

## Documentation Standards on Sponsored Projects

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**Responsible Executive:** VP for Research  
**Responsible Office:** Office for Sponsored  
Research and Award Administration  
**Effective:** 03/12/18  
**Last Revised:** 03/12/18

### I. Policy Statement

Oregon State University (OSU) is responsible for identifying and justifying sponsored award expenditures in order to demonstrate benefit to the sponsored project and compliance with regulatory requirements. Documentation standards are established to ensure that compliance with regulatory requirements is clearly documented and can be understood by both internal and external reviewers (e.g., sponsor agency, auditors, IRS, or the public) for all financial and accounting transactions. Expenditures on sponsored projects must follow documentation (justification) standards that will allow appropriate review at the approval stage of a transaction and at the post-award monitoring review of a transaction.

### II. Reason for Policy

Upon acceptance of sponsored awards, OSU agrees to properly identify project transactions and document the benefit of expenses to the specific project(s) charged. This financial transaction documentation for sponsored activity must consistently meet and comply with legal, governmental and auditing requirements.

### III. Scope & Audience

University wide. OSU personnel involved with the conduct and administration of sponsored award activities must comply with the documentation standards established by this policy, all other associated policies, procedures and guidelines.

### IV. Definitions

- **Allocable Cost** –A cost assigned to a sponsored award or other cost objective where the goods or services involved are chargeable or assignable to that sponsored award or cost objective in accordance with relative benefits received.
- **Allowable Cost** – A reasonable cost that is allocable to the sponsored award. The cost must conform to any limitations or exclusions set forth in federal regulations or the sponsored award agreement.
- **Business Purpose** – For purposes of this policy, the business purpose is the description provided to ensure that a cost is necessary and reasonable for the sponsored project.

- **Documentation Standards** – Common rules and guidelines that establish the form, type and amount of documentation that is reasonable and appropriate to establish the justification for a transaction. Documentation requirements may include (but are not limited to) written explanations containing reference to relevant financial data elements, detailed receipts, emails, confirmation of payment, bill of sale, invoice, etc.
- **Transaction Justification** - Explanations that specify a transaction’s legitimate business purpose and benefit to the sponsored award. This may be supplied by supporting documentation and/or written explanation when documentation does not provide adequate clarity or transparency.

V. **Website (specific to this policy)**

<http://fa.oregonstate.edu/fis-manual/1100-banner-processes/1107-journal-vouchers>

<http://fa.oregonstate.edu/fis-manual/400-expenditures/406-vendor-invoice-processing>

<http://research.oregonstate.edu/osraa>

VI. **Contacts**

Department	Phone Number	Website
Office for Sponsored Research and Award Administration (OSRAA)	541.737.4933	<a href="http://research.oregonstate.edu/osraa">http://research.oregonstate.edu/osraa</a>

VII. **Responsibilities & Procedures**

PROCEDURE

OSU faculty and staff initiating, preparing, completing or approving any sponsored financial transactions must understand and comply with the justification and documentation standards established by this policy, all other associated policies, procedures and guidelines.

Transaction preparers must ensure that the transaction justification and supporting documentation include complete and transparent information about the transaction, to include:

- **WHO** initiated the transaction and who are the affected individuals or units?
- **WHAT** is the transaction for?
- **WHERE** did/will the activity take place (if applicable)?

- **WHEN** did/will the activity take place (if applicable)?
- **WHY** the transaction is being completed and how does it relate to or benefit the project?

Information that is already included in the transaction or supporting documentation does not need to be repeated in the transaction justification. See the documentation procedures document for additional information. To comply with policy, the justification must provide an explanation about the allowability, allocability, reasonableness and benefit to the project not already apparent within the transaction or supporting documentation. Further, the Uniform Guidance's Section 200.403 describes seven factors that costs must meet in order to be deemed allowable. One of those seven factors is the requirement that costs be adequately documented.

Transactions must be recorded accurately, in a timely manner, and completely within financial system guidelines and applicable external agency rules. Accurate recording includes adequate descriptions of transactions, as well as the correct use of chart of account codes and all other chart fields.

Providing thorough and complete transaction justifications and supporting documentation protects and benefits the institution in the following ways:

- Minimizes the risk of penalties and fines due to unsubstantiated expenses
- Ensures compliance with legal and regulatory requirements
- Establishes adequate and consistent documentation standards for all sponsored award financial transactions
- Provides an independent and efficient source for obtaining transactional information
- Complies with tax regulations that specify requirements for nontaxable reimbursements versus reimbursements taxable to employees
- Minimizes reputational risks and adverse public perception

## ROLES AND RESPONSIBILITIES

A comprehensive list of OSU Roles and Responsibilities may be viewed at: <http://research.oregonstate.edu/osraa/osraa-organization/roles-and-responsibilities>

- Office for Sponsored Research and Award Administration
  - Provide training on appropriate documentation/justifications for transactions

- Interpret terms of sponsored awards and provide guidance to PI and Business Center regarding unique sponsor requirements that may require non-standard documentation/justifications
- Monitor transactions and review documentation/justification statements. Journal vouchers and labor distributions will be returned if documentation is not adequate. Invoices and eProcurement actions will be randomly spot-checked post transaction. If documentation is not adequate, additional information will be required. If additional information remains inadequate, the cost will not remain on the sponsored project
- Business Center
  - Ensure appropriate justifications are included on transactions, such as eProcurement requests, payment documents and cost transfers
- Principal Investigator
  - Provide information as needed for appropriate justifications
  - Be aware of the sponsored award terms and conditions and charge only allowable expenses to the index
  - Approve expenditures charged on sponsored projects

## VIII. Forms & Tools

See OSRAA Website for procedure document.

### Frequently Asked Questions

See OSRAA Website for FAQs

## IX. History

Last review date: 3/12/18

Next scheduled review date: 3/12/2020

Original issue date: Effective 3/12/2018

*Note: The Office of University Compliance will attempt to track the original issue date of policy and revision dates to existing policies but will not publish this information on the website.*