SECTION 13 - FINANCIAL TRANSACTIONS ALLOWABILITY PROCEDURE

Policy Sequence 13-000
Effective May 28, 1991, the Foundation implemented an internal "allowability" procedure which affects financial transactions on all accounts. This procedure was put into place in order to assure that the Foundation is in compliance with audit requirements and to improve efficiency.

Allowability is defined as that which is in compliance with the specific grant or contract terms and requirements as delineated by the sponsor or contracting party in project agreements or other authorizing documents. Inherent in this approval is verification that the project and GL account numbers are correctly assigned. Transactions include deposit transmittals, revenue transactions, encumbrance/disencumbrances (i.e. purchase order requests, petty cash requests, independent contract agreements, mileage claims and disencumbrance journal entries), invoices, check requests, debit or credit memos, payroll salary and benefit changes, journal entries, and any other documents impacting on a project's financial position. The general rule is that any time an entry is made to an account, the Internal Manager (or delegate) responsible for the account must approve the transaction prior to inputting the data.

In the event an Internal Manager determines that a transaction is not allowable, it is that person's responsibility to notify and follow-up with the Project Director and resolve the matter.

Up-front review of financial transaction documents will minimize the possibility of disallowances.
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