

# **THE FLORIDA ATLANTIC UNIVERSITY RESEARCH CORPORATION BUSINESS MANUAL DISBURSEMENT GUIDELINES**

## **GENERAL GUIDELINES**

- All expenditures must be reasonable and in support of research at Florida Atlantic University.
- All expenditures must comply with the sponsoring agency's restrictions, if applicable.
- All expenditures must have written justification/purpose of expenditure.
- The principal investigator and the department chairperson, (or other official, when appropriate) must review and assure that expenditures comply with the intent of the sponsoring agency and Research Corporation guidelines and procedures.
- An account number will be established by the Research Accounting Office. If salaries will be charged, a university account will be set up in the Sponsored Research Trust Fund. The Research Corporation will administer both the Research Corporation account and the Office of Sponsored Research salary account.
- No expenditure, direct or indirect, may be made for political or charitable contributions, dues to social clubs, fines or penalties. Expenditures for personal benefit are inappropriate.

## **REIMBURSEMENT**

FAU departments that conduct supply/auxiliary functions, e.g., telecommunications, FAU Bookstore, FAU Post Office, etc., could provide services/goods to be paid from a Research Authority account and will invoice the principal investigator. The payment to those auxiliary functions should be made in the same manner that similar payments are made from other University accounts. Typically, those payments are made by processing an Expenditure Transfer Form.

Another payment alternative is for the principal investigator to pay for the merchandise personally and to request reimbursement from the Research Corporation. However, under this method, the vendor will add sales tax to the cost of all taxable items which then must be paid from project funds.

**This reimbursement option is not advised on significant purchases.**

## **PROCEDURES**

Once an account is established, funds may be expended by following the

Research Corporation disbursement guidelines and disbursement procedures. The Research Corporation utilizes the University disbursement procedures along with the same forms that are used by other University departments (including the Controller's Office's Check request, Expenditure Transfer Form, the Purchasing General Requisition Form, etc). All requests for payment of expenses or encumbering of funds must be submitted to the Research Accounting Office. The check request form must be properly completed, contain the proper signatures and ORIGINAL receipts must be attached.

All expenditures must be reasonable and in accordance with sponsoring agency guidelines. Expenditures are subject to approval by the Research Corporation Officers and/or Research Accounting Office.

The check request form must be signed by the principal investigator or his/her designee.

Expenses may be paid from any proper Research Corporation account, including a contract/grant account or a royalty account. When the expenses are to be paid from a contract or grant account, the purpose of the expense must be related to and beneficial to the contract/grant project charged. Additionally, the expenses must occur within the official effective dates of the contract/grant. Expenses paid from a Research Corporation royalty account must benefit research or research-related activities.

## **SALARIES**

Individuals working on a project administered by the Research Corporation, in an employee capacity, are considered to be FAU employees. Therefore, these employees are subject to FAU personnel policies and procedures and are paid by FAU.

To accomplish the payment through FAU:

- The Research Corporation will have an FAU Sponsored Research account established. The Sponsored Research Trust Fund account will be viewed as a Research Corporation/C&G salary companion account. The salary companion account can be used only for the payment of salaries and related fringe benefits. The Research Corporation will administer both the Research Corporation account and the Sponsored Research Trust Fund account.
- The initial budget will be set up in the account for the amount reflected in the agency approved budget for salaries. (The budget for all expenditure categories, including salaries, will be set up in the Research Corporation account).
- If it is subsequently determined that more or less funds will be needed for salary-related costs, the principal investigator must submit a *Salary Transfer Request* to the Research Corporation indicating the amount of the salary budget adjustment.

- The Research Corporation will transfer the amount of salary expenditures in the C&G salary companion account to the related Research Corporation account. This transfer will be processed after-the-fact, not less frequently than annually. Personnel Action Requests to be charged to a Research Corporation salary companion account will follow the same routing procedure as Personnel Action Requests to be charged to a regular account. Expenditures on both the Research Corporation account and the Sponsored Research salary companion account will be included on financial reports submitted to the sponsoring agencies. Monthly accounting reports on both accounts will be sent to the principal investigator. All inquiries regarding accounting transactions on both accounts should be referred to the Research Corporation.

### **CONTRACTUAL SERVICES**

The Research Corporation may compensate individuals (non-FAU employees) who are working as independent contractors. The Research Corporation will consult with the FAU Purchasing department regarding the appropriateness of a payment to an individual as an independent contractor vis-à-vis an employee.

**Examples of payments that may be made to individuals by the Research Corporation are:**

1. Subjects involved in research studies.
2. Visiting professors consulting on a research project where the principal investigator agrees to pay a fixed sum for his/her services.
3. A typist working out of the typist's home or office, and the principal investigator does not set the daily work schedule (i.e., specific work hours and number of hours each day).

Individuals paid as independent contractors must meet the IRS definition of independent contractors. Contact the Research Corporation or FAU Purchasing Department for advice and/or for a copy of the IRS guidelines. Independent contractors may be individuals, companies, universities, etc. When the principal investigator for a project administered by the Research Corporation envisions the need for services of a significant magnitude, complex services, out-of-the ordinary conditions to be set forth in legal terms, etc., the Research Corporation should be consulted for assistance in developing a legally binding contract. The contract should be fully executed prior to the rendering of any services. The contractor must submit an invoice to the principal investigator for the services rendered. The invoice must indicate: a description of the services performed, the dates services were rendered, rate of pay/basis of payment, the amount of the payment and any other pertinent information.

Upon satisfactory completion of the services, the principal investigator should submit the vendor invoice, approved for payment, to the Research Corporation for payment of services.

## **TRAVEL**

The Research Corporation may reimburse travel expenses within the following guidelines:

- University administrative procedures for travel (eg, use of TARs, retention of receipts) shall be adhered to when FAU employees travel on behalf of the Corporation and reimbursed by same. University rules and forms could be found at

<http://www.fau.edu/controller/travel/>.

- Per diem rates for travel (U.S. and foreign) will be paid in accordance with FAU rates in effect at the time the travel occurs.
- Use of a private vehicle for official travel will be reimbursed on the basis of actual mileage at the State of Florida rate.
- Airfare will be paid on a coach fare basis.
- When reimbursement is for a business meeting/meal, a clear business purpose in support of research is essential.

The names of individuals attending, their relationship to the research project, the topic of discussion and purpose of the meeting must be detailed.

- Travel expenses must be for a person(s) involved in the research project. For example, travel expenses for a spouse who is not participating in the research project **cannot** be reimbursed.
- If travel is to a meeting or seminar, a copy of the program, indicating dates, agenda, etc. should be attached to the Travel reimbursement voucher.
- Departure and arrival times, dates and places must be itemized on the Travel reimbursement voucher or attachment thereto, in sufficient detail to determine the expenses for which the traveler is entitled.
- A Travel reimbursement voucher should be submitted after the trip is completed.
- Travel expenses must be reasonable and in line with prudent management of research funds.
- Travel and meal expenditures of visitors to the campus and research-related banquets may be paid, but the scope and cost should be modest.
- When appropriate, lodging and meal costs may be paid on the basis of actual costs; typically, normal University rates apply. When the traveler elects reimbursement on the basis of actual costs, original receipts must be attached to the *Travel Payment Request*. Normally, one method (actual costs or per diem) must be used for an entire trip. Foreign per diem rates begin at quarter of departure from the U.S. and U.S. rates begin at the quarter of departure for the

U.S. The same methodology applies when traveling in more than one foreign country (with different rates) during a trip.

FAURC reserves the right to reject payment for entertainment that jeopardizes its tax exempt status and/or research goals, or appears to be excessive.

### **MATERIAL, SUPPLIES, EQUIPMENT AND OTHER NON-TRAVEL EXPENSES**

When requesting payment for materials, supplies, equipment and other non-travel expenses, a properly completed *Check Request form*, with required signatures and documentation (original invoices, receipts, etc.), should be submitted to the Research Corporation.

**Note: Departments may, at their discretion, develop additional control policies regarding expenditures to be paid from a Research Corporation account.**