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<th>TITLE</th>
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<td>Internal Billing (Inter-Departmental Transfer)</td>
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<td>REFER QUESTIONS TO:</td>
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**ACCOUNTS PAYABLE**

- Technical and Special Fees
  - Number: ADM 3 - 012
- Memberships – Professional and Academic Associations
  - Number: ADM 3 - 013
- Request for Payment
  - Number: ADM 3 – 014

**CONTRACTS AND GRANTS**

- Cost Transfers
  - Number: ADM 3 – 015
- Direct and Indirect Transfer
  - Number: ADM 3 – 016
- Record Management
  - Number: ADM 3 - 017
A. PURPOSE

This statement sets forth University policies and procedures for the handling and depositing of cash.

B. POLICIES

1. Any and all departments receiving cash or checks from any source are required to deposit those items with a university cashier office (Student Accounts Office, Student Development Building, 1st Floor or the Hawk Center, 2nd Floor, Student Services Center) within 24 hours of receipt.

2. Receipt of non-cash gifts is to be reported to the Office of Institutional Advancement, Bird Hall 2nd Floor.

3. No person may accept gifts or grants in the name of the University without prior approval from the Office of Institutional Advancement.

4. No school, department, or activity of the University may open a bank account for its own use.

5. No currency or coin is to be transmitted through either campus mail or the United States mail. All such deposits must be hand carried to a university cashier office (listed in 2). A police escort is always available upon request, but must always be used for deposits containing cash in excess of $500.

6. All departments receiving cash must record/receipt immediately. Those departments and activities that receive cash as a part of their normal day-to-day operation and special occasion collect **must obtain excess to the PeopleSoft System (via the Bursar) to generate receipts.** No commercial or University receipt books should be used.

C. PROCEDURES FOR PS is given when access is given.
A. PURPOSE

This statement sets forth university policies and procedures for establishing and maintaining University Petty Cash, Department Petty Cash as well as, requesting reimbursement for petty cash expenditures.

B. POLICY for Petty Cash Reimbursement

1. This fund is available for the reimbursement of small occasional purchases and or emergency purchases that require an immediate cash payment for $50.00 or less (taxes included). The Working Fund Custodian oversees all University's petty cash funds. The University Procurement Card should always be utilized to minimize transactions through this fund.

2. The petty cash fund must be used only for the purpose for which it was established. All expenditures that are to be reimbursed by the fund are to be approved by the Office of the Vice President for Administrative Affairs as well as the petty cash fund custodian. A receipt must accompany and support each expenditure transaction. It is the responsibility of the petty cash custodian to insure that all transactions meet the requirements that are set forth in the policy and procedures of the fund. **The petty cash fund should not be used as a means to circumvent proper procurement procedures.**

3. The form below must be completed with proper signatures and sent to Office of the Vice President for Administrative Affairs and receipts attached. Funds are reimbursed from the Comptroller’s Office.
UNIVERSITY OF MARYLAND EASTERN SHORE
PETTY CASH REQUEST FOR EXPENDITURES

PETTY CASH REIMBURSEMENTS ARE LIMITED TO $50.00 FOR UNIVERSITY RELATED ITEMS
(Please print or type)

This is a request for approval of the following expenditure(s):

Description of expenditure(s):

Amount of expenditure(s):

Date of expenditure(s): Phone #:

Charge FRS account#: Sub code#:

Department name:

E-mail address:

Requestor:

Print name:

Approved: Department head and/or budget manager

Approved: Department dean-academic affairs

Approved: Vice president for academic affairs

Approved: Vice president for administrative affairs

Each expenditure must be supported by a vendor’s paid receipt or paid invoice.
All receipts are to be attached to 8 1/2" X 11" paper.

All requests are to be submitted in duplicate, meaning that copies of all receipts and request forms are to be submitted with the originals. Please note: split receipts are not permitted.

For purchases made with a personal check, copies of front and back of cancelled check must be attached to form along with receipt(s).

Pick-up days and times:

Mondays, Wednesdays & Fridays - 10:00 AM to 12:30 PM then 1:30 PM to 3:30 PM
Tuesdays & Thursdays - 9:00 AM to 12:30 PM then 1:30 PM to 4:00 PM
C. POLICY for Departmental Petty Cash Fund

1. A departmental or activity petty cash fund may be established only after approval is obtained from the Vice President for Administrative Affairs. It is the policy of the university that individual departments will not maintain ongoing petty cash funds. Any department or activity seeking to establish a petty cash fund must submit a written need for a fund. The Vice President for Administrative Affairs will notify the requesting department of approval or disapproval then send information to the Comptroller’s Office. If the request is approved, the fund is then established by means of an advance to the department. Items that normally would require a purchase order are still to be submitted to Procurement by submitting a requisition or use of the University Visa card.

2. Petty cash funds are established for the specific period of time the funds are actually needed.

C. PROCEDURE

1. The department or activity head must designate one specific individual to act as custodian of the petty cash fund. The custodian shall be responsible for acquiring a thorough knowledge of these procedures and for maintaining the fund in accordance with the guidelines contained herein. Access to the petty cash fund should be restricted to the custodian only. Petty cash funds are not transferable, i.e., any time there is to be a change of custodians, the Comptroller must be notified.

2. Petty cash funds must be kept separate and apart from all other funds. They are not to be commingled with personal funds, miscellaneous cash receipts, or revenue of any type that may have been collected. Neither are they to be used for purchasing personal services, making advances to employees, cashing checks, purchasing coffee supplies, or making other non-operating disbursements.

3. The department or activity head and the custodian of the petty cash fund shall both be jointly responsible for insuring that the funds are properly safeguarded. When not in use, the fund should be stored in a locked container (desk, file cabinet, safe). If a loss of these funds occurs, such loss, depending upon circumstances, may have to be paid from the department's own funds. Any theft should be reported to the Campus Police and the Comptroller immediately.

4. Each petty cash expenditure must be supported by a vendor's paid receipt or paid invoice. These forms are to be kept with the fund until reimbursement is obtained. It is important to understand that the total of (a) currency and coin on hand plus (b) the unreimbursed vendor receipts or invoices should always equal the total amount of cash advance by the Comptroller. It should be noted that expenditures chargeable to more than one university account may be paid out of a single petty cash fund. Petty cash reimbursements are limited to a maximum amount of $50.00 (including tax) per request.
5. Before all petty cash has been expended, the custodian should submit a petty cash reimbursement report (contact Petty Cash Custodian in the Comptroller’s Office for details) to the Comptroller's office. A petty cash fund that is adequate to the needs of the department should normally require reimbursement once a month or as needed. It is suggested that a reimbursement be processed just prior to the close of the fiscal year so that the related expenses can be charged to the proper fiscal year.

6. The amount of petty cash fund may be increased, provided the increase is justified, by submitting a request to the Comptroller. A petty cash fund may be reduced whenever the total amount of the fund exceeds the department's need. The excess is to be returned to the Comptroller, thus reducing the amount of risk or exposure.

7. The custodian will be required to confirm the total amount of the petty cash fund to the auditors and may from time to time have the fund counted by the auditors on a surprise basis.

8. All purchases made for the university are exempt from State sales tax. When making a purchase for the university the employee must present the individual's university I.D. card and give the following tax exempt I.D. number 3000256-3.
A. PURPOSE

This statement is provided to all departments and activities as a guideline for processing bills to other university departments.

B. POLICY

All transactions that are a transfer of materials or services between departments must be handled on an interdepartmental billing form according to the following procedure. This does not pertain to Dining Services, Printing or Auxiliary (Hawkcard).

C. PROCEDURES

1. The department requesting services or materials fills out the applicable CHARGE portion of an interdepartmental billing form and mails all copies to the appropriate Dean/Vice President, and then to the Vice President for Administrative Affairs Office for approval. All copies are then forwarded to the supplying department.

2. The supplying department fills out the CREDIT side of the form, staples all documentation for the service to the back of the yellow copy, and forwards all copies to the Vice President for Administrative Affairs and then to the General Accountant in the Comptroller's Office. After the billing has been entered into the accounting system, the pink copy is returned to the supplying department and the yellow copy is returned to the requesting department.

3. In almost all cases, the ordering department initiates the interdepartmental billing and forwards it to the supplying department. This is the approved university procedure and is to be followed in all but exceptional cases. It is to the benefit of the supplying department to have a signed (Vice President for Administrative Affairs) interdepartmental form in hand before filling orders.

4. Instructions for Completion of Form. See example. Note that each single debit must be matched by a single credit.
Ordering Department:

Item 1 - Ordering department describes item or service required. In the case of food, be specific as to number of people and reason for order.

Item 2 - Enter complete mailing address of ordering department, name of preparer, and telephone extension.

Item 3 - Enter official department name.

Item 4 - Enter current date.

Item 5 - Enter full six-digit account number.

Item 6 - Enter applicable four-digit revenue or expense sub-code.

Item 7 - Enter requisition number.

Item 8 - Enter description of items being charged (only 20 characters, including spaces, will fit into this area.)

Item 9 - Enter cost of item or service. If price is not available, this can be left empty and filled in and totaled by the supplying department.

Item 10 - Obtain signatures of department chairperson, appropriate Dean/Vice President and the Vice President for Administrative Affairs.

Supplying Department:

Item 11 - Enter complete mailing address of supplying department as well as the name and telephone extension of contact person.

Item 12 - Enter official name of supplying department.

Item 13 - Enter billing date.

Item 14 - Enter full six-digit account number.

Item 15 - Enter amounts to be credited and total if not already completed by ordering department.

Item 16 - Enter four-digit applicable revenue or expense sub-code.

Item 17 - Obtain signature of department chairperson.

Forms -- Forms can be obtained from the Office of the Comptroller.
### UNIVERSITY OF MARYLAND

**DESCRIPTION OF ITEM OR SERVICE**

<table>
<thead>
<tr>
<th>CHARGE</th>
<th>CREDIT</th>
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<tbody>
<tr>
<td>Account Name:</td>
<td>Account Name:</td>
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<tr>
<td>Date Approved:</td>
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<tr>
<th>CHARGE (OR) ACCOUNT NO</th>
<th>SUB CODE</th>
<th>RC NUMBER</th>
<th>DESCRIPTION</th>
<th>AMOUNT</th>
<th>CREDIT (OR) ACCOUNT NO</th>
<th>SUB CODE</th>
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**Charge Approved By:**

**Instructions for Ordering Department:**

Describe item or service desired and complete “Charge” certification above. Forward all copies to the supplying department. Yellow copy will be returned as evidence of the charge after the desired service is performed or item requested is provided.

**Credit Approved By:**

**Instructions for Supplying Department:**

After supplying service or item ordered, complete “Credit” certification above. Amount of charge and any additional details in support of the charge. Forward all copies to Office of the Bursar, 110B South Administration Bldg. Pink copy will be returned as evidence of payment.

Note: All cross campus entries must be single line entries. No cross campus compound entries are acceptable.
A. PURPOSE

To set forth the policies and procedures for payroll transfers completed by the payroll office.

B. POLICY

1. Payroll charges may be transferred when an error has been made causing a charge against a wrong account or if overtime reclassification is needed. All transferred should be done in the Kuali Financial System (KFS).

2. Corrections should reflect the proper amount to be charged against a single account or multiple accounts if the salary is split-funded.

3. Transfers should not be used in place of proper payroll entries and particular care should be taken in processing payroll entries correctly in order to reduce the number of payroll transfers required.

4. Payroll transfers affecting a contract or grant account should be handled by the contract and grant accountants.

C. PROCEDURE to Create a Salary Expense Transfer edoc

1. In KFS Click Salary Expense Transfer
   a. Document Overview Tab
      Explanation – Must describe the percentage of salary being transferred and the reason for transferring salary for compliance
   b. Ledger Balance Importing Tab
      Allows you to search for an employee to perform the salary transfer for, Payroll end date fiscal year, Emp ID/University ID of the employee (You can search if needed for this)

      Click Search
      • This displays the posted salary amounts from each account and object code. They are organized by pay periods.
      • Check the box of the pay period you are transferring for
      • Click “return selected”
• Returns the pay period to the “from” line
  ➢ If not 100%, then enter the amount to transfer
  ➢ Click the Copy button
    • Values are copied to the “to” line
    • Specify the account to transfer the salary to
    • Note: If the Non-Fringe Account Override checkbox is displayed – then that indicates that the account specified does not accept fringe. Checking this box will charge benefit expenses to the fringe account assigned to the salary account.
    • Save the document and note the doc number

c. Labor Ledger pending entries
   Once document is saved, this tab shows your debits and credits for salary and fringe entries

d. A2 entries are generated for the purpose of Effort Reporting

e. Note: This document also checks for any pending salary transfers for this employee and all pay periods. If a pending transfer exists, an error message will appear
A. PURPOSE

Accountability for capital assets is necessary for the calculation of Federal indirect cost recoveries, determination of insurance coverage and the physical care and custody. This policy sets forth those provisions necessary to control the acquisition, and the disposal of capital equipment at UMES.

B. POLICY

_Capital Equipment_

All property deemed as capital will be assigned a UMES Inventory #. Where possible, a pre-numbered UMES barcode label will be affixed to the item. Unfortunately, there are circumstances in which a label cannot be affixed to an item for various reasons. The detailed information on the item, including the serial number, will be accounted for in the AMP as it will be for all bar coded, pre-numbered items on the campus. All of these items will be recorded and tracked in our AMP. A cycle count physical inventory process will be performed so that each item will be accounted for every two to three years to comply with the BOR policy requirements.

_Non-Capital Equipment_

Non-capital equipment is defined in the BOR policy as all equipment with an acquisition cost value less than $5,000. The BOR policy allows each institution to determine the scope and level of control procedures for non-capital equipment that is appropriate to its operating environment, subject to minimum requirements stated in the policy. For our institutions policy, we have further segregated this equipment into subset categories for purposes of tagging, tracking and recording policies to help ensure loss prevention in compliance with the BOR.
Non-Capital Sensitive Equipment

Tagged Sensitive Items:

Sensitive Equipment is defined by its desirability, susceptibility to theft and ease of conversion to personal use. It is equipment that may not be removed from the University without authorization. Typical examples include televisions, cameras, computers, etc. Although most of this property usually costs less than the mandated BOR policy limits that we must control, we desire to take appropriate precautionary measures to protect and secure the majority of our university’s sensitive items.

Sensitive Equipment with a cost value greater than $100 will be assigned a UMES Inventory #. Where possible, a pre-numbered UMES barcode label will be affixed to the item. Unfortunately, there are circumstances in which a label cannot be affixed to an item for various reasons. The detailed information on the item, including the serial number, will be accounted for in the AMP as it will be for all bar coded, pre-numbered items on the campus. All of these items will be recorded and tracked in our AMP. A cycle count physical inventory process will be performed so that each item will be accounted for every two to three years to comply with the BOR policy requirements.

We have provided a suggested listing for consideration of these sensitive items in Appendix A.

Non-Capital, Non-Sensitive Equipment

Non-sensitive Equipment with a cost value greater than $1,500 and less than $5,000 will be assigned a UMES Inventory #. Where possible, a pre-numbered UMES barcode label will be affixed to the item. Unfortunately, there are circumstances in which a label cannot be affixed to an item for various reasons. The detailed information on the item, including the serial number, will be accounted for in the AMP as it will be for all bar coded, pre-numbered items on the campus. All of these items will be recorded and tracked in our AMP. A cycle count physical inventory process will be performed so that each item will be accounted for every two to three years to comply with the BOR policy requirements.

Grant Equipment

Property purchased with grant funds may be capital property or non-capital property as defined above. Most budget codes beginning with the number “4” or “5” are grant accounts. The Office of the Comptroller is required to maintain inventory records of capital grant property. This property will be identified as such in the AMP. The Office of the Comptroller will assume that all equipment purchased through grant funds will be considered University property unless otherwise specified in the grant agreement. In such a case as where the ownership remains with the grantor, the Office of Sponsored Programs will notify the Office of the Comptroller.
**Fixed Equipment**

Equipment that is not moveable, i.e. it is attached to the building by bolts, plumbing, and/or electrical lines, is classified as “fixed”. This property is usually “not” recorded in inventory records. Instead, it is considered as part of the value of the building. Some other examples include wall-to-wall carpet and blinds.

**Items purchased for installation into an existing asset**

Items that are purchased for installation into an existing asset might not require a separate pre-numbered bar code label. In this case, the Office of the Comptroller must be notified with a description of the component so that a decision can be made as to how to best handle for each circumstance.

**All Other Equipment**

Equipment with a purchase value of less than $1,500 that is not considered in the sensitive items categories above should be labeled with a non-numbered “Property of UMES” sticker. We realize that it is impossible to label each and every item, so we request that the department use their discretion when determining what items should have this label for security purposes. This is just another step of security measures for our campus, however not a requirement or a specific set of guidelines to follow. The purchaser is responsible for the communication with their departments Property Control Coordinator to have the item labeled. No other tracking is required for these items.

**Gifts and Donations to UMES**

Donations to the University, including gifts of furniture and equipment, are to be directed to the Office of Institutional Advancement. Once the donated property has been accepted, the Office of Institutional Advancement must notify the Office of the Comptroller. Items that require a pre-numbered UMES label will be assigned by the Office of the Comptroller.

**Disposal of University Surplus and Obsolete Property**

At the time a department determines that an item is no longer needed or obsolete (past its useful life) in their department, the Departmental Property Control Coordinator must complete an “Inventory Adjustment Request” to transfer the property to either Physical Plant or IT, depending on the item, and note such location on the form. If this inventory item requires Physical Plant to move it, then a work order for that move must be submitted to them.

Due to the limited storage availability on the campus, Physical Plant might not be able to pick the item up until a new location is determined. The campus will have access to an “Overstocked Inventory for Campus Use” page on our website which will list all the items that are available for campus use. Physical Plant will maintain this webpage based upon information they receive through work orders.
UMES follows the guidelines in accordance with the BOR policy VIII-1.20 – Policy on Disposal of surplus personal property. An item may be declared surplus property when it is no longer necessary for the efficient operation of the institution or has been replaced. Surplus property shall be disposed of by:

- Trading it
- Auctioning it
- Selling it in a manner that fosters competition to the extent practical, considering the value of the item and the availability of prospective purchasers
- Transferring it, including by donation, to another institution or major component within the University System, a nonprofit organization, the State, or a local government
- Dismantling it for recovery of parts
- Destroying it, if no value can be realized

Once an inventory item is received by either the Physical Plant Department or Information Technologies Department that is no longer needed on this campus, they will determine which method above will be utilized for each item. These two departments will complete a “Surplus Property Disposal Release Form” and submit it to the Vice President of Administrative Affairs for approval, noting the method suggested above.

If an item has been purchased with grant funds, the “Surplus Property Disposal Release Form” must be submitted to the Office of Sponsored Programs for approval prior and then forwarded to the Vice President of Administrative Affairs for final approval.

***View the Comptroller’s website for access to the complete policy and all the required forms***
A. PURPOSE

In general, certification of effort reports should take place in a manner consistent with the requirements of OMB Circular A-21, Section J.10.

Certification should encompass all of an employee’s activities on an integrated basis (i.e., provide for consideration of 100% of the employee’s effort).

Certification should be performed by an individual with first-hand knowledge of 100% of the employee’s total effort.

B. POLICY

All University of Maryland Eastern Shore employees whose salaries are funded in any amount by grants, contracts, or other agreements with the Federal Government must comply as applicable with the following procedures.

C. PROCEDURE

1. At least three times a fiscal year*, The Office of Sponsored Research and Programs will notify effort report recipients via email that their Effort Reports are available online for viewing and approving thru the System created and maintained “A21 Effort System”.

These surveys reflect an after the fact reporting of the level of effort (e.g., hours worked) in support of grants, cooperative agreements and contracts, for a specific reported period of time. Periods covered by these surveys will be approximately the following:

   January 2 to June 30th
   July 1 to July 31st
   July 31st to December 31st

*NOTE: Per an email sent March 9th 2012- System has stated that the effort reporting system will be change from three cycles a year to two- beginning in FY13.
1. Employees receiving a Personnel Activity Survey (Effort Report) should review the form to confirm that it represents a reasonable estimate of the named faculty/employee's activity during the period.

a. If the employee agrees with the information (accounts, and amounts of monies, etc.) stated on the Effort Report they are to click on the “approve” button. In that case the report will read that it was approved by the individual on that date and time.

b. If the employee does not agree with the information on the effort report, they should notify the Office of Sponsored Research and Programs. OSRP will investigate the form and make the necessary changes, should information be either missing or incorrect. In cases where this happens, the effort report is printed out by OSRP and changes are made manually on the form. It is then sent to the employee/individual for them to verify and sign off on. They send the form back to OSRP and a note is added and saved on the online copy of that form- that it was manually approved due to “incorrect amount of funds, or a missing account number(s), etc.”

c. In instances where the employee is unavailable to review the survey, the designated Department Approver will review and verify and sign off on forms that are correct. The Department Approver is the person who is responsible for approving effort reports for individuals who are either unable to approve their own- or are no longer with the university.

Each Department or Unit (for example- UNIT: UMES-AGNS- Agriculture/Operations) has one person who acts as Department Approver. This person needs to be someone in the department who has a general knowledge and understanding of the Department’s employees and what they projects they work on.

d. The Office of Administrative Affairs oversees the Office of Sponsored Research and Programs. The OSRP maintains a hard copy file of all manually approved effort reports. Effort reports that are approved online, are saved on the online Effort Report system. Each approved form has a date and the name of who approved it.

e. If payroll transfers occur on an account that has generated an effort report, the effort report will itself become “REVISED” and the updated information will be on the form. The employee will then have to approve the form again, (if they have not already done so).

Annual Effort Reporting- Non Federal Funds

*NOTE: Starting December 2011- The Office of Sponsored Programs initiated the “Annual Effort Reporting- Non Federal Funds” form that is circulated to the head of each Department, and to Principal Investigators who in turn circulate it to their staff. It pertains to employees working on federally funded projects, but who are paid by state or other funds. It is a one page form that requires the employee to fill out the information on – what unit/department they work in, name, title, UID, what project account number of the federally funded grant/contract that they work on, and what the estimated percentage of time is on that project. They then sign the form, and get their supervisor to sign the form.
A. PURPOSE

This statement sets forth the policies and procedures to be followed in handling and reporting pre-numbered tickets for sale at university-sponsored events.

B. POLICY

All university-sponsored functions that involve the sale of tickets must adhere to the following procedures.

C. PROCEDURE

1. Sponsoring departments should order pre-numbered tickets with a designated purchase price and bring the unopened box of tickets to the Bursar in the Comptroller’s Office.

2. The following information is also needed: terms of sale, the price of each ticket and the date of the event. If complimentary tickets are needed, they should be ordered with “commentary” on the ticket. If any of the tickets are used as complimentary and it is not specified on the ticket, the number of tickets to used must be determined before the initial audit is done. All tickets must be reviewed to ensure that they are consecutively pre-numbered and that a designated purchase price (only one price per ticket is acceptable) is printed on each ticket.

3. Once sales are complete, a report of all sales will be prepared and should agree with the receipts issued by the Hawk Center or the Student Accounts Office. The report, copies of the receipts and all unsold tickets should be returned to the Comptroller’s Office.

4. The Comptroller's Office will complete the audit of the event and issue a memo specifying the outcome of the audit. If discrepancies are cited, the designated seller of the tickets will need to address them.

5. Comptroller’s Office will perform an audit to ensure that there has been proper accountability for all tickets. This audit will also include a review to ensure that all ticket sales revenues are deposited in a timely manner. The ticket seller will be responsible for any unsold tickets and/or cash shortages. Discrepancies will be reported to the Vice President of Administrative Affairs.
A. PURPOSE

This procedure is provided as a guideline for requesting setup of a new UMES account number.

B. POLICY

All requests for a new UMES account number, restricted or unrestricted funds, will be made using the following procedures. The procedures are divided into two groups, Grant and Other accounts. Grant accounts shall include all sponsored research and non-research activity. Other accounts shall include scholarships, endowments, revolving and state budgets.

C. PROCEDURE

Grant Accounts

1. Submit a request for the establishment of a new UMES sponsored program account to the Office of Sponsored Programs

2. Submission shall include a copy of the agency award notification, proposal, approved budget and other documentation received from the granting agency.

3. The Office of Sponsored Programs shall forward a copy of the approved request to the Comptroller’s Office.

4. An account number is assigned, approved and entered into the financial system by the Comptroller’s office.

5. The Comptroller’s office will notify the OSP Office of the new account number assigned and send a copy of the entire packet back to the OSP office.
Other Accounts

1. A written request must be submitted to the Vice President for Administrative Affairs Office
2. The request shall include the following information:
   a) State the estimated annual revenue anticipated to be deposited into this account along with the types of expenditures expected
   b) State the purpose of the account, with a detailed description of its intended use.
   c) Designate the person who will manage this account and authorize the deposit of revenues and disbursement requests.
3. Once approved, the Vice President for Administrative Affairs Office will send the approval to the Comptroller’s Office.
4. An account number is assigned, approved and entered into the financial system by the Comptroller’s office.
5. The Comptroller’s Office will notify the appropriate individual regarding the new account information.
A. PURPOSE

To provide and announce the travel policies and regulations for the university

B. PROCEDURE  Authority For Travel

In-State Travel may be authorized by the appropriate dean, director or department head. In-State travel is deemed to include all travel between points within the State of Maryland, the District of Columbia, Kent and Sussex Counties of Delaware and Accomack and Northampton Counties of Virginia. Passage through the State of Delaware is not deemed to be out-of-state travel as the result of taking the most practicable route between two points in Maryland.

Out-of-State Travel includes all travel other than that defined as in-state travel. Authority for out-of-state travel is obtained by completing the electronic Travel Approval Request.

Transportation

All travel should be by the most economical means consistent with professional dignity. Travel should be made by the most direct route consistent with the accomplishment of the maximum amount of official business. Round trip tickets must be obtained whenever this results in a saving unless valid reasons are presented for traveling in each direction via different kinds of carrier. Automobile travel should be made by university-owned vehicle whenever such a vehicle is available. Travel by privately-owned vehicle ordinarily is not the most economical means, but may be authorized (1) where a university-owned vehicle is not available, (2) where several employees are traveling together, (3) where the employee is carrying substantial baggage or equipment or (4) where public transportation schedules or other factors such as conservation of the time of the employee, automobile travel seems to be a reasonable selection in the interest of the university.

Air Transportation - Air coach or tourist accommodations should be used to the extent possible provided such use does not result in (1) greater total cost due to substantial loss of productive time, (2) greater total cost due to increased cost for subsistence and/or lodging and (3) undue hardship or inconvenience to the traveler. The university will not reimburse travelers for penalties which may be assessed by airlines for failure to comply with regulations concerning cancellations, except in emergency situations. The approving authority shall determine when such reimbursements will be allowed.
The University has contracted with Omega World Travel, Inc., Travel-On, and Globetrotter to provide domestic and foreign airline, railway, ship, and bus pre-paid tickets at the most favorable rates available to meet departure and arrival times and locations requested by University travelers. **One of contracted vendors must be used approved prior to travel reservations.** All agencies will assign and confirm seats routinely. Approval for charging airline fares must be completed on line through the **TRAVEL SYSTEM.** Access to the system must be made through the Comptroller’s Office.

All agencies will provide each ticket holder with $150,000 in free flight insurance. This insurance shall cover all common carriers and airport transfers and shall supplement that of any other coverage.

When requested, all agencies will arrange hotel/motel accommodations by taking advantage of State, Federal, institutional, or special travel agency arrangements or discounts, such as those listed in the **REGULATIONS GOVERNMENT TRAVEL DIRECTORY** published by Omega and Travel Trust International (TTI) **CORPORATE RATE HOTEL DIRECTORY.**

When requested, all agencies will arrange vehicle rentals by using the services of any existing State, Federal, institutional or special contracts. The required vehicle shall be obtained at the most favorable rates available. The transportation cost of airline, bus or limousine service to and from the airport is reimbursable.

Where it is necessary to use a means of transportation other than that indicated on the Travel Approval or where it is necessary to change routings, an explanation is to be placed on the electronic Expense Statement, particularly where there are significant differences between the estimated cost and the actual cost.

**Rail Transportation** - Coach rates will be reimbursed unless the trip is overnight. On overnight trips it is expected that a lower berth will be used. Where the employee is carrying a considerable amount of bulky equipment or where he might be carrying very valuable equipment, a more expensive class of railroad transportation may be appropriate. This is to be explained in the "Comment" section of the Travel Approval Form.

**Reimbursement for Expenses**

The university will reimburse the employee for actual travel expenses on the basis of a properly prepared electronic Expense Statement that conforms to the travel regulations. Receipts must be obtained and attached for the following expenses: lodging, public carrier (airplane, train, bus, automobile rental), and registration fees. Please note the printed, signed expense statement from the on-line system must be sent to the Office of Administrative Affairs.

**Automobile** - Where the driver has requested that he be allowed to use his own vehicle in lieu of university-owned vehicle the university will reimburse at half the full mileage rate published on the online travel system. Reimbursement will be at the full rate (1) when university vehicle is not available, (2) when use of private vehicle is most economical, (3) for local trips not exceeding 15 miles in any one day, (4) for trips to local airports or (5) situation authorized in advance to meet special operating problems of departments. Please note rates are subject to change as deemed by the University or State regulations.

Overnight storage at hotel stops, day parking, ferry, bridge and road tolls are reimbursable. The settlement of any fines or penalties imposed for traffic or other violations is the responsibility of the
driver and will not be reimbursed.

**Lodging/Housing Expense - Receipts must be obtained** for all hotel and other lodging charges and must be affixed to the Expense Statement. Where traveler is accompanied by the spouse and/or other dependents occupying the same room, the university will make reimbursement for the single occupancy rate and is to be noted on the lodging receipt by the hotel or motel clerk. Please note University Visa card should be used by cardholders when allowable. See purchase card information under Procurement.

**Travel Meals** - The cost of meals is reimbursable in accordance with paragraph 1. below, or when incurred under the following circumstances:

1. When an employee is on travel status involving absence from home overnight, all meals are reimbursable.

2. The cost of breakfast is reimbursable when an employee must leave home on official business two hours or more prior to the beginning time of his place of business. The cost of dinner is reimbursable when an employee cannot get home within two hours after his normal quitting time. In both cases, the two hours are in addition to the normal commuting time.

3. Except as provided in Subsection 1. above and where the employee is attending an official meeting or convention at which the cost of the luncheon is part of the cost of attending the affair, no employee shall be reimbursed for the cost of lunch.

4. No reimbursement may be made for the cost of alcoholic beverages.

5. Reimbursable rates for meals are:

   Please be advised of the change in travel allowance rates for the current fiscal year (Effective July 1, 2015):

<table>
<thead>
<tr>
<th></th>
<th>Standard Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakfast</td>
<td>9.00</td>
</tr>
<tr>
<td>Lunch</td>
<td>11.00</td>
</tr>
<tr>
<td>Dinner</td>
<td>25.00</td>
</tr>
<tr>
<td>Total</td>
<td>45.00</td>
</tr>
</tbody>
</table>

**Please Note:** In order to be reimbursed at the High Cost rate, the traveler must submit detailed receipts. In the absence of receipts, the traveler will be reimbursed at the standard rate.

**Gratuities and Porterage** - For nominal gratuities, when checking into and out of a hotel or motel, reimbursement will be made by the university. Where bag porterage fees have been prescribed by the airport or terminal facility, reimbursement will be made at the established rates. Where rates have not been established, a reasonable gratuity will be reimbursed as "Porterage".

**Phone/Fax/Communications** charges while in a travel status will be reimbursed only in those instances where the expense statement indicates the person or organization and the business reason.
Prior to approving Expense Statements for reimbursement, department head or dean is expected to review them for the purpose of amending individual items which seem to be excessive or for eliminating items for which the university should not make reimbursement, such as valet charges.

**Sponsored Research Travel**

It is the responsibility of the project director to obtain all necessary written approvals from the sponsoring agency before the travel is undertaken. This includes obtaining written approval for increasing the travel budget when necessary and is required by the sponsoring agency. The project director is responsible for supplying the Grant Accountant with copies of all necessary approvals for inclusion in the official file for the contract or grant.

It must be emphasized that travelers are personally responsible for complying with regulations of both the university and the sponsoring agency. The university will have no alternative other than to bill the traveler personally for travel expenses which are disallowed per audit. This could be most embarrassing because the audit is made months after the traveler has been reimbursed.

**Travel by Non-University Employees** - The university will reimburse non-university employees for travel under the following circumstances: (1) prospective employees interviewed for key positions, (2) guest artists or lecturers and (3) students traveling where the travel is financed through intercollegiate athletic funds, Student Government Association or Grant funds. The on-line Travel Request Form must be fully approved prior to the time when the dean or director makes a commitment to the traveler. It is important that the traveler be advised in writing as to what receipts will be required before reimbursement can be made. This avoids the possibility of later embarrassment.

**Use and Care of University-Owned Vehicles** - University owned vehicles should be used whenever available. Operators of University-owned vehicles are required to adhere to careful and courteous driving practices and to observe traffic laws and regulations at all times. The following points should be noted:

1. State vehicles will be driven only by State officials and authorized University employees for official business only. Students may drive only in the event they are also employed by the University and are assigned in a driver capacity by the University as a part of their employment duties or work assignment.

2. Anyone driving a State vehicle must possess a valid license to operate a motor vehicle in the State of Maryland.

3. All persons who drive or ride in the front seat of a State-owned motor vehicle, or any other motor vehicle being used to conduct official State business must be properly restrained by the occupant restraint device available at the occupied seating position. Anytime a front seat passenger is not a State employee, it shall be the driver's responsibility to insure that the passenger uses the available restraint device.

NOTE: Personnel found to be in violation of this regulation are subject to disciplinary action.

4. Unless specifically authorized by the President, State vehicles will not be used for commuting.
5. Passengers will be limited to those persons who are properly authorized to participate in a University function with a State Official or a University employee traveling on official business. Under no circumstances will children of faculty or staff members be permitted to accompany the employee in a University of Maryland vehicle.

6. All passenger vehicles used by Eastern Shore based faculty and staff are operated on a pooled basis by the Physical Plant Department, which has the responsibility for the proper care and servicing of these vehicles. The proper procedures to be followed for accomplishing repairs in an emergency or while on a trip are covered by instructions which are found in the glove compartment of each University vehicle.

7. Gasoline Credit Cards are available for use with University-owned vehicles which operate away from the Eastern Shore area. The card is intended for use in purchasing gasoline and motor oil out of the Eastern Shore area. However, it may be used in purchasing minor maintenance items (such as tail light bulbs) provided the amount is nominal, and procurement from a service station is the most expeditious procedure.

Every employee is charged with the responsibility of making certain that each service station charge ticket is completely and correctly written prior to signing. It is particularly important that the vehicle license number is properly inserted and that the "Total" on the ticket is filled in. The customer copy of the credit card charge must be turned in to the Physical Plant along with the keys, credit card and mileage statement. Drivers should take steps to minimize the possibility of improper use.

NOTE: University gasoline credit cards may not be used for gasoline or services provided to privately-owned vehicles.

8. To reserve a State car, complete a Request for Leave of Absence form as early as possible, so that a vehicle can be reserved. Furnish your internal account number or six digit FRS account number to be charged, date vehicle is desired, name of the driver and the destination.

9. In the event of an accident, it is the responsibility of the driver to see that the following procedures are followed:

a. Call the police

b. Obtain the case number from the police

c. File a report with the Department of Motor Vehicles, if the accident requires this report to be filed

d. MUST file accident report with the University Public Safety Department for all accidents involving University-owned or University rented vehicles.
A. PURPOSE

This statement sets forth university policies and procedures for the handling of expense statements.

B. POLICY

It is the policy of the university to require the completion of an electronic expense statement form any time an employee travels on university business. This form, properly executed, will be used as the basis for all reimbursements. This requires access to the travel system via

C. PROCEDURE

1. Prior to any overnight travel, an electronic Travel Request must be submitted. Once travel has been completed, employee must complete the electronic university expense statement. This process requires the traveler to forward the form to the next level of approval. Two copies should be printed: one to remain in the office and the other should be signed, all receipts attached and forwarded to the Office of Administrative Affairs.

2. Vice President for Administrative Affairs Office or his designee will audit and approve the expense statement which is then sent to Central Payroll.

3. Reimbursement is put on the next appropriate payroll check for the employee.

4. Travel completed in June should be reported as soon as possible before the end of the fiscal year. Payment to the employee will not occur until July, but funds used will be expensed in the proper year.

D. Instructions for On-Line Travel is on the Comptroller’s Office website.
A. PURPOSE

To set forth the policies and procedures for payment of moving expenses.

B. POLICY

1. The University may authorize payment for travel expenses of applicants who are interviewed for exempt salaried positions (all faculty, associate staff and exempt classified positions) and for non-exempt classified positions for which the campus Director of Personnel has determined that applicants are in short supply. Automobile expenses may be paid at the prevailing rate for mileage. If air, train or bus travel is involved, the university can reimburse only at tourist rates. The university may authorize reimbursement for reasonable lodging as required.

2. The University may authorize the payment of moving expenses of normal household goods, including reasonable packing and unpacking, for individuals appointed to exempt salaried positions (all faculty, associate staff and exempt classified positions) and for non-exempt classified positions for which the Director of Personnel has determined that applicants are in short supply.

3. Moving expenses may be authorized only when the commute to the new position exceeds the commute to the former position by 50 miles; however, exceptions may be made when a current university employee is accepting a position at a different university location at the request of the university.

4. No withholding of income tax or social security tax is required on allowances or reimbursements for moving expenses, nor are these amounts subject to the Federal Unemployment Tax Act, if the employer reasonably believes the employee will:

   a. Have deductible moving expenses;

   b. Meet the 50-mile distance test; and

   c. Meet the 39-week time test. This is based on a reasonable belief that, at the time of payment of the allowance or reimbursement, the employee will
work full time at least 39 weeks during the twelve month period following arrival in the general area of the new job.

(1) If the employee incurs nondeductible moving expenses that do not meet the 50-mile distance test or probably will not meet the 39-week time test, the reimbursement or allowance is subject to withholding of both income tax and social security tax. These amounts are also subject to the Federal Unemployment Tax Act.

5. IRS regulations require that the employee be furnished a copy of Form 4782 indicating the amount paid for moving expenses. The Comptroller of the State of Maryland will be responsible for reporting payment of moving expenses to Central Payroll Section via IRS form 4782 prior to December 31st and giving a copy to the employee.

6. Nothing in this statement requires the payment of travel and/or relocation expenses.

C. PROCEDURE

1. In order for employee to receive allowance for moving expense, a copy of the moving company's invoice must be submitted to the department chairman along with the letter from the President indicating the amount of the allowance.

2. The department will process a Request For Payment form and attach the moving company's invoice and the President's letter.

3. The Comptroller's Office will prepare the IRS Form 4782 in quadruplicate. The original and one copy go to the Central Payroll Section (Adelphi, MD) and one copy goes to the employee. A separate form must be completed for each Request For Payment submitted. Shipment of household goods may be made at different times, thus requiring separate payments. Reimbursement should be limited to the lower amount, ie. the actual cost of moving or the Chancellor's allowance.

4. The Central Payroll Section will forward the information to the State Central Payroll Bureau to be included on the employee's W-2 form.
A. PURPOSE

To set forth policies and procedures for Technical and Special Fees as defined.

B. POLICY

1. The Technical and Special Fees process may be used to pay a fee for a temporary special service that is subject to an implied or written contract with an outside individual or entity (i.e., lecturers, honorariums, consultants, as well as human tests and research subjects). Since recipients may be required to report such payments as income or reimbursable expenditures on their tax returns, extreme care should be exercised in utilizing this form for remuneration. It should be noted that honorarium payments and consultant fees are not synonymous.

2. Under no circumstances should this process be used for payments to persons in the following categories.

   a. Active employees of the university, other State agencies, or where an employer/employee relationship exists if the university has the right to control and direct the performance of services, not only as to results but also as to details and means;

   b. potential employees reimbursed for travel costs of recruitment interviews;

   c. recipients of awards;

   d. participants in commencement exercises;

   e. routine or regular vendors;

   f. classroom proctors;

   g. college work grants;

   h. officials of athletic events;
i. new employees for authorized moving expenses;

j. consultants who have left State employment, other than by reason of retirement, until the person has been out of State employment for a period of one year.

3. Those transactions should be processed via the appropriate system: payroll, working fund, or accounts payable transmittal.

4. Supporting documentation for honoraria payments is required. A sample paragraph covering the required information is attached and should be included in your correspondence with the honorarium recipient. This single document can be attached to your Technical and Special Fees form and can serve as the sole documentation for these payments.

5. For consultants, the supporting documentation must include a statement of the need for the service, the consultant's qualifications, a statement of the method of selection, a statement concerning the rate of payment agreed upon, and an invoice describing the services rendered.

C. PROCEDURE

1. Technical and Special Fees Request for Payment form from the office of Administrative Affairs. The department initiating such action should retain the last green copy and submit the original plus three copies, with supporting documentation for approval.

2. Request forms and documentation must be approved by the department chairperson, the appropriate Dean/Vice President and the Vice President for Administrative Affairs before being submitted to the Comptroller's Office. The Accounts Payable Department ensures that the required supporting documentation is complete before submitting.

3. Recipients of the Request for Payment can't be university employees. All checks are generated through Central Payroll and normally mailed to the recipient; however, upon prior approval or contractual event purposes, check can be returned to campus. Checks returned to campus will be distributed by the Procurement Office. Checks can not be returned directly to the requesting department. Request must have valid address and SS# so that payment can be sent directly to the recipient.

4. All checks picked up by the requesting department that cannot be delivered for any reason must be voided and returned to Comptroller's Office for cancellation no later than 10 working days after the check date. It is imperative that undelivered checks on hand during December and June be voided and returned to Comptroller's Office for cancellation by the tenth calendar day of the following month. Under no circumstances should the above check or payee's personal replacement check be deposited into any university campus account.
D. Instructions for **Completion of Form**

1. Enter name and department of person preparing the form.

2. Enter telephone number of above individual. This person should be available to answer any questions concerning the requested payment.

3. Enter full name of payee.

4. Enter full addresses of payee, including zip code. **Three lines must contain the address and cannot exceed 34 characters per line.** This address must be complete and accurate in order for the IRS-1099 form to be delivered at the end of the year.

5. Fill in the social security, visa, or IRS identification number. Accounts Payable will request College Park to assign foreign vendor ID.

6. Mark an "X" in the appropriate box. If "other", complete full name, address, and zip code to whom the check is to be sent. Special approval must be received from Annapolis in advance.

7. Enter six-digit account number to be charged.

8. Mark and "X" in the appropriate box.

9. Enter the amount to be paid for services, for travel and total. Actual travel expenses cannot be processed on this form.

10. Enter dates of service and a detailed explanation of the services performed, including title of seminar, and to whom given. **(NOTE: Request can not be processed until after service has been performed).**

11. Obtain authorized signatures of project director, department chairperson, the appropriate Dean/Vice President and the Vice President for Administrative Affairs.

12. Enter dates of authorized signatures

13. Submit to the campus Comptroller

Forms can be obtained from the Vice President Administrative Affairs Office.
A. PURPOSE

To set forth policies and procedures for payment of subscriptions and membership dues for professional and academic associations.

B. POLICY

1. Institutional/departmental memberships are authorized and encouraged where funds for such memberships are available. Such memberships are defined as being vested in the institution (university/campus/department) but not in any individual member of the faculty, staff, or administration. Such memberships remain with the institution and the institution has the option of changing its designated representative.

2. Individual memberships will not, under normal circumstances, be funded by the University. Such membership is defined as being vested in an individual rather than an institution and is generally not transferable when the individual member leaves the institution.

3. Certain circumstances may warrant an exception to the above policy:

   a. Where the association, by definition of its by-laws, does not have institutional or group memberships, and where it is deemed to be in the university's best interest to be represented.

   b. Where an individual offers both institutional and individual memberships and the difference in cost between an individual and institutional membership is large enough to warrant representation of the institution through an individual membership, and where deemed to be in the university's best interest to be represented.

4. Professional subscriptions are authorized and encouraged where funds are available from departmental budgets. Such subscriptions are defined as relating to a departments field of study or profession. Such memberships remain with the
institution and the institution has the option of changing its designated representative. The use of University VISA cards are encouraged for the payment.

5. A department may have only one individual membership per association. Each request for subscription or membership must be made on a Purchase Requisition following the appropriate policy addressed under the Procurement section (see index ADM 700) or contact the Procurement Office.
A. PURPOSE

To set forth University policies and procedures for requests for check payments outside of the regular accounts payable system in which checks are returned to the University for distribution.

B. POLICY

1. The use of Request for Payment is limited to Contract (real property) settlements, emergency payments or other circumstances requiring prior approval from the State Comptroller of the Treasury, General Accounting Division. An example would be performance contracts requiring payment at the conclusion of the performance.

2. A check request is never to be used in place of a purchase order, petty cash, payroll, technical and special fee request form or an expense statement form.

3. The Request for Payment form is to be completed and attached to the appropriate documentation (i.e. real property contract, performance contract, other documentation to justify the return of a check to the university). After obtaining signatory approvals from the appropriate Department Chair/Vice President and the Vice President for Administrative Affairs, the request and documentation are to be forwarded to Purchasing. Purchasing is to approve the request and forward to Accounts Payable. Accounts Payable will process and forward to the State the original Request for Payment along with the supporting documentation.

C. Instructions for Completion of Form

Item 1 - Enter name, social security number or Federal ID number and address of payee, including zip code.

Item 2 - Enter current date.

Item 3 - Enter department name.

Item 4 - Enter number of items ordered.

Item 5 - Enter complete description of materials or services requested.
Item 6 - Enter cost of material or services.

Item 7 - Enter name of person preparing form and their telephone extension.

Item 8 - Enter 6 digit account number.

Item 9 - Enter sub-code number.

Item 10 - Enter invoice date.

Item 11 - Enter short description.

Item 12 - Enter amount to be charged to account number. Total amount of invoice can be distributed to more than one account number, but must be shown on a separate line.

Item 13 - Enter invoice number, if available.

Item 14 - Obtain signature of department chairperson, appropriate Dean/Vice President and the Vice President for Administrative Affairs.
A. PURPOSE

To provide policies and procedures for Cost transfers

B. RESPONSIBILITIES

Principal Investigators are responsible for:
1. Reviewing the charges on their awards in order to ensure timely and accurate posting of expenditures.
2. Communicating with their department administrators in order to facilitate the appropriate recording of original costs.
3. Signing all cost transfers greater than 90 days old that affect their projects.

Department Administrators are responsible for:
1. Reviewing the expenditures on their projects to ensure the timely detection and correction of errors.
2. Appropriately requesting and documenting cost transfers.

Contract & Grant accounting is responsible for:
1. Reviewing and approving non-payroll cost transfers.
2. Reviewing and processing payroll cost transfers using retros.

C. PROCEDURES

A. All cost transfers must contain an explanation as to why the cost transfer is necessary. If the cost transfer is necessary to correct an error, the explanation must fully explain how the error occurred. An explanation merely stating that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient.

B. All cost transfers affecting contract and grant accounts should be handled within the normal 90 day alliance. If any occur more than 90 days from the original charge an explanation as to why the error was not discovered and corrected within the required 90 day timeframe must be attached.

C. Nonpayroll cost transfers are performed using a journal entry. Journal entries may be initiated by the grant accountant. If the journal involves more than one department, the department whose chartstring is being charged should initiate the journal entry.
D. Payroll cost transfers performed within 90 days of the original transaction are performed using the financial system. Payroll cost transfers performed after 90 days of the original transaction must also contain an explanation as to why the payroll transfer was not processed within the required 90 day timeframe.
A. Purpose:

This procedure governs the consistency in the allocation of direct costs and indirect costs charged to federal and non-federal grants and contracts and other sponsored programs. The regulations for determining costs charged to federally sponsored projects at educational institutions are set forth in the Office of Management and Budget (OMB) Circular A-21: Cost Principles for Educational Institutions. The circular establishes principles for determining costs applicable to grants, contracts and other sponsored programs with educational institutions.

These procedures incorporate the Federal costing principles (Circular A-21), cost accounting standards (CAS) and generally accepted costing principles (GAAP).

Definitions:

**Direct Costs.** Costs that can be identified specifically with a particular sponsored project, an instructional activity, or that can be directly assigned to such with a high degree of accuracy and relatively easily. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or F&A (indirect) costs.

**Facilities and Administrative (F&A) Costs.** Costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project an instructional activity, or any other institutional activity. F&A costs are synonymous with “indirect” costs. The F&A cost categories are described in OMB Circular A-21, Section F.1.

**Major Projects.** Major Project as defined in section F.6.b.2 of OMB Circular A-21, is a project that requires an extensive amount of administrative or clerical support, which is significantly greater than the routine level of such services provided by academic departments.

**Cost Accounting Standards (CAS).** CAS addresses cost accounting--the measurement, assignment, and allocation of costs to government grants and contracts. The Cost Accounting Standards Board (CASB) established by the U.S. Congress instituted CAS.
UMES responsibilities. The University of Maryland Eastern Shore (UMES) accepts the responsibility for complying with governing guidelines and developing and implementing a set of procedures which comply with Circular A-21 and CAS which delineates those research related expenses identified as Direct vs. Indirect. UMES also accepts responsibility for guidance and training and for ensuring compliance through periodic internal and external reviews and audits.

The Principal Investigator (PI) responsibilities. The PI accepts responsibility for scientific and budgetary decisions making and for following the University’s procedures and other governing guidelines. The scientific and budgetary decisions must be documented in a manner that assures their subsequent accurate implementation and permits auditing by internal and external sources. The PI along with his/her departmental chair and dean also accept the responsibility for following the procedures of UMES and for ensuring the appropriateness of all charges to a sponsored program.

I. Procedure

The procedure will apply to all major categories of cost under each major function or activity such as instruction, organized research, other sponsored activities and other institutional activities, as defined in section B, Circular A-21. The criteria for determining when costs incurred for the same purpose, in like circumstances are treated either as a direct cost only or as an indirect cost only with respect to final cost objectives are described below. Particular emphasis should be placed on items of cost that may be treated as either direct or indirect costs (e.g., supplies, materials, salaries and wages, fringe benefits, etc.) depending upon the purpose of the activity involved.

The University follows the Circular A-21 in determining the treatment of costs as direct or indirect. Circular A-21 defines Direct Cost as cost that can be identified specifically with a particular sponsored project, instructional activity, or other institutional activity, or can be directly assigned to such activities relatively easily with a high degree of accuracy. Conversely, costs incurred for common or joint objectives, which cannot be identified readily and specifically with a particular sponsored project, instructional activity, or other institutional activity, are treated as indirect costs. The University's indirect costs are consistent with the definitions of specific indirect cost categories in section F of Circular A-21 (identification and assignment of facilities and administration cost).

The University also follows the guidelines of Section F.6.b of Circular A-21, which specify the normal treatment of certain costs commonly incurred, by academic departments and organized research units. It is the responsibility of the department incurring the cost to classify costs incurred for the same purpose, in like circumstances, consistently as either direct or indirect costs. This concept is reinforced and emphasized in Cost Accounting Standard (CAS) 502, “Consistency in Allocating Cost Incurred for the Same Purpose.” This standard, which the University is required to follow, states that cost incurred for the same purpose and in like circumstances are either direct or indirect. Complying with this standard guards against overcharging and helps prevent double counting.

When administrative and clerical costs are directly charged to the sponsored agreements, it is because the activity explicitly budgets for administrative or clerical services and the individuals involved can be specifically identified with a Major Project.
II. Cost Categories

Normal Direct Costs:

1. Salaries, Wages and Fringe Benefits
   a. Faculty
   b. Professional staff (e.g. research associates or scientist)
   c. Postdoctoral fellows
   d. Technicians
   e. Lab assistants
   f. Students performing scientific or technical work

2. Materials and supplies
   a. Chemicals
   b. Glassware
   c. Compressed gases and liquids
   d. Computer software

3. Other direct costs
   a. Travel
   b. Consulting services
   c. Equipment
   d. Long distant telephone charges
   e. Subawards

Normal Indirect Costs:

1. Administrative and clerical salaries and associated fringe benefits
2. Office supplies
3. Postage
4. Local telephone services
5. Memberships
6. Subscriptions

A. Secretarial, Clerical, and Administrative Salaries and Wages

The salaries of administrative and clerical staff should normally be treated as indirect cost. The direct charging of these costs may be appropriate where the nature of the work performed under a particular major project requires an extensive amount of administrative or clerical support, which is significantly greater than the routine level of such services provided by academic departments. The costs need to be identified specifically with a particular sponsored project relatively easily with a high degree of accuracy as stated in section F.6.b2 of Circular A-21.

B. Technical Staff Salaries and Wages
The salaries and wages of specialist and technical staff such as programmers, technicians, editors, graphic designers, animal maintenance staff, photographers and others whose salaries and wages are normally treated as direct costs.

C. Research Materials, Research Supplies and Research Equipment

The costs of research materials, supplies and equipment, e.g., chemicals, glassware, research record keeping and reporting materials and supplies, etc., instructional supplies, animals, animal care and other specialized services, travel, consulting services, patient care, long distance telephone toll charges identifiable to research, instruction, or other direct cost objectives be treated as direct costs.

D. Repair and Maintenance

Repair and maintenance involving internal building operations and equipment which are identifiable to research projects, instructional activities, or other direct cost objectives, are treated as direct costs based on a work order system or invoices from vendors, the direct charges are credited against the Operations and Maintenance indirect cost pool. Rent and other associated costs of facilities used to conduct off-campus sponsored projects are also treated as direct costs.

E. Other Costs

The costs of office supplies, postage, local telephone basic) costs, memberships, general copying, FAX, and similar costs are treated as indirect costs, except under conditions which the university considers "unlike circumstances" under CAS 502.

Examples of special circumstances that may justify direct charging of these costs include:

1. Office supplies and postage – special circumstances may exist if a project has a special or unique need for such supplies and postage that clearly differs from the normal use of these items by other activities of the institution. The use of supplies or postage must be significantly greater than the routine level of such items provided by academic departments and must be used specifically for the technical purposes of the project rather than to support administrative or clerical efforts. Examples of these circumstances may include a project that requires significant data collection through and extensive mail survey or project providing notebooks to a large number of workshop participants.

2. Telephone – special circumstances may exist where a separate dedicated line is necessary solely for the performance of the project (i.e. a telephone hot line or survey).

3. Memberships – special circumstances may exist if a project requires a subscription to a professional journal and a membership is required to obtain the subscription.
PURPOSE:
To facilitate the management of vital records, preserve the history of the campus and meet the requirements of the USM policy.

The University adheres to the policies and procedures established by UMCP at the following link: http://www.dbs.umd.edu/records_forms/schedule/