



Guidelines for Expense Verification for Federally-Funded Sponsored Projects

This guideline document is a companion to RO Policy 20-001 “Expense Verification for Federally-Funded Sponsored Projects” and provide additional detail on responsibilities and processes.

Guidelines:

After each monthly financial period close, Principal Investigators (PIs) will have access to posted expenses in an online GRS Expense Verification tool for review and approval. The tool includes a mechanism to communicate requests for changes to the appropriate business center grant accountant (BC) for timely completion.

When the tool is rolled out to the university in January 2020, it will replace other duplicative PI expense approvals including review of BennyBuy invoices and BennyBuy purchases under \$5,000, and in the future travel reimbursements and Pcard transactions.

Expenses that have other systems in place for PI approval or that automatically follow posted expense will not be included in the verification tool list. These include F&A charges (formerly known as indirect costs), OPE (Other Payroll Expenses/Fringe Benefits), and subaward invoices.

As this tool will be the basis for moving to annual project-based effort certification on federal awards, it will be important to pay particular attention to labor costs posting to the grant index, as well as discovering missing labor costs that need corrections.

Expense verification is to be completed at least quarterly for each federally sponsored grant index and reminders will be pushed out to fund managers identified in Banner (or authorized delegates identified within GRS) on a quarterly basis.

The system will track and the Office for Sponsored Research and Award Administration (OSRAA) will monitor completion of the expense verification process. Failure to comply with timely completion of expense verifications will result in feedback to the PI for counseling on the importance of timely reviews, and in possible removal of unverified expenses.

Jump to Topic:

[Principal Investigator \(PI\) Steps](#)

[Delegate Authority](#)

[Business Center Grant Accountant \(BC\) Steps](#)

[Office for Sponsored Research and Award Administration \(OSRAA\) Steps](#)

[Forms & Tools](#)

[Related Information](#)

Principal Investigator (PI) Steps:

In the notification email, the PI (or delegate) is provided a list of indexes that require review, with links to the approval screen as shown below:

Period: June 2020

Index	Index Title	Link to GRS
G0152Q	OAS - DOE Ozkan-Haller ALFA LCP	https://bfpsystems.oregonstate.edu/bfponline/GrantResearch/ViewExpenseVerifications/G0152Q
N0338A	OAS - ONR Ozkan-Haller OSE for URS	https://bfpsystems.oregonstate.edu/bfponline/GrantResearch/ViewExpenseVerifications/N0338A
S1668C	OAS - NSF Ozkan-Haller ORST Adv	https://bfpsystems.oregonstate.edu/bfponline/GrantResearch/ViewExpenseVerifications/S1668C
S1717A	OAS - NSF Ozkan-Haller Large ROUSs	https://bfpsystems.oregonstate.edu/bfponline/GrantResearch/ViewExpenseVerifications/S1717A

This link will open the GRS reconciliation Expense Verifications tab for the selected grant index:

The screenshot shows the web interface for 'Index S1717A Expense Verifications'. The breadcrumb trail is 'OSU > Institutional Analytics and Reporting > Online Systems > Index S1717A Expense Verifications'. There are navigation tabs for 'Summary', 'Period Detail', 'Legacy', 'Transactions', 'Expense Verifications' (which is active), and 'Documents'. Below the tabs, there is a section titled 'Ready for verification' with a table:

Period	Click for action
April 2020	Verify Expenses
May 2020	Verify Expenses
June 2020	Verify Expenses

Below the table, it states: 'Expenses for this Index were last verified on 2/13/2020 9:47:08 AM by Tuba Ozkan-Haller for the period January 2020.' There is a link: 'Click to view all verifications for this Index.'

Select the [Verify Expenses](#) link to open a screen with a list of direct expenses posted during the review month. Verify that the expenses charged to the award during the month are allowable, allocated appropriately, reasonable, and directly benefit the project to the best of your knowledge.

Guidelines for Expense Verification for Federally-Funded Sponsored Projects

Verify Expenses GRS Tab:

[OSU](#) > [Office of Budget and Fiscal Planning](#) > [Online Systems](#) > [Index G0152Q Verify Index Transactions](#)

Summary
Period Detail
Legacy
Verify Transactions
Expense Verifications
Documents

Expense Verification

Review the following transactions. Each expense must be allowable, allocable, and reasonable. If you find an expense that does not seem to follow those guidelines, click a checkmark in the Ex

GRANT TRANSACTION DETAIL REPORT

For Month Ending: **December**
 Last Closed Period: **Period 06 - 2020**

FY: **2020**
 Index: **G0152Q - OAS - DOE Ozken-Haller ALFA LCP**
 Fund: **G0152Q - OAS DOE 621 Ozken-Haller ALFA LCP**
 Organization: **261120 - OAS - Oceanic and Atmos Sci Oper**
 Program: **15003 - Spon Resrch On Campus Domestic**

Date	PD	Activity	Activity Title	Account	Account Title	Doc Code	Nolij	Transaction Description	Withdrawal/ Subtractions	Deposit/ Additions	Exception
12/31/2019	06			10102	Staff-Unclassified Salaries-Faculty			Ozken-Haller, Tuba	\$962.22	\$0.00	<input type="checkbox"/>
12/31/2019	06			24503	Data/Word Processing Service	VE300184	N	ResrchComputChrgs-Dec2019	\$225.00	\$0.00	<input type="checkbox"/>
Total									\$1,217.22	\$0.00	

Note: This view does not show all activity for this award. It does not include OPE, Subaward Invoice Payments, or F&A (indirect) costs.

Report run date - 1/21/2020 1:54:36 PM
 Information contained in this report is confidential and intended for internal use only. Use of this information for any other purpose is prohibited.
 Transaction_Detail_GT

Items are presented for review with Labor showing at the top, and then Supplies and Services and Travel grouped together underneath.

The expenses may be sorted in various configurations for ease of review by clicking on the on the subject line. The example above is currently sorted by Account, but could also be sorted by Date, Activity, Transaction Description, or Amount (AKA Withdrawal/Subtractions). You may find it helpful to prioritize the largest dollar amounts at the top of the screen when reviewing expenses.

As with other GRS screens, you may drill down for more details about the transaction by clicking on the Document Code (Doc Code) hot link and/or by clicking on the N that indicates that a Nolij document may be available. (Please note that documents beginning with "IB" are maintained in BennyBuy, which does not post a document image in Nolij at this time. PCMM is working with the vendor for a solution to resolve this.)

When reviewing expenses, it is important to pay particular attention to the people paid on the award for the month, verifying that the charges reflect of the level of effort appropriate to the project for each person for the represented timeframe. This verification process provides the foundation to support moving to an annual project-based effort certification process on federal awards.

Names of people paid on the index are hot-linked to a Grant Employee Drilldown Summary tab that shows 100% of the month's pay distribution for that person to aid in the review process. This is an informational screen that opens in a new tab. When you have completed the review for that person, close the tab to return to the Verify Transactions tab.

Guidelines for Expense Verification for Federally-Funded Sponsored Projects

If there are no exceptions (errors) found, click the Next button at the bottom of the page to complete the verification submission:

Expense verification - Done reviewing expenses

Click **Next...** to continue. Click **Cancel** to exit this form without changing anything.

The system will ask for confirmation that the posted expenses are correct. Press **Submit** if they are and **Cancel** if more review is needed.

OSU > [Institutional Analytics and Reporting](#) > [Online Systems](#) > [Submit Expense Verification](#) [My Grants](#)

Submit Expense Verification

By clicking **Submit**, I verify to the best of my knowledge and belief that the expenses posted for Index **S1668C** for **April 2020** are true, complete, and accurate and that the expenditures are for the purposes and objectives set forth in the terms and conditions of this Federal award.

Click **Submit** to verify expenses, or click **Cancel** to continue without changing anything.

The system will mark the expense verification as complete for the index and month verified.

Repeat steps for each index and month for which a reconciliation / verification is due.

Grant Transaction Detail Report:

OSU > [Office of Budget and Fiscal Planning](#) > [Online Systems](#) > [Index G0152Q Verify Index Transactions](#)

Summary | Period Detail | Legacy | **Verify Transactions** | Expense Verifications | Documents

Expense Verification

Review the following transactions. Each expense must be allowable, allocable, and reasonable. If you find an expense that does not seem to follow those guidelines, click a checkmark in

GRANT TRANSACTION DETAIL REPORT

For Month Ending: **December**
 Last Closed Period: **Period 06 - 2020**

FY: **2020**
 Index: **G0152Q - OAS - DOE Ozken-Haller ALFA LCP**
 Fund: **G0152Q - OAS DOE 621 Ozken-Haller ALFA LCP**
 Organization: **261120 - OAS - Oceanic and Atmos Sci Oper**
 Program: **15003 - Spon Resrch On Campus Domestic**

Date	PD	Activity	Activity Title	Account	Account Title	Doc Code	Nolij	Transaction Description	Withdrawal/ Subtractions	Deposit/ Additions	Exception
12/31/2019	06			10102	Staff-Unclassified Salaries-Faculty			Ozkan-Haller, Tuba	\$992.22	\$0.00	<input type="checkbox"/>
12/31/2019	06			24503	Data/Word Processing Service	VE300164	N	ResrchComputChrgs-Deco2019	\$225.00	\$0.00	<input type="checkbox"/>
Total									\$1,217.22	\$0.00	

Note: This view does not show all activity for this award. It does not include OPE, Subaward Invoice Payments, or F&A (indirect) costs.

Report run date - 1/28/2020 10:58:44 AM
 Information contained in this report is confidential and intended for internal use only. Use of this information for any other purpose is prohibited.
 Transaction_Detail_GT

Guidelines for Expense Verification for Federally-Funded Sponsored Projects

Expense verification - Other issues

Click here if there are other problems with these expenses, such as a transaction that should be here but is not.

Expense verification - Done reviewing expenses

Click **Next...** to continue. Click **Cancel** to exit this form without changing anything.

If items are found to be in error and in need of revision, check the box(es) next to them on the list, and at the bottom of the page, select the “Expense Exception” button.

[OSU > Office of Budget and Fiscal Planning > Online Systems > Index G0152Q Verify Index Transactions](#)

Summary
Period Detail
Legacy
Verify Transactions
Expense Verifications
Documents

Expense Verification

Review the following transactions. Each expense must be allowable, allocable, and reasonable. If you find an expense that does not seem to follow those guidelines, click a checkmark

GRANT TRANSACTION DETAIL REPORT

For Month Ending: **December**
Last Closed Period: **Period 06 - 2020**

FY: **2020**
Index: **G0152Q - OAS - DOE Ozken-Haller ALFA LCP**
Fund: **G0152Q - OAS DOE 621 Ozken-Haller ALFA LCP**
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Date	PD	Activity	Activity Title	Account	Account Title	Doc Code	Nolij	Transaction Description	Withdrawal Subtractions	Deposit/ Additions	Exception
12/31/2019	06			10102	Staff-Unclassified Salaries-Faculty			Ozkan-Haller, Tuba	\$992.22	\$0.00	<input type="checkbox"/>
12/31/2019	06			24503	Data/Word Processing Service	VE300164	N	ResrchComputChrgs-Dec2019	\$225.00	\$0.00	<input checked="" type="checkbox"/>
Total									\$1,217.22	\$0.00	

Note: This view does not show all activity for this award. It does not include OPE, Subaward Invoice Payments, or F&A (indirect) costs.

Report run date - 2/3/2020 4:56:51 PM
Information contained in this report is confidential and intended for internal use only. Use of this information for any other purpose is prohibited.
Transaction_Detail_GT

Expense verification - Other issues

Click here if there are other problems with these expenses, such as a transaction that should be here but is not.

Expense verification - Done reviewing expenses

Click **Next...** to continue. Click **Cancel** to exit this form without changing anything.

Checking a box or boxes will open the Expense Verification Exception Description screen, pre-populated with the document numbers and transaction description for items flagged on the prior screen. Enter additional information about each of the questioned items and select the Submit Exceptions button to initiate a correction action and verify all unmarked items:

Guidelines for Expense Verification for Federally-Funded Sponsored Projects

OSU > Office of Budget and Fiscal Planning > Online Systems > Index G0152Q Verify Expenses > Expense exception description

Expense Verification Exception Description

Describe each expense exception briefly.

Date	Account	Account Title	Doc Code	Transaction Description	Withdrawal / Subtractions	Deposit / Additions	Reason (Required)
12/31/2019	24503	Data/Word Processing Service	VE300164	ResrchComputChrgs-Dec2019	225.00	0.00	<input type="text"/>

Click **Submit Exceptions** to notify your Grant Accountant of these issues. Click **Cancel** to exit this form without sending anything.

If expenses are missing from the list that you expected to see posted for the month, select the Expense Verification – Other issues box to flag the missing items. Selecting this box will also create an exception and provide an opportunity to enter notes for correction.

Expense verification - Other issues

Click here if there are other problems with these expenses, such as a transaction that should be here but is not.

Expense verification - Done reviewing expenses

Click **Next...** to continue. Click **Cancel** to exit this form without changing anything.

The exception step will send an action to the appropriate business center grant accountant to make the designated correction(s). As noted, all other items will be marked as verified and the system will update the process as complete for the PI for the index and month.

The system will track completion of expense verifications and send reminders to the PI for incomplete verification periods. Items will remain on the list until the verification process is completed by the PI or delegate.

OSU > Office of Budget and Fiscal Planning > Online Systems > Report Center > Expense verification

My Grants | Welcome merthj | Logout

1) Index: P0410B 2) Fiscal Years: 2018 3) Posting Months: July, August, September, October

1 of 1

INDEX EXPENSE VERIFICATION REPORT

Index: P0410B

Fiscal Year	Fiscal Period	Verification Status	Date	Full Name
2018	01	Verified	05/10/2018	Merth, Jeffrey J
2018	02	Exception	05/10/2018	Merth, Jeffrey J
2018	03	Awaiting verification		
2018	04	Awaiting verification		
2018	05	Awaiting verification		
2018	06	Awaiting verification		
2018	07	Awaiting verification		
2018	08	Awaiting verification		

Guidelines for Expense Verification for Federally-Funded Sponsored Projects

For PIs with multiple verifications, there is a dashboard page showing a list of items ready for verification. This allows PIs to move from one verification to the next without going back to email or other pages. After verifying expenses in the usual process, you are returned to the dashboard page. Other items that require verification can then be opened.

Escalation Process:

The following actions will be taken if verifications are not completed on a timely basis:

- **Reminder** – 30 days after the initial distribution, an email will be sent to the PI as a reminder of the due date.
- **1st Delinquent Notice** – At 60 days after the initial distribution, expense reviews become delinquent. On day 62, a notice of outstanding verifications will be sent to the PI and Delegate, if applicable.
- **2nd Delinquent Notice** – At day 70, a delinquent notice will be sent from the Associate Vice President for Research Administration and Development to the PI only, with an explanation that unverified charges will have to be removed from the federally sponsored program unless the verification process is completed within two weeks.
- **3rd Delinquent Notice** – If reconciliation reviews are not completed within two weeks of the 2nd delinquent notice, the PI and unit head will be informed of non-compliance with OSU's policy. The unverified expenses will be treated as an unallowable costs that must be removed from the project the following month.

Delegate Authority:

A PI may authorize a person with a role of Research Assistant (RA) in the Grant Reporting System to review expenses on their behalf. However, this does not relieve the PI of their responsibility for the accuracy of their grant expenses and labor allocations on their grants.

The Research Assistant role has delegated fiscal review authority over a PI's grants, to view grant index reports that have been manually assigned in the Grant Reporting System. This system role may be applied to an employee who has working knowledge of the program, is not a student or temporary employee, and is not a business center employee.

To add an RA in the GRS system, request access to the System using a [Request for Access form](#). Complete the form as directed and under the Grant Reporting & Reimbursement System heading, check the Research Assistant box, and include the Grant Index/Org information under Other. During the roll-out, PIs will have the chance to name a delegate for a bulk upload to the system. After that the access request form must be submitted normally.

Guidelines for Expense Verification for Federally-Funded Sponsored Projects

Business Center Grant Accountant (BC) Steps:

The business center grant accountant (BC) assigned to the award will be notified by a system-generated email of required changes and transaction exceptions:

Dear Business Center Grant Accountant,

You have expense verification exceptions that need to be reviewed for award(s) with federal funds:

Org	Index	PI	Account	Link to Exception (Open in GRS)
305240	RM135C	Tyler S Radniecki	39115	This should have been charged to RM135A (with prior approval given by the lead-PI, Staci Simonich)

This reconciliation process is OSU's documentation of PI review and approval of expenses and completion of this process is the foundation for OSU moving toward project-based annual effort certification.

The email will include the Org in the subject line to assist with routing to the appropriate grant accountant within the BC and a link to a detailed information page about the exception:

[OSU](#) > [Institutional Analytics and Reporting](#) > [Online Systems](#) > [Expense exception resolution](#)

Resolve Expense Exception

Review the following expense verification exception, then scroll to the bottom of this page to perform resolution actions.

Transaction detail

Index	RM135C
Org	305240
Fiscal Year	2020
Fiscal Period	05
Doc Code	JC185484
Doc Type	INV
Item	1
Seq	1
Submission Num	0
Reversal Ind	N
Serial Num	1
Activity Date	11/25/2019 12:00:00 AM
Account	39115
Account Title	Empl Travel - Domestic
Transaction Description	Azumano Travel Service Inc
Debit Amount	413.30
Credit Amount	0.00

Exception

Exception State	Expense Exception
Exception Resolution	
Exception Created On	12/23/2019 10:58:43 AM
Exception Created By	Radniecki, Tyler S
Exception	This should have been charged to RM135A (with prior approval given by the lead-PI, Staci Simonich)
Exception Claimed By	

Claim Exception (Optional)

Claim this exception to let others know that you are working on it. Release the claim when you want someone else to work on the exception.

Expense Exception Resolution

When you have resolved the expense exception in Banner or another system, enter the method you used to resolve the exception in the list below. To save your changes, click **Resolve Exception**. Click **Cancel** to exit.

- JV completed - JV#: (Required)
- Labor distribution - Date: (Required)
- Other action - Notes: (Required)
- Investigated, confirmed valid transaction - Notes: (Optional)

Guidelines for Expense Verification for Federally-Funded Sponsored Projects

The Claim Exception section of the screen allows the BC to identify who is working on the exception to avoid duplication of effort. To claim an exception, go to the home page of GRS. In the "Expense Verification" section, click "Resolve Expense Verification Exceptions". Find the exception you want to claim, then click its link in the "Exception - Click to Resolve" column. On the "Resolve Expense Exception" page, in the "Claim Exception (Optional)" section, click on "Claim Exception".

This is optional and may be released if needed. To release a claim, browse to any exception that you have claimed, then click "Release Claim". Claiming an exception gives information to others only and does not stop others from changing the exception.

Claim Exception (Optional)

Claim this exception to let others know that you are working on it. Release the claim when you want someone else to work on the exception.

Claim Exception

The BC will investigate the exception and make the appropriate cost transfer and/or adjustments as needed and as discussed with the PI. The change may involve a Journal Voucher, Labor Distribution, just review and explain, or other action. These will be noted in the Expense Exception Resolution section of the screen:

Expense Exception Resolution

When you have resolved the expense exception in Banner or another system, enter the method you used to resolve the exception in the list below. To save your changes, click **Resolve Exception**. Click **Cancel** to exit this form without changing anything.

- JV completed - JV#: (Required)
- Labor distribution - Date: (Required)
- Other action - Notes: (Required)
- Investigated, confirmed valid transaction - Notes: (Optional)

Resolve Exception...

Cancel

The exception will be cleared in the expense verification tool by recording the JV number, indicating the date that a labor distribution was completed, noting that some other action taken with a text box to record that action, or confirming that the item was investigated and that the transaction is valid, making notes as required. Pressing the Resolve Exception button will clear the exception and complete the verification in the system.

Escalation Process:

The system will track completion of required changes and will send reminders for unresolved items. The following actions will be taken if corrections are not completed on a timely basis:

- **Reminder** – 30 days after the initial distribution, a system-generated email will be sent to the BC accountant as a reminder of the requested correction.
- **1st Delinquent Notice** – At 60 days after the initial request, corrections become delinquent. On day 62, a system-generated notice of outstanding verifications will be sent will be sent to the BC grant accountant and to the Business Center Manager.
- **2nd Delinquent Notice** – At day 70, a delinquent notice will be sent from the Associate Vice President for Research Administration and Development to the BC Manager only.
- **3rd Delinquent Notice** – If corrections are not completed within two weeks of the 2nd delinquent notice, the BC, BC Manager, and Controller will be informed of non-compliance with OSU's policy.

Office for Sponsored Research and Award Administration (OSRAA) Steps:

The system will track completion of required reconciliations and changes, and will send appropriate reminders to the PI and BC. The system will send OSRAA a list of delinquent expense verifications for OSRAA to follow up with PI and/or BC as necessary. OSRAA will track and report on exceptions and types of resolution resulting from the tool.

Generally, changes will be not encouraged after the verification process has been completed, but if changes are identified, additional documentation and justification will be required to show why the change is now necessary, how it was overlooked during review, and a description of what steps that will be taken to ensure that future late changes are avoided.

Forms & Tools

- [OSU Grant Reporting System \(GRS\)](#)
- [GRS Expense Verification Tool](#)
- [OSU Grant Reporting System \(GRS\) Documentation](#)
- [OSU Grant Reporting System \(GRS\) Support Portal](#)
- [OSU Grant Reporting System \(GRS\) – Grant Reports for Principal Investigators \(Video\)](#)
- [OSU Grant Reporting System \(GRS\) – Grant Reports for Accountants \(Video\)](#)
- [Grant Reporting System Access Roles \(PDF\)](#)

Related Information

- [OSRAA Website](#)
- [Matrix of Roles and Responsibilities for Sponsored Projects](#)
- [Research Office Policy #20-001: Expense Verification for Federally-Funded Sponsored Projects](#)
- [Research Office Policy #17-001: Documentation Standards](#)
- [Research Office Policy #16-004: Labor Distribution Policy and Guidelines](#)
- [Research Office Policy #16-003: Effort Reporting Policy and Guidelines](#)
- [Research Office Policy #16-007: Multiple Principal Investigators on Sponsored Projects Policy](#)
- [Research Office Policy #19-004: Unallowable Costs Policy](#)
- [Research Office Policy #19-001: Principal Investigator Eligibility](#)
- [Fiscal Operations Manual, 1107 Journal Vouchers](#)
- [OMB 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)
- [Federal Acquisition Regulation \(FAR\)](#)