

# **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 in the Florida Atlantic University, Office of Sponsored Research, for the portion of the funds in a Research Corporation account that will be used for salaries. The Research Corporation will administer both the Research Corporation account and the Office of Sponsored Research salary account.
- Any request to pay a Florida Atlantic University employee that is not a reimbursement of documented expenses must be approved in accordance with University policy regarding extra compensation.
- 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., will provide services/goods to be paid from a Research Authority account and will invoice the principal investigator. It should be clearly indicated on the Purchase Order that payment will be made by the FAU Research Corporation. Payments to FAU departments will follow the same payment procedures outlined

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### GENERAL

in this manual for other vendors, i.e., the principal investigator will submit a properly completed and signed Research Corporation *Payment Request*, with the original copy of the invoice attached, to the Research Corporation.

Another payment alternative is for the principal investigator to pay for the merchandise personally and 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. A formal request for payment of expenses must be submitted to the Research Corporation on the appropriate Research Corporation payment request form. The payment 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 Business Office.

The payment request form must be signed by the principal investigator and the department chairperson. (If the principal investigator is the department chairperson, the appropriate dean or director must approve. If the principal investigator is the dean or director, the appropriate vice president or the provost must approve.) **There must always be approval from someone in the chain-of-command above the principal investigator.** Expenses may be paid from a Research Corporation 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.

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MANUAL  
DISBURSEMENT PROCEDURES  
(CONTINUED)  
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 C&G 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 C&G account.
- The initial budget will be set up in the account in 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).
- The budget amount set up in the C&G salary companion account will be encumbered 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.

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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. The Research Corporation staff will pick up the Personnel Action Requests on salary companion accounts from the Office of Sponsored Research and, upon approval by the Research Corporation, return them to the Office of Sponsored Research for routine processing.

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

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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.

If the invoice covers personal services of an individual, who is paid directly by the Research Authority, (including payments received via a principal investigator from a "Cash Advance") the "Payee Certification" appearing on the *Payment Request* form must be included on the invoice and signed by the payee or the "Payee Certification" on the *Payment Request* form must be signed by the payee. Upon satisfactory completion of the services, the principal investigator should submit a properly completed Research Authority *Payment Request* form, with the required signatures and the original invoice/receipts attached, to the Research Corporation for payment of services.

**SUBJECT DISBURSEMENT PROCEDURES  
(CONTINUED) 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/>.

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- 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 and entertainment 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 within ten (10) days after the trip is completed.
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- Travel expenses must be reasonable and in line with prudent management of research funds.
  - Entertainment 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.

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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 Research Corporation *Payment Request*, 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.**