C. Authorized approver is a role to be assigned by the Controller to other members of staff in the Office of the Controller.

By Direction of the President and Cabinet:

Date 10/3/2020



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(Title of Executive or Vice President(s) whose area of responsibility the policy covers.)