
Business & Finance

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Accounting

General Information

Policy No: 1.1

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

To provide guidance to schools, colleges, departments or units of the Institute as it relates to general accounting functions.

Policy Statement:

The following policies in this policy book provide guidance to schools, colleges, departments or units of the Institute regarding general accounting functions. Other functions such as Payroll, Accounts Payable, Purchasing, Budgets, Grants and Contracts and Equipment Management are in separate policy books in the policy library.

Scope:

This policy applies to all schools, department, and units of the Institute.

Responsibilities:

- Controller's Office

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Updates to verbiage

Account Number Structure

Policy No: 1.2

Policy Book: Business & Finance

Type of Policy: Administrative

Review Date: Jan 2020

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

The object of this procedure is to provide a basic explanation of the account numbering systems of Georgia Tech.

Policy Statement:

General Guidelines

A thorough explanation of the Board of Regents Account number can be found in the Accounting Procedures and Instructions Manual - Revised (BPM-1) provided by the Board of Regents of the University System of Georgia. An explanation of values comprising the Chart of Accounts can be obtained by contacting the Accounting Services Department. The Board of Regents Chart of Accounts is authorized by the Board of Regents of the University System of Georgia. However, values for some segments of this account are internal to this Institution. As such, they gain authority from the Senior Vice President for Finance and Administration.

Georgia Tech currently uses four types of account numbers:

1. Board of Regents Account Number

The "official" account number of Georgia Tech is the Board of Regents (BOR) account number. This number is based upon account definitions in the Business Procedures Manual, Revised (BPM-1), of the University System of Georgia. It is, therefore, known at Georgia Tech as the Board of Regents (BOR) Account Number. This account number is used for all official reports and for the financial statements.

The structure of the BOR Account Number is the same for all types of accounts (balance sheet, revenue, and expenditure); but the fields, or components of the accounts, vary according to the type of account. The differences will be shown graphically in pages 3 through 6 of this procedure.

2. PeopleSoft Account Number

The PeopleSoft Account Number is comprised of five Chart Field components that exist within the baseline of the PeopleSoft product. The SpeedType is a short, user-friendly number that is used primarily for data entry and inquiry. The Chart Field components and the SpeedType composition are described in pages 6 and 7 of this procedure.

3. MSA Account Number

In 1985, the Business Office at Georgia Tech implemented a new financial system for the General Ledger, Accounts Payable, and Purchasing functions. These functions were to be executed on an IBM mainframe computer and would operate under MSA software. In order to accommodate this software, a new account structure was developed, from the existing BOR account number. This new structure became known as the "MSA Account Number." The segments of the MSA number are derived from actual segments of the BOR number. The order and the length of the two account numbers differ. The Accounts Payable and Purchasing Departments operate with the MSA number.

4. Old (Short) Account Number

A numbering scheme that has existed for many years is now referred to at Georgia Tech as the "Old Account Number." This number is familiar to the campus because it is the shortest of the account numbers used, and because it has some meaning built into it. The Old Account number is used for such systems as Budgeting, Payroll, Grants & Contracts Accounting, Physical Plant Job Order System, and the Chemistry Stockroom.

Chart of Accounts Report

The Chart of Accounts report lists all account numbers. Translation programs are used to "link" each account to the others. These reports may be sorted by any of the four account types and within each account type they can be sorted numerically, alphabetically, or numerically by Organization within any one of the types.

Procedures:

Board of Regents Account Segments

Following is a brief description of the segments comprising the Board of Regents Chart of Accounts.

1. Fund Group

Fund Group is an accounting entity with a self-balancing set of accounts consisting of assets, liabilities and fund balance.

The Fund Groups used by departmental units are as follows:

- Current Operating Fund Group
 - Fund Number 10 - Resident Instruction
 - Fund Number 21 - Georgia Tech Research Institute (GTRI)
 - Fund Number 22 - Continuing Education
 - Fund Number 23 - Center for Rehabilitation Technology (CRT)
 - Fund Number 24 - Advanced Technology Development Center (ATDC)
 - Fund Number 25 - Economic Development Institute (EDI)
 - Fund Number 40 - Restricted Funds - Resident Instruction
 - Fund Number 41 - Restricted Funds – GTRI
 - Fund Number 42 - Restricted Funds - Continuing Education
 - Fund Number 43 - Restricted Funds - CRT
 - Fund Number 44 - Restricted Funds - ATDC
 - Fund Number 45 - Restricted Funds – EDI
 - Fund Number 48 - Restricted Funds – Plant Funds
 - Fund Number 50 - Auxiliary Enterprises
 - Fund Number 95 - Student Activities
- **Loan Funds**
 - Fund Number 70 - Loan Funds
- **Endowment Funds**
 - Fund Number 75 - Endowment Funds
- **Plant Funds**
 - Fund Number 80 - Unexpended Plant Funds
 - Fund Number 82 - Renewals and Replacements
 - Fund Number 85 - Investment in Plant
- **Agency Funds**
 - Fund Group 90 - Agency Funds - Private Trust

2. Function

The Function is a group of related activities having as their purpose the accomplishment of a major service or program for which the institution is responsible. A two-digit, numeric code is used to designate this.

- Functions and their numbering ranges can be categorized as follows:
 - Instruction 10-19
 - Research 20-29
 - Public Service 30-39
 - Academic Support 40-49
 - Student Services 50-59
 - Institutional Support 60-69
 - Operation and Maintenance of Plant 70-79
 - Scholarships and Fellowships 80-89

3. Source

The Source is a one-digit, numeric code that indicates the origin of revenue funds. Current codes are as follows:

- Research Consortium Funds (State)
- General or State Funds
- Special Initiative Funding
- Lottery Funds (State)
- Departmental Sales and Services
- Sponsored Operations

4. Cost Center

The Cost Center is a two-digit, numeric code that describes the organizational unit (usually a department) originating financial transactions.

5. Sub-Cost Center

The Sub-Cost Center is a three digit, numeric code used to divide specific cost centers into sub-sections. This allows for the identification of individual accounting units within a given cost center.

6. Project

The Project designator, a five-digit, alphanumeric code, identifies the sponsored project originating financial transactions. The exception, however, is that some non-sponsored Olympic accounts are also established with a project identifier of "Y."

7. Sub-Project

The Sub-Project is a three digit, alphanumeric code used to show the various sections into which a project has been divided. The sub-project allows a distinction between the main project and a sub/CO-project, while concurrently functioning as an indicator of project duration.

8. Object

The five digit, numeric Object Code provides a method of classifying expenditures according to what is received in return for the expenditures, e.g., personal services, travel, operating supplies and expense and equipment.

Refer to Appendix A for a complete listing of object codes. The numbering of object codes proceeds as follows:

- 50000-59999 Personal Services Expenditures
- 60000-69999 Travel Expenditures
- 70000-79999 Operating Supplies and Expense
- 80000-89999 Equipment

Board of Regents Account Number Structure

Each Account is grouped into eight principal fields that may contain up to five characters as follows:

1. Balance Sheet Account

- Includes: Fund Group and Object Code
- Example: 10-00-0-00-000-00000-000-11800
- Fund 10: Resident Instruction
- Object Code 11800: Cash in Bank - Demand Deposits

2. Revenue Account

- Includes: Fund Group, Function, Cost Center, Sub-Cost Center, and Source
- Example 1: 10-00-0-00-000-00000-000-40310
- Fund 10: Resident Instruction
- Source (Account) 40310: State Appropriation - General
- Example 2: 50-10-0-10-133-000-00000-40910
- Fund 50: Auxiliary Enterprises
- Function 10: Student Housing
- Cost Center 10: Student Housing
- Sub-Cost Center 133: Harris Dormitory
- Source (Account) 40910: Dormitory Rents

3. Expenditure Account (Financial Accounts)

- Includes: Fund Group, Function, Source Code, Cost Center, Sub-Cost Center, Project, Sub-Project and Object Code
- Example 1: 10-11-1-16-200-00000-000-71410
- Fund 10: Resident Instruction
- Function 11: Instruction
- Source 1: General or State Funds
- Cost Center 16: Aerospace Engineering
- Sub-Cost Center 200: Instruction in Aerospace Engineering
- Object Code 71410: Supplies and Materials
- Example 2: 10-24-6-16-600-R56780-0A0-71410
- Fund 10: Resident Instruction
- Function 24: Sponsored Research

- Source 6: Sponsored Operating Revenue
- Cost Center 16: Aerospace Engineering
- Sub-Cost Center 600: Sponsored Research in Aerospace Engineering
- Project Number R5678: GTRC Project Number 5678
- Sub-Project Number 0A0: No additional years of funding
- Object Code 71410: Supplies and Materials

PeopleSoft Account Number

There are five Chart fields that comprise the number that exists with in the baseline of the PeopleSoft product. They are: Fund, Organization, Program, Subclass, Project and Account.

1. Fund

Fund identifies a balancing entity within a set of books in PeopleSoft. Each five-digit fund in PeopleSoft maps to a two-digit GEAC fund. In the new PeopleSoft fund structure, "roll-up" account numbers that end in "000" exist but are not currently used. These fund numbers will be used for reporting purposes after PeopleSoft GL replaces GEAC GL

PeopleSoft Fund Number	Description	Legacy Fund Number
01000	GEAC Control Account	01
10000	Cur Unrestricted - E & G	N/A
10010	Cur Unrestricted - Resident In	10
11000	Cur Unrestricted - Other Org	N/A
11021	Cur Unrestricted – GTRI	21
11022	Cur Unrestricted - Con Ed	22
11023	Cur Unrestricted – CRT	23
11024	Cur Unrestricted – ATDC	24
11025	Cur Unrestricted – EDI	25
12000	Cur Unrestricted – Auxiliary	N/A
12050	Cur Unrestricted – Auxiliary	50
13000	Cur Unrestricted - Student Act	N/A
13095	Cur Unrestricted - Student Act	95
20000	Cur Restricted - E & G	N/A
20010	Cur Restricted - Resident In	10
20040	Cur Restricted - Resident In	40
21000	Cur Restricted - Other Org	N/A
21021	Cur Restricted – GTRI	21
21022	Cur Restricted - Con Ed	22
21023	Cur Restricted – CRT	23
21024	Cur Restricted – ATDC	24
21025	Cur Restricted – EDI	25
21041	Cur Restricted – GTRI	41
21042	Cur Restricted - Con Ed	42
21043	Cur Restricted – CRT	43
21044	Cur Restricted – ATDC	44
21045	Cur Restricted – EDI	45
21048	Cur Restricted - Unexp Plant	48

PeopleSoft Fund Number	Description	Legacy Fund Number
30000	Loan – Federal	N/A
30070	Loan – Federal	70
31000	Loan – Institutional	N/A
31070	Loan – Institutional	70
40000	Endowments – Endowment	N/A
40075	Endowments – Endowment	75
41000	Endowments - Term End	N/A
41075	Endowments - Term End	75
42000	Endowments - Quasi End	N/A
42075	Endowments - Quasi End	75
50000	Plant – Unexpended	N/A
50080	Plant – Unexpended	80
51000	Plant - Renewal & Replacement	N/A
51082	Plant - Renewal & Replacement	82
52000	Plant - Investment in Plant	N/A
52085	Plant - Investment in Plant	85
60000	Agency - Funds on Deposit	N/A
60090	Agency - Funds on Deposit	90
61000	Agency-Designated Scholarships	N/A
61090	Agency-Designated Scholarships	90
62000	Agency - Payroll Operations	N/A
62090	Agency - Payroll Operations	90

2. Organization

Organization represents the cost and sub-cost fields of the BOR Account number. The Organization Number will be the same as the Accounts Payable number assigned to every organization. Organizations will be allowed to subdivide to meet reporting or hierarchy needs if necessary. However, if the organization is subdivided, budgeting and expending must be done at the sub-level

All GTRI Organizations have been coded to begin with "0" for ease of identification and transition.

Org Code	Organization Name
221	Con-Ed Distance Learning
320	Biology
515	International Affairs
764	Accounts Payable
911	Real Estate & Space Planning

3. Program

The Program Code will replace the Function Code of the BOR Account number. It is used to identify expenses into major categories. The first digit of the Program Code will denote the major GAAP Categories. They are: 1 – Educational and General, 2 – Auxiliary, 3- Hospitals (i.e. Instruction, Research, Public Service, etc.) These codes are standardized and controlled by the Regents Central Office.

Program Number	Program Description
11000	Instruction
12000	Research

Program Number	Program Description
15910	Intramural Athletics
17700	Suspense Plant
21000	Housing

4. Subclass

The Subclass Chart field is a partially enhanced, partially new account component. The legacy Fund Source, which was one character in length, could not adequately account for new or special allocations such as Research Consortium Funding, Special Initiative Funding , or Lottery Proceeds. The Subclass code will now be 5 digits in length to accommodate the needs of the Institution.

When Subclass codes are assigned to a PeopleSoft Account Number only "State" Subclasscodes should be used with "State" fund numbers and only "Sponsored"Subclass codes should be used with "Sponsored (Restricted)" fund numbers. All Sponsored Subclasses begin with the legacy Fund Source identifier "6" for ease of transition.

Subclass Code	Sub-Classification Description	State or Sponsored
11000	General Operations	State
11680	Undesignated Spons Research	State
12000	Research Consortium	State
14000	Lottery Funds	State
41000	DS & S - General	Departmental Sales and Service
63000	Sponsored Operation - Local	Sponsored
63439	Fed Flow - NASA	Sponsored
64010	Georgia Tech Foundation	Sponsored
64100	Sponsored Private	Sponsored
64050	Georgia Tech Research Corp	Sponsored

5. Account

The account chart field will equate to balance sheet, revenue and expenditure object codes in the BOR account number.

Speedtype

The five Chart fields described make up a very complex baseline number. To simplify the use of the PeopleSoft General Ledger, a shorter number called a SpeedType was developed to "point" to the baseline number. To access or input account information within the PeopleSoft system, the user need only know the SpeedType.

Balance Sheet and Revenue Accounts

The Speed Type number for balance sheet accounts contains the letter Z followed by the existing Old Account Number (example: Speed Type Number Z1011800 = the old Account Number 10-11800).

Expenditure Accounts

Expenditure SpeedTypes vary in length from 7 to 9 digits depending upon the type of account. Expenditure SpeedTypes are comprised of the following digits:

- High level organization identifier (1 – 3 digits).
Note: All GTRI projects will begin with the Organization Identifier "0" and are followed by the entire Old Account Number.
- High level fund source identifier (1 digit from MSA and BOR Account Numbers)

- Portion of the existing Old Account Number (3 or 5 digits)
Note: All Con Ed, EDI, ATDC, POD, and Student Activity Expenditure SpeedTypes will use all five digits. Plant Funds (Renewal & Replacement and Unexpended Plant) will use the alpha characters A = Renewal and Replacement and P = Unexpended Plant Funds followed by the last 4 digits of the Old Account Number (example: Speed Type Number 9004A7108 = the Old Account Number AX-87108). All other organizations will use the last 3 digits in their Expenditure Speed Types.

Restricted Fund Accounts

The Restricted Fund Speed Type is the same as the Old Account Number.

Agency Fund Accounts

The Agency Fund Speed Type Number consists of the following:

- 3 Digit Organization Number
- 1 Digit Source of Funds Number (from MSA and BOR Account Numbers)
- 5 Digit Cost and Subcost Number (The Cost and Subcost Number is derived from the BOR Account Number)

Examples of SpeedTypes:

Org Identifier			Fund Source	Old Account Number Portion				
7	6	3	1	1	2	3		

Organization Identifier: 763 (Accounting Services)

Fund Source: 1 (State)

Old Account Number Portion: 123 (The old account number is I-71-123)

Org Identifier	Old Account Number Portion							
0	A	1	0	0	4	1	3	6

Organization Identifier: 0 (GTRI)

Fund Source: N/A

Old Account Number Portion: A-100-4136 (Use entire old account number)

Org Identifier			Fund Source	Old Account Number Portion				
2	9	0	6	1	0	6	0	6

Organization Identifier: 0 (GTRI)

Fund Source: N/A

Old Account Number Portion: A-100-4136 (Use entire old account number)

Org Identifier			Fund Source	Old Account Number Portion				
1	6	0	6	5	3	8		

Organization Identifier: 160 (Aerospace Engineering)

Fund Source: 6 (Sponsored)

Old Account Number Portion: 538 (The old account number is E-16-538)

Custodial Funds

The Institute follows the University System of Georgia's policy for custodial funds. The USG requirements can be found at: https://www.usg.edu/business_procedures_manual/section14/.

For more information on custodial funds, including instructions on how to request a new custodial fund, please visit the [Controller's Office website](#).

Cash Receipts and Accounts Receivable

Daily Cash Deposits

Policy No: 1.4.1

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2014

Review Date: Oct 2019

Policy Owner: Bursar's Office

Contact Name: Susan Morrell

Contact Title: Dir-Stu & Treasury Svcs

Contact Email: susan.morrell@business.gatech.edu

Reason for Policy:

To provide guidance to schools, colleges, departments or units of the Institute as it relates to depositing funds received.

Policy Statement:

Normally, all funds received by a unit should be deposited no later than the next business day following the date of receipt. For instances in which a unit receives small amounts of cash or checks (total less than \$100) which would not warrant a daily trip to the Bursar's Office, the funds may be held no more than five business days. Each unit must establish operating procedures to ensure compliance with the daily or weekly deposit requirements. All deposits should be hand delivered to the Bursar's Office in order to comply with the twenty-four hour deposit requirement. The Bursar's Office is open daily from 8:30am to 4pm.

There are a limited number of departments on campus who have been authorized by the Institute to transmit cash to the bank for their department. Although they do not go through the normal process, they are still responsible for submitting information related to funds received to the Bursar's Office so it can be posted to the Institute's ledger.

All checks payable to Georgia Institute of Technology must be deposited to the Institute's bank account. Funds should never be deposited to an individual's bank account or to a bank account which has not been specifically authorized by Treasury Services as belonging to the Georgia Institute of Technology. Checks and cash must be kept in secure locations at all times.

Scope:

This policy applies to all schools, department, and units of the Institute.

Procedures:

Transmittal Cash to Bursar's Office

The [Deposit Remittance Form](#) should be used as a transmittal sheet for deposits. Forms are available from the Bursar's Office. These forms may be copied for use by units at Georgia Tech.

Form Instructions

SECTION ONE

1. Go to Page 2 of form and enter check date, check number, remitter's name, amount, and total amount of checks listed.
2. Go to Page 1 of form
3. Enter today's date on Page 1.
4. Enter total amount of Checks listed from Page 2.
5. Enter total amount of Checks listed on attachment sheets, if applicable.
6. Enter total of all Checks.
7. Enter total of any Credit Cards (authorized units only).
8. Enter total of any Currency.
9. Enter total of any Coin.
10. Enter total amount to be deposited.

SECTION TWO

1. Enter brief description of deposit (30 characters max).
2. Enter Project Number and Account to which funds should be deposited.
3. Distribute amount to be deposited for each Project/Account combination.
4. Enter total distribution amount for this deposit. This figure must be equal to the total of the deposit.

SECTION THREE

1. Describe the source of funds and/or provide an explanation of the deposit.

SECTION FOUR

1. Enter signature of the person who prepared deposit transmittal.
2. Enter the telephone number of the person who prepared the deposit transmittal.
3. Enter printed name of the person who prepared the deposit transmittal.
4. Enter title of the person who prepared the deposit transmittal.
5. Enter the name of the department transmitting the deposit.

Forms:

[1.4.1 - BF - Acctg - Cash Receipts and Accts Rec - Daily Cash Deposits - DepositRemittanceForm.xls](#)

[1.4.1 - BF - Acctg - Cash Receipts and Accts Rec - Daily Cash Deposits - ExampleDepositRemittanceForm.xls](#)

Responsibilities:

Campus Schools, Colleges, Departments or Units are responsible for timely remittance of funds to the Bursar's Office and establishing operating procedures to ensure compliance with the daily or weekly deposit requirements

The Bursar's Office is responsible for timely remittance of funds to the Bank

Controller's Office is responsible for timely reconciliation of the Institute's Bank Accounts

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Minor updates to contacts, verbiage, etc. Policy reassigned to Bursar's Office

Gift Deposits

Policy No: 1.4.2

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

To provide guidance to schools, colleges, departments or units of the Institute as it relates to receiving and depositing gifts of funds to the Institute.

Policy Statement:

Georgia Tech requires all donors to make gifts to Georgia Tech payable the Georgia Tech Foundation Inc., a charitable corporation that receives and manages contributions made for the benefit of Georgia Tech. The Foundation is a 501(c)(3) organization, qualified to receive tax deductible contributions under the Internal Revenue Code. Anyone soliciting support for the Institute should request that gifts be made to the Georgia Tech Foundation Inc., rather than the Institute.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Procedures:

Gifts Payable to Georgia Tech

All checks and securities intended as gifts to the Georgia Institute of Technology should be routed to the Office of Development for acceptance and acknowledgment. Those funds should then be deposited into the Institute's bank account. If related documentation indicates the donor intended to direct the gift to the Foundation, the funds will be transferred after appropriate review. **No attempt should be made to deposit a check to any entity other than the Payee. Under no circumstances should a check be modified to change the Payee.**

The primary exception to this policy is for gifts of equipment or other tangible property which may more effectively be made directly to the Institute. However, even gifts of equipment or other tangible property are to be reported to and acknowledged by the Office of Development.

It is the policy of the University System of Georgia Board of Regents (BOR) that all gifts to the Institute exceeding \$100,000 in value must be officially accepted by the BOR. Conditional acceptance and acknowledgement of gifts, however, may be issued at the discretion of the Vice President for Development and his/her designee.

Gifts Payable to the Georgia Tech Foundation (GTF)

All checks securities received at the Institute but made payable to the Georgia Tech Foundation (GTF) should be forwarded via campus mail to the GTF office via mail code 0182.

If related documentation indicates the donor intended to direct the gift to Georgia Tech, the funds will be transferred after appropriate review. **No attempt should be made to deposit a check to any entity other than the Payee. Under no circumstances should a check be modified to change the Payee.**

Responsibilities:

- Campus Schools, Colleges, Departments or Units are responsible for notifying the Office of Development in advance of any gifts that are intended for Georgia Tech.
- The Office of Development is responsible for accepting and acknowledging any gifts made to Georgia Tech.
- Controller's Office is responsible for ensuring all Institute gifts are properly reported on the Institute's books.
- The Property Control Department is responsible for ensuring gifts of equipment or tangible property are properly identified and added to the Institute's capital asset records.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Updates to verbiage

Cash Handling Procedures

Policy No: 1.4.4

Policy Book: Business & Finance

Type of Policy: Administrative

Review Date: Feb 2023

Policy Owner: Bursar's Office

Contact Name: Gloria J. Kobus

Contact Title: Bursar

Contact Email: gloria.kobus@business.gatech.edu

Reason for Policy:

This procedure provides general guidelines for the handling of cash receipts by campus units.

Procedures:

Each department/unit is responsible for the funds it receives for the Institute. Cash receipts must be officially recorded on a cash register, approved validating equipment, or in official pre-numbered receipt books. If the receiving location receives an average of \$250 per day in cash or checks through the mail, mail receipts should be listed on a [checks received log form](#) by someone other than the person who prepares the deposit slip.

The list should be updated with the number of the deposit slip which includes the checks on the list.

All checks in payment of amounts due the Institute must be made payable to "Georgia Institute of Technology." Checks should not be made payable to departments, department heads, or any Institute officials or employees designated by name. If checks are received with the payee improperly designated, but yet deemed acceptable for deposit to Georgia Tech, they should be appropriately endorsed as payable to Georgia Institute of Technology so that they can be properly endorsed to the credit of the Institute by the Bursar. If checks of a repetitive nature are received without the proper payee designation, the drawer should be informed to make future checks payable to "Georgia Institute of Technology."

Separation of Duties

Duties of employee should be appropriately separated between the receiving of Institute receipts and the record keeping and preparation of deposits with the Bursar's Office. No one person should be responsible for all these functions.

Custody and Safekeeping of Receipts

1. Department heads should make certain that proper safekeeping facilities are available and that proper safeguards are taken to protect Institute funds until they are appropriately deposited with the Bursar's Office or as otherwise designated. Cash or checks payable to the Institute should never be transmitted through campus mail. The number of employees having access to Money stored in a department or unit should be limited. Cash should not be left unsecured overnight. If unusually large sums are on hand after normal hours, arrangements should be made for use of a night depository. A security officer may be requested to accompany the deposits to their destinations.
2. Cash register procedures should be prepared by departmental personnel in the form of written documentation and approved by Accounting Services. These procedures should contain over-ring documentation, documentation of change fund counts by cashiers, proper check-out policies and documentation, cash register tape retention plans, and other policies as deemed necessary in each situation by management. Cash register tape retention practices and proper references of deposits to daily cash register totals are subject to review and/or audit by authorized personnel in the General Accounting Department or the Internal Audit Department.
3. Locations which operate cash registers or have average daily receipts over \$250 should prepare a daily cash report. This report should include receipt numbers used and/or register totals, amount to be deposited, and cash overages and shortages. These reports should be retained in date order in the receiving location for a period of three years. Receiving locations which currently have cash reconciliation forms which contain the same basic information may continue to use them.

Related Information: [Bursar & Treasury Services Forms](#)

Petty Cash

Petty Cash Fund General Guidelines

Policy No: 1.5.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

To provide guidance to schools, colleges, departments or units of the Institute as it relates to purchasing items and receiving reimbursement for such purchases via Petty Cash funds. This policy and procedure will detail the authorized use of petty cash funds and restrictions on purchases.

Policy Statement:

Petty Cash Fund

A petty cash fund is used by campus departments to reimburse employees for small dollar purchases. Funds may generally be classified into one of two types:

1. Departmental Petty Cash Funds

2. Bursar's Office Petty Cash Fund

Allowable Transactions

The transactions are allowable using petty cash funds:

1. Purchases for small dollar needs
2. Purchases for which the goods are received at the time of purchase

Typical allowable transaction types include office supplies, lab supplies, telephone reimbursements, local parking reimbursements, mailing services, copy and photo services.

No single petty cash fund transaction should exceed \$250. Reimbursement exceeding \$250 must be made via the Institute's Travel and Expenses system. For more information, please see policy 5.2.1.5 – Reimbursement for Purchases Made Using Personal Funds.

Unallowable Transactions

The following transactions and purchases are not allowed to be processed with petty cash funds:

1. Items covered by State or Institute contracts
2. Entertainment
3. Travel reimbursements (meals, lodging, taxi, airfare)
4. Per diem and fees and other service payments
5. Gifts, awards, prizes
6. Memberships
7. Personal check cashing and loans
8. Food, beverages, catering (for more information related to purchasing food, please see the policy 5.2.1.9 – Procurement of Group Meals for Employees, Students and Official Visitors.

Any items that are unallowable via the Institute's Purchasing department are also unallowable to be purchased using petty cash funds. Please see the Institute's Allowable Cost Matrix at www.controller.gatech.edu/allowable-cost-matrix for additional information on allowable and unallowable Institute purchases. Also, items that are required to be purchased through the Purchasing department may not be purchased with petty cash funds even if the shipment of the item has been delayed or it is out of stock. Violations of petty cash policy may result in non-reimbursement or fund closure.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Policy Terms:

Departmental Petty Cash Funds

Departments may request approval to establish departmental petty cash funds to reimburse petty cash expenditures. Change Funds are used to give change to customers when they are paying for goods or services. Please refer to "[Departmental Petty Cash Fund Procedures](#)" for specific information regarding departmental petty cash procedures or "[Departmental Petty Cash Fund Checking Account Procedures](#)" for specific information regarding petty cash checking account procedures.

Bursar's Office Petty Cash Fund

Departments that do not have their own petty cash funds may use the Bursar's Office petty cash fund for reimbursement of petty cash purchases. Please refer to "[Petty Cash Reimbursement Procedures](#)" for specific information regarding the use of the Bursar's Office petty cash fund.

Procedures:**Petty Cash Guidelines**

Petty cash must be held in a locked cash drawer or locked cash box. (Security recommends a smooth metal finish box for fingerprinting purposes.) A primary key to the drawer or box must be held by the custodian while a secondary key should be held by the department head or delegate for emergency purposes.

In the event the fund custodian has a scheduled absence, a temporary custodian can be assigned by the department head. The funds must be counted in the presence of the authorized custodian before the leave period begins and again once the custodian returns. This procedure is used when the petty cash fund is greater than \$200.

In the event the fund custodian has an unscheduled absence, a temporary custodian can be assigned by the department head. The funds must be counted in the presence of the department head or his designee before the funds are used. A similar cash count must be performed upon the return of the regular fund custodian. The department should maintain the cash count verifications until the next cash count is performed. This procedure is used when the petty cash fund is greater than \$200.

The total amount of the petty cash fund should always equal the cash on hand plus any unreimbursed amounts. If the Department Head or Financial Services feel it is warranted based on circumstances surrounding a shortage, Internal Auditing may be contacted for investigation. Internal Auditing will notify Risk Management. If Internal Auditing determines the custodian was negligent in their duty to safeguard the petty cash, the custodian may be held liable for replacement of uninsured losses. Shortages exceeding \$200.00 should always be reported to Internal Auditing.

Unannounced cash counts should be performed quarterly by someone other than the custodian. The individual should be selected by the Department Head, preferably not the same person each quarter. The cash count should be recorded on the [Cash Count Form](#). The completed forms should be retained in a Departmental file. Unannounced cash counts may be performed by Internal Audit. Account balance verification will be performed at year-end by the Controller's Office.

Department petty cash "change funds" should be counted daily.

Petty cash funds should always be kept separate from other cash receipts. To discourage thefts, avoid dispensing money from the petty cash box in the presence of the person requesting money.

Where possible, keep locked box in limited access locked drawer, safe or file cabinet. Funds must be secured each time the custodian leaves the office. The keys to the box and file cabinet, safe, or drawer should be kept in the possession of the custodian, not left in desks or in the office overnight. The custodian and department head may be held jointly liable for uninsured losses that occur as a result of negligence.

In the event of a theft of petty cash funds, the custodian should immediately notify the Georgia Tech Police Department and the Internal Audit Department. Police Department incident reports will be distributed within three days of the theft to the Department Head, Risk Management, the Controller's Office, and Internal Auditing. The Internal Audit Department will communicate to the Controller's Office whether loss is insured or loss is a result of negligence.

Upon departure/termination of custodian or department head, keys to secured petty cash area must be returned to the appropriate departmental authority. A change of custodian requires submission of a new [Petty Cash Fund Request/Maintenance Form](#). A final count and submission for replenishment should occur prior to the new custodian assuming responsibility. The new custodian receipts the cash at the Bursar's Office and signs Section Five of the new Petty Cash Fund Request/Maintenance Form.

Criminal Background Checks and Credit Checks

New Petty Cash Custodians are required to have criminal background check and credit check prior to becoming the custodian of any cash funds.

Existing Petty Cash Custodians as of October 1, 2010 are required to have a criminal check if they do not have one on file. Once the results of the criminal and consumer credit checks have been emailed to the department the email should be forwarded to accounting.ask@buisness.gatech.edu. If the employee does not pass the criminal and/or consumer credit check the department will need to submit criminal and consumer credit checks to the Office of Human Resources for the replacement custodian. The [Petty Cash Fund Request/Maintenance form](#) will need to be submitted to the Controller's Office for the new custodian. The department is responsible for the cost of the criminal and consumer credit check.

If an applicant is a current employee and the background investigation report reveals adverse information which constitutes grounds for termination, OHR will initiate the appropriate termination procedure. OHR's Employee Relations unit will draft a formal letter to the employee notifying him/her of the circumstances. The formal letter will include the rationale for the actions taken and information regarding the employee's option to contest the accuracy of his/her background investigation report. The employee will be given an appropriate and reasonable amount of time to contest the accuracy of his/her background investigation report before formal termination is initiated.

Please also see OHR Policy 8.1 Pre-Employment Screening for further information on the background check process.

Reimbursement Requests

Please see [Petty Cash Reimbursement Procedures](#), [Departmental Petty Cash Fund Procedures](#), or [Departmental Petty Cash Fund Checking Account Procedures](#) for reimbursement requirements.

Forms:

[Cash Count Form.pdf](#)

[Petty Cash Fund Request-Maintenance Form 0.pdf](#)

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Updates to verbiage

Petty Cash Reimbursement Procedures

Policy No: 1.5.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Nov 2009

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Susan Morrell

Contact Title: Dir-Stu & Treasury Svcs

Contact Email: susan.morrell@business.gatech.edu

Reason for Policy:

To provide guidance to schools, colleges, departments or units of the Institute as it relates to reimbursement of items purchased that meet the criteria for being reimbursed via Petty Cash funds from the Bursar's Office.

Policy Statement:

Petty cash expenditures made by an individual in a department that has its own petty cash fund should be reimbursed via the petty cash fund in the department.

Petty cash expenditures made an individual in a department that does not have its own petty cash fund are reimbursed by the Bursar's Office. Please refer to "[Petty Cash Fund General Guidelines](#)" for specific information regarding allowable petty cash transactions

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Procedures:**Reimbursement Procedures**

Departments should submit a completed [Petty Cash Replenishment/Reimbursement Request Form](#) along with supporting documentation to the Bursar's Office within ten (10) working days following a purchase. If the reimbursement is needed during year end closeout, the reimbursement must be received by the published cutoff date for the Bursar's Office. Failure to turn in receipts promptly may jeopardize reimbursement if the funding source has lapsed.

Reimbursement Documentation

The Petty Cash Replenishment/Reimbursement Request Form must include the following information and attachments:

- Original of the vendor's customary receipt which includes:
 - Vendor name
 - Date of purchase
 - Items purchased (to be completed by department if not on receipt)
 - Price per item
 - Total price for the quantity received
- Appropriate accounting distribution
- Signature of the individual authorized to approve departmental purchases must be on the Petty Cash Replenishment/Reimbursement Request Form
- Departments may require the individual purchaser to sign or initial the receipt(s)
- A copy of the current signed monthly departmental self cash count, evidencing that a count has been performed within 30 days and is being completed in a manner consistent with "[Departmental Petty Cash Fund Procedures](#)".
- Upon verification of the completed form and receipts, the petty cash expenses will be reimbursed by the Bursar's Office cashier.

Forms: [1.5.2 - BF - Acctg - Petty Cash Replenishment-Reimbursement Request Form.xlsx](#)

Responsibilities:

- Campus Schools, Colleges, Departments or Units are responsible for submitting timely reimbursement requests to the Bursar's Office.
- The Bursar's Office is responsible for reimbursing small dollar purchases for department that do not have a petty cash fund.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Updates to verbiage

Departmental Petty Cash Fund Procedures

Policy No: 1.5.3

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Nov 2009

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

To provide guidance to schools, colleges, departments or units of the Institute as it relates to Departmental Petty Cash funds.

Policy Statement:

This procedure describes the methods required to establish and maintain a petty cash fund along with procedures for the operation and replenishment of the fund. Please refer to "[Petty Cash Fund General Guidelines](#)" for specific information regarding allowable petty cash transactions.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Procedures:

Fund Establishment

To establish a departmental petty cash fund, Section one and three of the [Petty Cash Fund Request/Maintenance Form](#) is to be completed and submitted to the Controller's Office for approval and establishment of the account.

If approved, the Controller's Office will establish the petty cash fund account number and forward the information to the Bursar's Office for processing. For funds established for \$500 or less, the Bursar's Office will provide cash to the custodian for the amount of the fund. Upon acceptance of the funds, the custodian will receive the cash and sign Section Five of the Petty Cash Fund Request/Maintenance Form. For funds established for more than \$500, the Bursar will forward the information to Accounts Payable for check preparation and Accounts Payable will notify the department when the check is ready. Upon acceptance of the funds, the custodian will receive the check and sign Section Five of the Petty Cash Fund Request/Maintenance Form at the Bursar's Office.

If changes to the established fund amount become necessary, a new Petty Cash Fund Request/Maintenance Form must be submitted to the Controller's Office noting the existence of the current petty cash fund and the request for an increase or decrease of funds and/or change of custodian. (Changes are noted in Section Two of the Form.)

Reimbursement Requirements

Departments should submit original receipts for petty cash purchases (see "[Petty Cash Fund General Guidelines](#)" for specific information on allowable purchases) to the fund custodian. To improve financial reporting, we recommend that the reimbursement request submitted within ten (10) working days following a purchase, or, if at year end, by the published cutoff date. Failure to turn in receipts promptly may jeopardize reimbursements if the funding source has

lapsed. Prior to reimbursement, the fund custodian should ensure that the following information and attachments are included with the reimbursement request:

1. Original of the vendor's customary receipt which includes:
 - Vendor name
 - Date of purchase
 - Items purchased (to be completed by department if not on receipt)
 - Price per item
 - Total price for the quantity received
2. Appropriate accounting distribution
3. Custodian may require purchaser to sign or initial original receipts.

Upon receipt of completed information, the petty cash expenditures will be reimbursed by the fund custodian.

Replenishment Requirements

Fund replenishment requests should be submitted to the Bursar's Office on the [Petty Cash Replenishment/Reimbursement Request Form](#). The form must be completed in full and signed by approved Departmental representative. Requests should include a summary of all charges by account number. The summary should include each unique accounting distribution only once with the total of all charges for the account. Replenishment requests along with two copies of the request (form only) should be attached to supporting original receipts and submitted to the Bursar's Office. The requests for Fund replenishment should be submitted in a timely manner and allow ample time for processing. Cashiers may not be able to provide immediate replenishment upon presentation by Department at certain times of the school year (registration). Specific monetary denominations can be arranged for larger reimbursements by contacting the Cashier's Office via phone at (404) 894-5542.

Monthly Maintenance Requirements

Each month a cash count of the petty cash fund should be performed by a supervisor or department manager (someone with reporting authority over the custodian). This cash count should always be done in the presences of the custodian, and when completed should be documented and signed by the performer as well as the custodian. Any over/shorts should be reported to the Controller's Office for proper recording and the Bursar's Office to correct the cash position. This document should be maintained with the petty cash fund as it must be available during any surprise cash counts performed by Internal Auditing.

Closing the Fund - Voluntary

In the event that a fund is to be closed voluntarily, the following steps are to be followed by the custodian:

1. Notify the Controller's Office and the Bursar's Office of the intent to terminate the account.
2. Prepare final replenishment request.
3. Submit all cash on hand and final cash count to the Bursar's Office.

The Bursar's Office will review the final cash count and provide information to the Controller's Office, who will close the general ledger account for that fund. Termination of the funds will be noted on the original establishment form and a copy will be forwarded to the custodian by mail.

Closing the Fund - Involuntary

Repeated violations of petty cash procedures can result in termination of the fund. The fund will be closed by the Controller's Office and replenishments will no longer be processed. The petty cash custodian is ultimately responsible

for the disposition of funds.

Forms:

[Petty Cash Fund Request-Maintenance Form.xlsx](#)

[Petty Cash Replenishment-Reimbursement Request Form 0.xlsx](#)

Responsibilities:

- Campus Schools, Colleges, Departments or Units are responsible for managing departmental petty cash funds per the guidelines and procedures in this policy.
- The Controller's Office is responsible for establishing the petty cash fund account number on the ledger.
- The Bursar's Office is responsible for replenishing departmental petty cash funds as requested.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information: [Petty Cash Fund General Guidelines](#)

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Updates to verbiage

Departmental Petty Cash Fund Checking Account Procedures

Policy No: 1.5.4

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Nov 2009

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

This policy was created to provide guidance to schools, colleges, departments or units of the Institute as it relates to Departmental Petty Cash Fund Checking Accounts.

Policy Statement:

This policy describes the methods required to establish or maintain a petty cash fund in a checking account. Please refer to "[Petty Cash Fund General Guidelines](#)" for specific information regarding allowable petty cash transactions.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Procedures:**Fund Establishment**

To establish a petty cash checking account, a completed [Petty Cash Request/Maintenance Form](#) should be submitted to the Controller's Office for approval. The Controller's Office will notify the department head once the fund is approved. The department head will notify the custodian and ask that he/she request the following information from the local bank:

1. Signature cards
2. Checking account information
3. Bank contact person

This information should be forwarded to the Controller's Office so that the initial checking account can be set up. The custodian will then be forwarded the following information from the Controller's Office:

1. Bank contact for the account
2. Procedures for reconciling the bank account
3. Copy of agreement with the bank and Georgia Tech
4. Copy of authorized check writers (signature card)
5. Any other pertinent information required to establish this account

Departmental Responsibilities

The department head or designee will be responsible for handling the following information related to the checking account:

1. Updating the fund custodians as they change
2. Ordering checks as needed
3. Updating the Controller's Office on any unresolved problems with the bank
4. Maintaining the account on a daily basis
5. Ensuring that the account is not overdrawn

If changes to the established fund amount become necessary, a new Petty Cash Request/Maintenance Form must be submitted to the Controller's Office noting the existence of the current petty cash fund and the request for an increase or decrease of funds and/or change of custodian.

Account Controls (new section)

Three basic controls must be incorporated into each petty cash account that establishes a banking account.

1. Of the signers on the account, at least two representatives of Administration & Finance that are also signers on the Institute's primary operational checking accounts must always be signers on Petty Cash checking accounts.
2. Departments must determine the maximum dollar amount of any written check, and file that information with the bank via an "Account Reconciliation Services Positive Pay Authorization form" (or other similar applicable bank form from the current banking provider) in order to prevent fraudulent checks for a larger amount from clearing. (Maximum amount can be changed on an as needed basis.)
3. Accounts should establish a positive pay methodology with the bank. Any account that chooses not to implement a bank established positive pay, must document why they will not implement positive pay, and must be willing to fund any operational losses that occur from potential fraudulent activities. (Positive pay is an automated fraud detection tool that matches the account number, the check number, and the dollar amount of each check presented for payment against a list of checks previously authorized and issued by the company.)

Fund Maintenance

Each petty cash checking account custodian will be responsible for reconciling his/her petty cash bank account. The custodian should request two copies of the monthly petty cash checking account statements. One statement should be sent directly to the custodian along with the canceled checks while the other should be sent directly to the Controller's Office without attachments.

The custodian will be required to forward completed reconciliations and other supporting documentation to the

Controller's Office by the third week following the statement date. The Controller's Office will then review the reconciliation for accuracy and work with the department to correct any errors. Delinquent reconciliations will result in a hold on account replenishment requests until the reconciliation is received.

Reimbursement Requirements

Employees should submit original receipts for petty cash purchases (see [Petty Cash Fund General Guidelines 1.5.1](#) for specific information on allowable purchases) to the departmental fund custodian. To improve financial reporting, the reimbursement request should be made within ten (10) working days following a purchase, or, if at year end, by the published cutoff date. Failure to turn in receipts promptly may jeopardize reimbursements if the funding source has lapsed.

Prior to reimbursement, the fund custodian should ensure that the following information and attachments are included with the reimbursement request:

- Vendor name
- Date of purchase
- Price per item
- Total price for the quantity received

1. Original of the vendor's customary receipt which includes:
2. Appropriate accounting distribution
3. Signature of the individual authorized to approve departmental purchases on the reimbursement request only.
4. Custodian may require purchaser to sign or initial original receipt.

Upon receipt of completed information, the petty cash expenditures will be reimbursed by the fund custodian.

Replenishment Requirements

Fund replenishment requests should be submitted to the Accounts Payable Department on the [Petty Cash Replenishment/Reimbursement Request Form](#). Requests for fund replenishment should be submitted in a timely manner and should allow ample time for processing.

1. Requests should include a summary of all charges by account number. The summary should include each unique accounting distribution only once with the total of all charges for the account.
2. Replenishment requests require an approval signature by the authorized departmental representative. Accounts Payable will return unsigned replenishment requests to the originator.
3. Replenishment requests along with one copy of the request (form only) should be attached to supporting original receipts and submitted to Accounts Payable. Upon receipt of completed information, the Accounts Payable Department will return a check to the department for the amount of the request.

Closing the Fund - Voluntary

Fund replenishment requests should be submitted to the Accounts Payable Department on the Petty Cash Replenishment/Reimbursement Request Form . Requests for fund replenishment should be submitted in a timely manner and should allow ample time for processing.

1. Requests should include a summary of all charges by account number. The summary should include each unique accounting distribution only once with the total of all charges for the account.
2. Replenishment requests require an approval signature by the authorized departmental representative.

Accounts Payable will return unsigned replenishment requests to the originator.

3. Replenishment requests along with one copy of the request (form only) should be attached to supporting original receipts and submitted to Accounts Payable. Upon receipt of completed information, the Accounts Payable Department will return a check to the department for the amount of the request.

Closing the Fund - Involuntary

Repeated violations of petty cash procedures can result in termination of fund. The checking account and the general ledger account will be closed by the Controller's Office and replenishments will no longer be processed by the Accounts Payable Department. The fund custodian is ultimately responsible for the disposition of funds.

Forms:

[1.5.2 - BF - Acctg - Petty Cash Replenishment-Reimbursement Request Form 0.xlsx](#)

[Petty Cash Fund Request-Maintenance Form 0.xlsx](#)

Responsibilities:

- Campus Schools, Colleges, Departments or Units are responsible for managing departmental petty cash fund checking accounts per the guidelines and procedures in this policy.
- The Bursar's Office is responsible for replenishing departmental petty cash funds as requested.
- The Controller's Office is responsible for reviewing requests for petty cash fund checking accounts and setting up the initial checking account with assistance from Treasury Services.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information: [Petty Cash Fund General Guidelines](#)

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Updates to verbiage. New section added by Treasury Services.

Non-Student Accounts Receivable

Policy No: 1.6

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Mar 2015

Review Date: Mar 2020

Policy Owner: Bursar's Office

Contact Name: Terry Fair

Contact Title: Bursar

Contact Email: terry.fair@business.gatech.edu

Policy Statement:

The Bursar's Office is responsible for billing and collecting for goods and services to external parties for units of the Institute such as IPST and Facilities.

Procedures:

When requesting a billing, the college, department, or organizational unit must provide the following information on the Non-Student Invoice Request Form at this link: <http://www.bursar.gatech.edu/sites/default/files/pdf/Non->

[Student Invoice Request.pdf](#)

1. Name of originating office
2. Name and telephone number of contact person in originating office.
3. Name and address of customer to be billed.
4. Telephone number of customer (if possible).
5. Detailed description of services to be billed including any supporting documentation – See below
6. Dollar amount to be billed.
7. Revenue/expense account to be credited
8. PeopleSoft project #

Supporting Documentation

A purchase order, authorization letter from the company, bill of lading, and any other documentation that supports the validity of the bill meets this requirement.

Please send the Non-Student Invoice Request Form and the supporting documentation to NonStudentInvoicing@gatech.edu. It can also be mailed to the following address:

Bursar's Office
Attn: Non-Student Invoicing
Suite 111 Lyman Hall
Mail Code: 0255

Accumulated Invoices Less than \$25.00

Due to the cost of processing billings, charges should be accumulated until they reach a minimum of \$25.00 per customer before being submitted for billing; However, these bills should not be accumulated for more than one calendar quarter without submission. Units having special requirements should contact the Bursar's Office at NonStudentInvoicing@gatech.edu for advisement.

Billings Internal to the Institute

Billings between or within departments of the Institute should not be forwarded to the Bursar's Office. Internal billings should be handled with journal entries.

Billing Disputes

If an invoice is disputed by the customer, the Bursar's Office will contact the originating department for verification/direction. Copies of all pertinent information and communications with the customer as needed will be forwarded to the office that originated the billing. The originating office will be requested to provide any information relevant to the dispute within a ten day period. At that point, the originating office should either authorize to reverse the billing entry, confirm that the invoice is correct, or provide details regarding modification of the original bill. The Bursar's Office will contact the customer with the information received from the originating office.

If the Bursar's Office does not receive a response from the originating office within 30 days, the revenue credited to the originating office will be reversed and all documentation will be returned to the issuing department.

Note: Disputed invoices which cannot be resolved through the process defined above will be handled as necessary by the Bursar with the appropriate parties. When necessary, collections and/or legal action may be taken to collect past

due invoices.

Forms

http://www.bursar.gatech.edu/sites/default/files/pdf/Non-Student_Invoice_Request.pdf

Responsibilities:

Units sending information to the Bursar's Office for invoices to be created are required to implement procedures internally to avoid accepting payment within the unit. Any such payments for invoices created by the Bursar's Office received by the unit should be forwarded to the Bursar's Office for posting. They should not be deposited through a Daily Cash Transmittal Form.

Policy History:

Revision Date	Author	Description
March 2015	Bursars Office	Update policy contact information
March 2018	Bursars Office	Update contact information, Bursar's Office e-mail addresses, and forms

Departmental Sales and Services (DSS)

Policy No: 1.11

Policy Book: Business & Finance

Type of Policy: Administrative

Review Date: Jan 2020

Policy Owner: Controller's Office

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

This policy addresses accounting requirements for departmental sales and services (DSS) charges and enables the Budget Office and Campus Departments to easily identify carry forward eligible funds. This policy also helps to ensure Institute and Board of Regents (BOR) policy requirements for Service Centers and Departmental Sales and Services funds, respectively, are met.

Policy Statement:**Overview**

Georgia Tech has accounting requirements related to departmental sales and services (DSS) funds and the ability to carry eligible funds forward in the next fiscal year. DSS accounting requires DSS project numbers to correctly point to a non-lapsing fund code which then allows campus units to carry forward eligible funds. Certain requirements must be met by the department to carry forward funds. DSS accounting also requires specific revenue account codes to be used for Internal (includes GT Affiliates), External to GT and GT Affiliates and External Sponsored Projects. The ability to carry forward funds enables revenue centers to better manage their operations and plan ahead for future commitments. Department financial administrators/managers are solely responsible for managing carry forward funds for their unit.

Exclusions

Revenue received for continuing education courses offered by Georgia Tech Professional Education (GTPE) is

excluded from this process.

Project ID's

To ensure compliance with Board of Regents (BOR) and state audit requirements, DSS project ID's are required to be established in the 14xxx fund code range for Departmental Sales and Services.

Fund Codes

Each Resident Instruction department with DSS activity will be assigned a fund code in the 142xx DSS fund code range. Georgia Tech Research Institute (GTRI) DSS activity will be assigned to fund code 14321 and Enterprise Innovation Institute (EI2) DSS activity will be assigned to fund code 14325. At year-end close, DSS projects meeting the carry forward requirements will be flagged and will not be included in the departmental year-end balance calculation. The remaining DSS projects will be used to determine the deficit or surplus balance for each DSS fund. Deficit balances in DSS funds for each entity at year end is required to be covered by the entity using General Operations funding.

Accounts

DSS accounts must clearly distinguish external DSS revenue from internal DSS revenue. This is accomplished by the use of specific accounts for DSS revenue transactions. DSS revenue is broken down into three categories;

- Internal (includes GT Affiliates)
- External to GT and GT Affiliates
- External Sponsored Projects.

Internal DSS revenue is defined as income from sources internal to the Institute. DSS occurs when one campus department (service department) provides goods or services to another campus department (receiving department) and subsequently charges the receiving department for the goods or services. The service department books revenue to recognize income for the goods or services provided and the receiving department is charged an expense to recognize the cost of the goods or services received.

Transactions between Georgia Tech and its affiliated organizations are also considered Internal DSS. By definition, affiliated organizations are legally separate corporations that partner with Georgia Tech to fulfill its mission. Georgia Tech's affiliated organizations are listed at <http://larm.gatech.edu/affiliated-organizations>.

All internal DSS revenue must be charged to revenue account 471900.

DSS revenue that is External to GT and GT Affiliates is defined as income from sources external to the Institute. All DSS revenue External to GT and GT Affiliates must be charged to account 452900. Examples of DSS revenue that falls into this category include:

- General Public
- Faculty/Staff/Students
- Direct payments from Other Institutions/Agencies
- Agency Funds
- GTPE Revenue

DSS revenue from External Sponsored Projects is defined as income from sponsored projects where the funding source is external to the Institute and its affiliated organizations. All DSS revenue from External Sponsored Projects must be charged to account 452800. Examples of DSS revenue that falls into this category include

- Federal Sponsored Projects (USAF, DOE, DOD, NASA, etc.)
- State of Georgia Sponsored Projects

- Local Sponsored Projects
- Private Industry Sponsored Projects

Both internal and external revenue may be posted to a DSS project number, however the account must correctly reflect the type of revenue: Internal (account 471900), External to GT and GT Affiliates (account 452900) and External Sponsored Projects (452800).

Split Funded Transactions

When DSS transactions are charged to multiple funding sources, the revenue recognized by the service department should be split between DSS revenue accounts based on the percentage each funding source pays for the service. For example, if 25% of the purchase is funded by a Georgia Tech Foundation (GTF) project (DSS - Internal) and 75% of the purchase is funded by a National Aeronautics and Space Administration (NASA) Sponsored project (DSS - External Sponsored Project), 25% of the revenue recognized by the service center should be charged to account 471900 (Internal DSS) and 75% of the revenue recognized by the service center should be charged to account 452800 (External Sponsored Project).

Cost Share Funds

DSS transactions charged to Cost Share projects should be treated as Internal DSS and charged to account 471900.

Start Up Funds

DSS transactions charged to Start Up projects should be treated as Internal DSS and charged to account 471900.

Georgia Tech Professional Education (GTPE) Revenue Transfers

DSS revenue transferred to departments by GTPE should be treated as revenue External to GT and GT Affiliates and charged to account 452900. Since the original source of the revenue is "External to Georgia Tech and Georgia Tech Affiliates", the revenue is considered external.

Georgia Tech Research Institute (GTRI) Funds

DSS transactions charged to non-sponsored GTRI funds should be treated as Internal DSS and charged to account 471900.

Enterprise Innovation Institute (EI2) Funds

DSS transactions charged to non-sponsored EI2 funds should be treated as Internal DSS and charged to account 471900.

Auxiliary Services Funds

DSS transactions charged to Auxiliary Services Funds should be treated as Internal DSS and charged to account 471900.

Student Activities Funds

DSS transactions charged to Student Activities funds should be treated as Internal DSS and charged to account 471900.

DSS Surplus Balances

Departmental Sales and Services are exempt from the state law concerning lapsing funds. Therefore, DSS surplus balances may be carried forward if certain requirements are met. The requirements per section 2.2.1 of the University System of Georgia's *Business Procedures Manual (BPM)* are as follows:

- The activity must generally be self-supporting.
- The activity should not use State-Appropriated or other General Operations funds.
- Revenue and associated expenses for each DSS activity should be readily identifiable; e.g., by class code,

department, project indicator, etc.

- At least 50% of the revenue source must be from external sources; e.g., student, faculty, staff, general public, grantors, other institutions/agencies, etc.

Source: http://www.usg.edu/business_procedures_manual/

Salaries and the accompanying fringe benefits associated with DSS activity should be charged to each DSS fund in proportion to the effort of employees providing the goods or services.

Service Centers

All salary and other expenses included in approved Service Center charge rates must be recorded to the appropriate DSS fund and project number. Due to the administrative requirements of managing centers of this type, there must be a clear business-case for establishing and renewing internal and external charge rates. The requisite business-case includes the following basic parameters:

- Self-Supporting Revenues - Service center annual recoveries should typically be sufficient to fund the annual operating costs of the center. Operating costs include allocable salaries, fringe benefits, supplies, equipment maintenance, equipment replacement, and other facilities and administrative costs applicable to the center.
- Local Administrative and Financial Support - The unit/department must be equipped to manage the additional accounting and reporting requirements of the Center. These activities include separate accounting for expenses and revenues (recoveries) and precise tracking of utilization for charge-out purposes.
- College and Institute Level Approval – The “Service/Recharge Center Request & Approval Form” must be completed and approved by the appropriate School or Department Head and the appropriate College or Institute level officer prior to being submitted to Grants and Contracts Accounting for consideration. The form can be found on the Grants and Contracts website:
http://www.grants.gatech.edu/admin_standard_blank_forms.php

Policies and procedures related to Georgia Tech “Resident Instruction” Service Centers are available in the Policy Library - Administrative Policy 3.14:

<http://www.policylibrary.gatech.edu/cost-service-centers>

As DSS funds, surplus balances for approved Service Centers may be carried forward in accordance with the requirements of BPM Section 2.2.1 (noted above). Surplus balances for Centers with less than 50% external revenue will be managed under existing procedures for requesting carry forward of year-end fund balances. Procedures and related forms are available on the Institute Budget Planning & Administration web-site:

<http://forms.budgets.gatech.edu/view.php?id=13450>.

In order to qualify for carry forward approval, surplus balances for approved Service Centers with less than 50% external revenue must meet the following requirements:

- The activity must be self-supporting.
- The activity should not use State-Appropriated or other General Operations funds.
- Revenue and associated expenses for each DSS activity should be readily identifiable; e.g., by class code, department, project indicator, etc.
- Surplus revenues must be attributable to the Center’s cost of facilities (in whole or part) as defined by OMB Circular A-21 (2 CFR 220) and as supported by individual Service Center cost studies. Facilities costs include equipment depreciation and maintenance expenses.

The Office of Grants & Contracts Accounting will provide assistance as needed in confirming that the above

requirements for service centers have been met.

Contact Information

For assistance with this policy, please see the contact information below:

- accounting.ask@business.gatech.edu – Questions related to DSS revenue account use
- gc.ask@business.gatech.edu – Questions related to Georgia Tech “Resident Instruction” Service Centers
- gl.ask@business.gatech.edu – Questions related to accounting for DSS transactions
- Department Budget Analyst - Questions related to DSS carry forward requests, eligibility for carrying forward funds and setting up DSS project ID's

Scope:

This policy applies to all Georgia Tech staff, faculty, and researchers who generate revenue from departmental sales and services.

Policy Terms:**Departmental Sales and Services (DSS)**

Transactions generated from the sales of goods and services by one campus department to another campus departments or to entities outside of Georgia Tech.

Procedures:**Sales and Services Procedures****Campus Departments**

Campus departments will utilize the new chart of accounts structure (project ID and Account) for DSS funds to more easily identify DSS revenue and carry forward funds.

Campus Department Requests

Campus departments will make an online request to the Budget Office to carry forward eligible DSS funds in late June each year.

Campus Service Center Requests

Campus Service Centers will make an online request to the Budget Office to carry forward eligible DSS funds in late June each year. Service Center requests will be reviewed by Grants and Contracts Accounting prior to campus department notification.

Budget Office

The Budget Office will determine the carry forward amounts after year end close and communicate that information to campus departments.

Form Links:

[Year End Surplus Carry Forward Request](#)

[Service/Recharge Center Request & Approval Form](#)

Responsibilities:**Campus Department**

The campus department is responsible for following the guidelines in the policy as well as initiating requests to set up new DSS projects ID's and requests to carry forward DSS funds at year end.

Budget Office

The Budget Office is responsible for setting up DSS project ID's, processing carry forward fund requests at year end and working with campus units to ensure eligibility to carry forward DSS funds is met.

Controller's Office

The Controller's Office is responsible for working with campus units as it relates to DSS accounting and ensuring campus units understand the policy.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at: <https://secure.ethicspoint.com/domain/media/en/gui/7508/index.html>

Related Information:

[Grants & Contracts RI Service Center Policy](#)

[Budget Office Year End Deficits & Division Carry Forwards Policy](#)

[BOR DSS Lapse Policy](#)

Policy History:

Revision Date	Author	Description
12-3-2013	Carol Gibson	Minor revisions to verbiage
3-26-2014	Carol Gibson	Updated document exclude GTPE revenue from this process. Minor revisions to verbiage. Updated Procedures section.

Studies Abroad Program

Policy No: 1.7

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Nov 2009

Last Revised: Jun 2015

Review Date: Jul 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

This procedure provides general guidelines for the operation of Studies Abroad Programs.

Policy Statement:**Approval**

An instructor (program director) who is interested in sponsoring a Studies Abroad Program must first prepare a formal proposal. The proposal must reflect all information related to the program including:

1. Nature and purpose of the program;
2. Type and number of credit/noncredit hours and contact hours, course title and number, examples of course-related activities and excursions outside the classroom and whether the course is undergraduate or graduate;
3. Projected number of students and faculty;

4. Projected cost to each student (tuition, matriculation, room and board, insurance, etc.);
5. Projected budget to include non-instructional and instructional income and expenses using and exchange rate based on the previous 365 days average and amount and source of faculty compensation;
6. Faculty salaries must be paid from instructional funds
7. Faculty travel and expenses should be paid from instructional funds. If inadequate funds exist in the instructional project, then funds may be transferred from the agency project to the instructional project to cover these expenses.
8. Programs should budget between 5 - 20% of program fee as reserve fund
9. Program affiliations;
10. Security and travel arrangements;
11. Countries and cities to be visited;
12. Insurance and risk management information;
13. Any information and/or agreements needed from the college abroad;
14. Program must follow the Study Abroad Committee process and adhere to GT deadlines for registration, tuition payments, etc.

In addition to the written proposal, a "[Request for Approval for Studies Abroad Programs](#)" form must be completed and submitted to the following persons for approval in the order listed below:

1. Departmental Chair/Director of unit sponsoring the program
2. Dean of the College
3. Executive Director of the Office of International Education
4. Vice Provost for International Initiatives or his designee
5. Executive Vice President for Administration & Finance

Registration of Students and Payments of Fees

The Program Director is responsible for ensuring that the Studies Abroad courses are properly included on the On-line Student Computer Assisted Registration (OSCAR) system. Also, the Director must properly advise students of any and all special arrangements that must be made in order to participate in the program. The student has the ultimate responsibility for registering for the course that he/she wants to take.

The Office of International Education (OIE) is responsible for submitting all information relating to the registration of students to the Registrar's Office. Georgia Tech credit will be awarded to students who properly register for Studies Abroad courses listed on the OSCAR. If students choose to participate on a non-GT study abroad program, non-Georgia Tech course credits are subject to the college credit transfer policies outlined in the Georgia Tech Catalog. Fees for the Studies Abroad Program should be paid to the Bursar's Office. The Program Director is responsible for ensuring that the proper projects have been established by the Controller's Office to accommodate deposits made for the respective program. The sponsoring faculty member and/or department should have previously requested the establishment of projects by following instructions in "[Establishing An Agency Fund Account](#)". Study Abroad programs that require a Tuition Revenue project should contact the Budget Office to set up the appropriate project.

Cross-registered students from other colleges may not participate in Studies Abroad Programs sponsored by Georgia Tech. Those particular students must apply and be accepted by the Admissions Office as transient students in order to participate in such programs. Acceptance requirements for the cross-registered students should be coordinated between the Admissions Office and the OIE. These students must also pay tuition and fees for the program directly to the Bursar's Office.

Accounting for Revenues and Expenses

To comply with instructions issued by the Assistant Vice Chancellor for Fiscal Affairs at the Board of Regents on June 13, 1994, all Studies Abroad Programs will be accounted for as follows:

An Agency Fund project will be established for each Studies Abroad Program and will be used to collect and disburse funds for the program. These projects will be established by the Controller's Office at the request of the

program/department sponsor. A signed copy of the "Request for Approval for Studies Abroad Programs" form should be included as an attachment to the request to establish the project. By agreement between the Board of Regents and the State Audit Department, all funds for a Studies Abroad Program must be expended or transferred within eighteen months from the beginning of the program. Applicable tuition and fees, and any other instructional fees, will be transferred by the Controller's Office to Resident Instruction as initiated or requested by the department. All instructional salaries and benefit costs must be paid from the sponsoring units within Resident Instruction, based upon the approved budget. All other costs can be handled in Agency Funds. Examples of costs processed in Agency Funds include the following: travel, supplies, printing, materials, tours lodging, insurance, rental of meeting places, and exchange rate variance cost. Promotional materials must include a statement indicating the type of expenses that will be paid from program fees. Rules and regulations related to the documentation of travel and reimbursable expenditures shall be followed according to procedures established in "[Travel](#)". Reasonable cash advances may be made by the Institute, but they must be supported by appropriate documentation at the conclusion of the program. The fee for each Studies Abroad Program will vary depending upon the feature of a particular program, but all must include matriculation fees and applicable tuition (non-resident) fees. The fee for non-resident students has been established at \$250 for all Studies Abroad Programs (except for GT Lorraine's undergraduate program, which has a \$3,500 non-resident fee) by the Board of Regents while the matriculation fees will vary depending on the number of credit hours taken. After all expenses for a Studies Abroad Program have been paid, but no later than eighteen months from the beginning of a program, any excess funds remaining in the Agency Fund Project must be transferred to an Institute Project. Any deficit incurred as result of a Studies Abroad Program must be funded by the sponsoring school/department.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Definitions:

Terms specific to this Policy. Where possible, use terms from the Master Glossary of terms that apply to this policy.

Policy History:

Revision Date	Author	Description
June 2015	Controller's Office	Language clarification throughout policy

GT Foundation Awards

GT Foundation Award Accounting

Policy No: 1.8.1

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

To provide guidance to schools, colleges, departments and units of the Institute as it relates to the accounting for

grants awarded to the Georgia Tech Foundation (GTF) and administered by the Institute.

Policy Statement:

This policy provides provide guidance to schools, colleges, departments and units of the Institute as it relates to the accounting for grants awarded to the Georgia Tech Foundation (GTF) and administered by the Institute.

Management of GTF and Financial Aid Projects

GTF and Financial Aid projects are managed by the Accounting Services Department. All other sponsored awards (including sub-projects) are managed by the Office of Grants and Contracts Accounting. GTF awards are handled in the same manner as other sponsored projects) as described in the Policies and Procedures referenced below.

Grants & Contracts: [General Information](#)

Grants & Contracts: [Plan-Confirmation](#)

Grants & Contracts: [Undesignated Sponsored Accounts](#)

Grants & Contracts: [Unallowable Expenses](#)

Grants & Contracts: [Unbillable Sponsored Projects](#)

Grants & Contracts: [Cost Transfer Requests](#)

- [Cost Transfer Form](#) (Excel document)

Grants & Contracts: [Write-off Requests](#)

Grants & Contracts: [Project Set Up in Grants Master](#)

Grants & Contracts: [Project Close-out in Grants Master](#)

Grants & Contracts: [Establishing a Sub-Project Account](#)

- [Establishing/Revising a Sub-Project Budget Form](#)

Grants & Contracts: [Sponsored Project Budget Revisions](#)

- [Budget Revision Input Form](#) (Excel document)
- [Budget Revision to Sponsored Project Form](#) (Excel document)
- [Budget Categories and Object Codes Form](#) (Excel document)

Allowable Expenditures

All allowable expenditures relating to the grant will be processed through the Institute. Any expenditures determined to be unallowable by the Institute, but allowable to the grant, may be paid directly by the Foundation. Any such charges must be communicated to the Controller's Office where a memo entry will be made to the project accounting records in order to properly accumulate and report costs incurred.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Forms:

[cstrffm.xls](#)

[EstRevSubProj.xls](#)

[BudRevInput.xls](#)

[BudRevSpProj.xls](#)

[BudObjCodes.xls](#)

Responsibilities:

- Campus Schools, Colleges, Departments or Units are responsible for managing GTF funds assigned to their

unit.

- The Controller's Office and Bursar's Office are responsible for overseeing GTF funds allocated to the Institute.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[G&C – General Information](#)

[G&C – Plan Confirmation](#)

[G&C – Undesignated Sponsored Accounts](#)

[G&C – Unallowable Expenses](#)

[G&C – Unbillable Sponsored Projects](#)

[G&C – Cost Transfer Requests](#)

[G&C – Write Off Requests](#)

[G&C – Project Set Up in Grants Master](#)

[G&C – Project Close Out in Grants Master](#)

[G&C – Establish a Sub-Project Account](#)

[G&C – Sponsored Project Budget Revision](#)

Policy History:

Revision Date	Author	Description
08-2013	Policy Library	Fixed Unbillable Sponsored Projects link
10-03-2014	Controller's Office	Updates to verbiage. New gift transmittal form

Georgia Tech Foundation Award Project Number Assignment

Policy No: 1.8.2

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

To provide guidance to schools, colleges, departments and units of the Institute as it relates to establish project numbers for grants awarded to the Georgia Tech Foundation (GTF) and administered by the Institute.

Policy Statement:

This policy provides provide guidance to schools, colleges, departments and units of the Institute as it relates establishing new sponsored projects in the accounting records of the Georgia Institute of Technology (GIT) where the Georgia Tech Foundation (GTF) is the sponsoring entity. Effective February 1, 1999, all business transactions financed by GTF funds are to be processed through GIT in accordance with generally accepted business practices and processes; therefore, a GIT sponsored project is to be established for GTF awards. For additional information, see the Business and Finance – Foundation Funds section in the Policy Library for a complete description of the policies and procedures for Solicitation, Acceptance and Expenditure of Georgia Tech Foundation Funds.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Procedures:**Project Establishment**

The Controller's Office is charged with the establishment of sponsored projects in accounting records of the Georgia Institute of Technology upon receipt of properly completed [GTF "Gift Transmittal Form"](#) from the Foundation (PDF Version). Please use updated form.

Upon receipt of a gift or budgetary allocation, the Georgia Tech foundation will establish a GTF account number for the funds. GTF will transmit the account number, dollar amount, restricted use of the funds, and any effective or expiration dates for the funds to the Controller's Office, using the Gift Transmittal Form. All funds reported on this form will be budgeted in the "Other Memo" category. If specific budget details are required, the budget information should be entered on the second page of the Form using the spaces provided. The Gift Transmittal Form must be approved by authorized personnel at the Georgia Tech Foundation.

When gifts and/or awards are received initially by the operating units, a Gift Transmittal Form should be prepared by the unit and forwarded directly to the Foundation with all supporting documentation. Requests received by the Controller's Office without a properly completed Gift Transmittal Form will be forwarded to the Georgia Tech Foundation for action.

Unit Notification

The unit responsible for management of the account will be notified of the GTF account number and the corresponding GIT project number. This notification will also identify the available funding (budget), and any restrictions associated with the use of funds that are reported by the Foundation.

Sub-Projects

Sub-Projects that are required by the managing units should be established using the published procedure governing the establishment of sponsored Sub-Projects (Grants & Contracts: [Establishing a Sub-Project Account](#)).

GTF and Financial Aid sponsored sub-projects are managed by the Accounting Services Department. All other sponsored awards (including sub-projects) are managed by the Office of Grants and Contracts Accounting.

Forms: [gift_transmittal_form_workday.pdf](#)

Responsibilities:

- Campus Schools, Colleges, Departments or Units are responsible for managing GTF funds assigned to their unit.
- The Controller's Office and Bursar's Office are responsible for overseeing GTF funds allocated to the Institute. The Controller's Office is also responsible for setting up GTF projects and sub-projects.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information: [G&C – Establishing a Sub-Project](#)

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Updates to verbiage. Title update

Scholarship and Fellowship Projects

Establishing Scholarship and Fellowship Projects

Policy No: 1.9.1

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2014

Review Date: Oct 2019

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

This procedure is intended to explain the method of establishing a new scholarship or fellowship project number and account maintenance in the accounting records of the Georgia Institute of Technology.

Policy Statement:

The Accounting Services Department is charged with the establishment of scholarship and fellowship project numbers in the accounting system to allow expenditures by the Georgia Institute of Technology upon receipt of properly authorized/approved budgetary and invoicing documentation. The Accounting Services Department is also responsible for budget entry and review of expenditures incurred and payments received from donors/sponsors for scholarship and fellowship accounts. Each authorization should be initiated by an award notification from the donor/sponsor and approved by authorized personnel in the Office of Student Financial Planning and Services or other units that may control distribution of awards to the Institute. Additionally some requests are received resulting from proposals submitted through the Office of Sponsored Programs. Requests received by the Accounting Services Department without sufficient will be returned to the appropriate unit for further action.

Procedures:

1. Upon receipt of a request for a new scholarship or fellowship project, the Accounting Services Department will assign the project number within the appropriate range of numbers (997xxxxx for Scholarships / 998xxxxx for Fellowships) and updates the accounting records of the Institute.
2. If "deliverables" (e.g. progress report, financial report, etc.) or a contract/agreement mutually signed by the sponsor and the Institute (either GTRC or GIT), the award documents should first be forwarded to the Office of Sponsored Programs (OSP) for review. OSP takes necessary steps to execute the agreement and requests project assignment from the Office of Grants & Contracts Accounting (GCA).
3. If a scholarship or fellowship project is to be created as a sub-project under an existing project number, the department is required to submit an online budget revision request through the Grants Management System ([Establishing a Sub-Project Account](#)). This request should include the proper department/organization number (997 for scholarships, 998 for fellowships) PI name, start/end date, project name, amount and specific explanation in remarks before submitting the revision.
4. The Accounting Services Department (or GCA as required) notifies the requesting unit of the project number. This notification is the first opportunity for allowable expenditures related to the scholarship/fellowship award to be recorded to the accounting records of the Institute.
5. Requests for payments from scholarship or fellowship awards require various approvals based upon the specific award's guidelines. The award package is maintained by the Office of Student Financial Planning and Services or other designated campus administrative office.
6. Copies of award documents requiring invoicing should be forwarded to the Accounting Services Department for

action with the request for project number assignment. This will help the proper accounting office maintain complete account files and insure timely invoices to donor/sponsors.

Forms

There is no specific form used to request new scholarship or fellowship projects. The request should include at a minimum the following information:

1. An award letter from the donor/sponsor.
2. Source of funding (i.e. GTF account number, external sponsor, etc. to be invoiced) for costs incurred.
3. Effective and expiration dates in the donor/sponsor award.
4. Campus contact for questions regarding the award.
5. If funded by a GTF or GTRC project, a signature of authorization/approval line should be included in the request for a project assignment prior to transmittal to the Accounting Services Department. If not funded by GTF or GTRC, billing instructions or collection instructions should be provided with account request.
6. Requests received without approval will be forwarded to the Georgia Tech Foundation, the Georgia Tech Research Corporation or other appropriate campus unit.

There is no specific used to request payments from scholarship or fellowship project. The request should include at a minimum the following information:

1. The awardee's name and GT ID number
2. Source of funding (997xxxxxx or and 998xxxxxx)
3. Description of the expenditure (account code and purpose such as payment of tuition and fees, stipends, etc.) to be charged to the scholarship or fellowship account.
4. Amount and distribution date(s) for payment(s) to awardee.
5. If funded by a GTF or GTRC account, scholarship and fellowship expenditures will be automatically invoiced to those entities on a monthly cost-reimbursable basis. Adjustments made to invoices will be reviewed and reconciled by the Accounting Services Department. Notification will be forwarded to the Office of Student Financial Planning and Services or other unit authorizing expenditures to request a cost transfer for expenditures in excess of funding or expenditures not authorized by the sponsor's award document.

Processing Scholarship, Fellowship and Other Student Payments

Policy No: 1.9.2

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2014

Review Date: Oct 2019

Policy Owner: Bursar's Office

Contact Name: Terry Fair

Contact Title: Bursar

Contact Email: terry.fair@business.gatech.edu

Reason for Policy:

To provide guidance to Georgia Tech colleges, schools, departments and units as it relates to processing scholarship, fellowship other student payments.

Policy Statement:

The Internal Revenue Service (IRS) Publication 520 covers the rules for the taxation of student payments. The publication states that the part of any grant, scholarship, or fellowship that represents payments for teaching, research or any other service is taxable to the student. Colleges and universities are obligated to withhold taxes on any award

that represents compensation for services. Nonresident alien students may have taxes withheld on awards that do not represent compensation for services. Their tax obligations are governed by their visa status, United States (US) tax laws, and/or the tax treaty between the US and their country of residence.

The Institute is responsible for withholding payroll taxes on the portion of a fellowship or traineeship award made to a student (U. S. Citizen, Resident Alien, or Nonresident Alien who is not claiming an exemption under the provisions of a tax treaty), which represents payment for services required to be performed in order to receive the award. **Failure to withhold the taxes when required may create unexpected tax liabilities for Georgia Tech students and cause the Institute to incur serious financial penalties.** The Institute will provide the student with a Form W-2 at year-end, which will report to him/her income earned and taxes withheld. The student is responsible for determining his/her tax liability and filing his/her individual income tax return with the IRS. The department is responsible for determining if a student's scholarship, fellowship or other award requires services to be rendered before receipt of payment. The student, however, is responsible for providing sufficient information to the department to enable a determination of status. **Ultimately, it is the student's responsibility to determine his/her tax liability and file a tax return with the Internal Revenue Service each year.**

For more information related to the responsibility of the student in determining his/her own tax liability, please visit the Office of Scholarships and Financial Aid (OSFA) [Tax Information](#) website.

This policy is not applicable to payments made to graduate student assistants (GSA's), graduate research assistants (GRA's), and graduate teaching assistants (GTA's).

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Procedures:**Scholarship – Trainee - Fellowship Payment Grid**

The Scholarship – Trainee – Fellowship payment grid provides detailed information on processing student payments. That information includes the following:

1. Type of Program/Student
2. Program Description (Training Grant, Award, Schl, Fell)
3. Account Code
4. Project ID (997 project, 998 project or other project)
5. Routing Information (Financial Aid, Bursar, AP, Payroll, etc)
6. Forms Required (Check Request Form, Vendor Profile Form, Bursar's Special Payment Form, etc)
7. IRS Reporting Requirement for US Students and Non-US Students

Institute Policy for Scholarship/Fellowship Payments and the Payment of Prizes/Awards to Students

For additional administrative information about student payments and the definitions of the different types of student payments, please see [Institute Policy for Scholarship/Fellowship Payments and the Payment of Prizes/Awards to Students](#).

Bursar's Office Website

Additional information related to student payments may also be found on the Bursar's Office website at <http://www.bursar.gatech.edu/content/forms>.

Form Links:

[Fellowship and Scholarship Payments to Students](#)

[Scholarship-Trainee-Fellowship Payment Grid \(Grid Summary for Processing Student/ Trainee / Stipend / Award and Prize Payments\)](#)

[Check Request/AP Payment Request Form](#)

[Recurring Payment Request Form](#)

[Payroll Special Payment Request Form](#)

Responsibilities:

- The student is responsible for providing sufficient information to the department to enable a determination of status. The student is also ultimately responsible for determining his/her tax liability and filing his/her individual income tax return with the IRS.
- The department is responsible for determining if a student's scholarship, fellowship or other award requires services to be rendered before receipt of payment.
- The Bursar's Office, Accounts Payable and the Payroll Office are responsible for ensuring timely payments to students.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[Office of Scholarships and Financial Aid Tax Information Website](#)

[Institute Policy for Scholarship/Fellowship and the Payment of Prizes/Awards to Students](#)

[Electronic Vendor Profile Form](#)

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Periodic review and verbiage update. Policy Number change. Assignment change to Bursar's Office.

Tax Implications for Student Receiving Scholarships, Fellowships or Traineeships

Policy No: 1.9.3

Policy Book: Business & Finance

Type of Policy: Administrative

Review Date: Feb 2020

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

This policy was created to provide tax guidance to students receiving scholarships, fellowships or traineeships.

Policy Statement:

The Internal Revenue Code has special provisions that address the tax status of scholarships/fellowships/traineeships. Any tax responsibility under this law belongs to the student. Each scholarship, fellowship or traineeship recipient is responsible for determining how the tax law applies to his/her particular circumstances. The procedures outline some key points regarding the tax law.

Scope:

This policy applies to all colleges, schools, departments, and units of the Institute.

Procedures:**Student Award – No Services Required**

A student (US Citizen or Resident Alien) who receives a scholarship, fellowship or traineeship award for which he/she is not required to perform services (past, present, or future) may exempt the portion of the award that is used for qualified tuition and related expenses (tuition, fees, books, supplies, and other equipment required for courses). Any portion of the award used for other expenses, such as room and board or travel, is considered part of the student's gross income and must be reported on his/her individual tax return. Because the student has no employment relationship with the Georgia Institute of Technology (the Institute), the Institute is not required to withhold taxes on the taxable portion of the award and has no tax reporting obligation to the Internal Revenue Service (IRS) or the student.

Student Award – Stipulations on Expenses

A student who receives a scholarship, fellowship or traineeship award in which the terms of the award state that a certain amount cannot be used for tuition, fees, books, supplies or required equipment for his/her courses (i.e. a certain amount must be used for room, board or anything other than tuition, books supplies or equipment) is responsible for reporting that amount as gross income on his/her individual tax return. Again, because the student has no employment relationship with the Institute, the Institute is not required to withhold taxes on the taxable portion of the award and has no tax reporting obligation to the IRS or the student.

Tax Rules

The tax rules applicable to scholarship, fellowship and traineeship awards made to nonresident alien students differ from those applicable to students who are US citizens or resident aliens. The total amount of a scholarship/fellowship/traineeship award made to a nonresident alien student that does not represent compensation for services is reportable by the Institute to both the IRS and the student on IRS Form 1042S. The portion of the award that is used for qualified tuition and related expenses are exempt from US tax. The remaining portion of the award is subject to tax and is considered part of the student's gross income and must be reported on his/her individual tax return. The Institute will withhold tax at the rate of 14% on this taxable portion unless the award is exempt under a tax treaty between the US and the student's home country. The student must supply the Institute with IRS Form 8233 in order to claim the benefit of a tax treaty.

Institute Responsibility

The Institute is responsible for withholding payroll taxes on the portion of a scholarship/fellowship/traineeship award made to a student (U. S. Citizen, Resident Alien, or Nonresident Alien who is not claiming an exemption under the provisions of a tax treaty) which represents payment for services required to be performed in order to receive the award. The Institute will provide the student with a Form W-2 at year end which will report to him/her income earned and taxes withheld. The student is responsible for determining his/her tax liability and filing his/her individual income tax return with the IRS.

Student Responsibility

The portion of a scholarship/fellowship/traineeship award that constitutes qualified tuition and related expenses is not subject to tax. Ultimately, it is the student's responsibility to determine his/her tax liability and file a tax return with the Internal Revenue Service each year.

IRS Regulatory Requirements

No taxes are withheld from payments to undergraduate students classified as a U.S. person. Payments to nonresident alien students may be subject to IRS tax withholding. For more information related to the responsibility of the student in

determining his/her tax liability, please visit the Office of Scholarships and Financial Aid [Tax Information](#) website.

Responsibilities:

- The student is ultimately responsible for determining his/her tax liability and filing a tax return with the Internal Revenue Service each year.
- The Institute is responsible for withholding payroll taxes on the portion of a scholarship/fellowship/traineeship award made to a student as needed.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[Internal Revenue Service – Scholarships and Fellowship Grants](#)

[Internal Revenue Service – Tax Benefits for Education](#)

[Office of Scholarships and Financial Aid – Tax Information](#)

Policy History:

Revision Date	Author	Description
10-03-2014	Controller's Office	Updates to verbiage. Removed obsolete portions. Updated title.

Student Prizes and Awards

Policy No: 1.10

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2014

Review Date: Oct 2019

Policy Owner: Bursar's Office

Contact Name: Carol Gibson

Contact Title: Controller

Contact Email: cgibson@gatech.edu

Reason for Policy:

This policy was created to explain the method of authorizing payment of a prize or award and establishing a sponsored project in the accounting records of the Georgia Institute of Technology to charge expenditures related to prizes or awards.

Policy Statement:

The Office of Grants and Contracts and/or the Controller's Office are charged with the establishment of sponsored projects in the Chart of Accounts and the accounting records of the Georgia Institute of Technology upon receipt of properly authorized/approved budgetary and invoicing documentation for prizes and awards. The Office of Scholarships and Financial Aid and the Bursar's Office are charged with the review and approval of prize and award payments issued by the Georgia Institute of Technology. Requests for payment should include a valid Institute project number from which the payment should be made and must include adequate documentation describing the purpose of the payment (e.g. annual staff award, prize for participation in special program, etc.). Funding should come from sources that permit the prize and award payments, such as Georgia Tech Foundation and Georgia Tech Research Corporation, etc. **State funds cannot be used to pay prizes and awards.**

Scope:

This policy applies to all colleges, schools, departments, and units of the Institute.

Procedures:

Prize and award recipients who have been employed in the current calendar year should be submitted on the [Awards and Prizes Form](#) that can be obtained from the payroll department. Payroll Prize forms should be forwarded to Accounting Services for approval. The following steps will be taken upon receipt of a request for issuance of an award or prize:

1. The Bursar's Office will initially verify the purpose of the prize or award. The requesting department must include a description of the reasoning/rationale for the prize on the request form and attach any/all supporting documentation (e.g. attach a notice of annual competition.)
2. The Bursar's Office will review the request for an authorized sponsored project number to be charged for the prize and award. If this information is not clearly identified on the request, the initiating unit will be contacted in order to determine the project number. If no funding source can be identified, the request will be returned to the initiating department. If a project does not already exist in the accounting records of the Institute, the initiating department must request to establish a new sponsored project. If funding is from either the Georgia Tech Foundation or the Georgia Tech Research Corporation, instructions for establishing projects should be followed as described in the Policy and Procedure Manual. If funding is from external sources, a sponsored project should be initiated and requested through the Office of Sponsored Programs.
3. The Bursar's Office will verify budget availability prior to the approval of prize and award payments. The initiating department is responsible for all costs incurred if payments are not reimbursed from the designated sponsor. The departments should read the instructions carefully on the award and prize forms when calculating the award amount and estimated total department's expenditures. For more information regarding tax withholdings, refer to Payroll procedure "10.12 Employee Awards and Prizes".
4. Upon completion of the review of the prize or award request, the approved form will be forwarded to the appropriate office for payment.
 1. Forms for awards and prizes to recipients who have been employed in the current calendar year will be forwarded to the Payroll Department for payment. The Payroll Department will first verify GIT employment for the recipient. Payments will be posted to the accounting records as extra compensation -- account code 511910. The Employer portion of FICA at 7.65% should be included in the budgeted amount for payments to these recipients. Refer to Payroll procedure 10.12 regarding the gross up amount of award if the department is willing to absorb expenses for the employee's income taxes and FICA withholdings. Payment can either be added to the employee's next scheduled payroll or checks will be distributed to initiating departments.
5. Payments made to prize and award recipients who have not been employed in the current calendar year will be processed through the Accounts Payable Department. A check in the award amount will be issued to the recipient using the account code 751120 for such payments. No tax will be withheld, but the recipient may receive a 1099 form if annual payments meet/exceed certain levels established by IRS guidelines. Recipients that have been classified as "non-resident aliens" may be taxed unless a current tax treaty exists between his/her home country and the United States. The department is required to provide the recipient's GTID on the prize form.

Student Award – No Services Required

A student (US Citizen or Resident Alien) who receives a scholarship, fellowship or traineeship award for which he/she is not required to perform services (past, present, or future) may exempt the portion of the award that is used for qualified tuition and related expenses (tuition, fees, books, supplies, and other equipment required for courses). Any portion of the award used for other expenses, such as room and board or travel, is considered part of the student's gross income and must be reported on his/her individual tax return. Because the student has no employment relationship with the Georgia Institute of Technology (the Institute), the Institute is not required to withhold taxes on the taxable portion of the award and has no tax reporting obligation to the Internal Revenue Service (IRS) or the student.

Student Award – Stipulations on Expenses

A student who receives a scholarship, fellowship or traineeship award in which the terms of the award state that a certain amount cannot be used for tuition, fees, books, supplies or required equipment for his/her courses (i.e. a certain amount must be used for room, board or anything other than tuition, books supplies or equipment) is responsible for reporting that amount as gross income on his/her individual tax return. Again, because the student has no employment relationship with the Institute, the Institute is not required to withhold taxes on the taxable portion of the award and has no tax reporting obligation to the IRS or the student.

Tax Rules

The tax rules applicable to scholarship, fellowship and traineeship awards made to nonresident alien students differ from those applicable to students who are US citizens or resident aliens. The total amount of a scholarship/fellowship/traineeship award made to a nonresident alien student that does not represent compensation for services is reportable by the Institute to both the IRS and the student on IRS Form 1042S. The portion of the award that is used for qualified tuition and related expenses are exempt from US tax. The remaining portion of the award is subject to tax and is considered part of the student's gross income and must be reported on his/her individual tax return. The Institute will withhold tax at the rate of 14% on this taxable portion unless the award is exempt under a tax treaty between the US and the student's home country. The student must supply the Institute with IRS Form 8233 in order to claim the benefit of a tax treaty.

Institute Responsibility

The Institute is responsible for withholding payroll taxes on the portion of a scholarship/fellowship/traineeship award made to a student (U. S. Citizen, Resident Alien, or Nonresident Alien who is not claiming an exemption under the provisions of a tax treaty) which represents payment for services required to be performed in order to receive the award. The Institute will provide the student with a Form W-2 at year end which will report to him/her income earned and taxes withheld. The student is responsible for determining his/her tax liability and filing his/her individual income tax return with the IRS.

Student Responsibility

The portion of a scholarship/fellowship/traineeship award that constitutes qualified tuition and related expenses is not subject to tax. **Ultimately, it is the student's responsibility to determine his/her tax liability and file a tax return with the Internal Revenue Service each year.**

Responsibilities:

- The student is ultimately responsible for determining his/her tax liability and filing a tax return with the Internal Revenue Service each year.
- The Institute is responsible for withholding payroll taxes on the portion of a scholarship/fellowship/traineeship award made to a student as needed.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[Internal Revenue Service – Scholarships and Fellowship Grants](#)

[Internal Revenue Service – Tax Benefits for Education](#)

Policy History:

Updates for responsible party changed from Accounting Services/Controller's Office to Bursar's Office. Title change.

Revision Date	Author	Description
10-03-2014	Carol Gibson	

Budget

Institute Budget Preparation Authority and Amendments

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Jul 2019

Review Date: Jul 2022

Policy Owner: Budget, Planning and Administration

Contact Name: Jamie Fernandes

Contact Title: Executive Director

Contact Email: jamie.fernandes@business.gatech.edu

Reason for Policy:

The purpose of this policy is to define the Institute's basic budget preparation and management requirements, which are governed by the University System of Georgia. The Georgia Tech Budget Office (Office of Institute Budget Planning and Administration) manages the budget process under the direction of the President and the Executive Vice President for Administration and Finance. The office's functions are to plan, prepare, maintain, monitor, and report on all institutional budgets at Georgia Tech according to established institutional and University System of Georgia (USG) policies.

The Georgia Tech budget presents the priorities of the Institute in terms of dollars and services provided. The Institute establishes an annual operating budget and a capital budget, which span the state-established fiscal year of July 1 through June 30.

- The operating budget contains funding for recurring programs such as instruction, research, public service, and support services. The operating budget contains revenue from all sources, including tuition, student fees, state appropriations, and sponsored (grants and contracts) revenue.
- The capital budget contains major investments in fixed assets, including land, buildings, and equipment, is funded by various earmarked sources. In many cases projects funded in the capital budget span two or more years.

The Board of Regents (BOR) annually approves the Institute's operating and capital budgets, as well as its tuition rates, mandatory and selected other fees, and state allocations. Any allowable budget changes made during the fiscal year must be processed through an amendment process managed by the Budget Office.

The Board of Regents (BOR) of the University System of Georgia (USG) assigns to the Georgia Tech President the responsibility for planning and administering all programs and the related Institute budgets, as indicated in the [BOR Policy Manual Section 2.6.1](#). The President delegates the budget and planning responsibilities to the Provost, Executive Vice Presidents, and Vice Presidents. This responsibility is further delegated to these executives' direct reports, including deans and other division heads. The Executive Vice President for Administration and Finance serves as the Institute's Chief Financial Officer.

Original Budget Preparation and Approval

The Budget Office is required to follow an established set of guidelines and policies set forth by the State of Georgia and the Board of Regents. The BOR guidelines are found in Section [7.2 \("USG Budget"\)](#) of the Board of Regents' policy manual and [Section 8.0 \("Budget Process"\) of the USG Business Procedures Manual](#) (BPM). A summary of key portions of the BOR policy and business procedures pertaining to the *Original (base) Budget* follows:

BOR Policy Manual 7.2.3 – Operating Budgets – annual preparation and submission of an annual budget to the Chancellor with funding from all sources;

BPM 8.5.3 – Budget Preparation at the Institutional Level – institutional development of the proposed budget by personal services, fringe benefits, and other expenses to the BOR following establishment of internal priorities;

BPM 8.5.4 – Submission of Proposed Budget – budget submission by the following major categories (fund groups):

- Education and General – budgets that are not any of the categories below
- Auxiliary Services – business-like service organizations such as housing, dining, and transportation
- Student Activities – funded by separate, mandatory student fees for campus recreation, the student center, and student organizations
- Capital – major capital expenditures including land and land improvements, buildings and building improvements, and infrastructure;

BPM Section – 8.5.5 Board Approval of Institution’s Original Budget – June approval by the BOR of the final institutional budgets by the major categories listed in BPM 8.5.4.

Budget Amendments

As funding circumstances change during the fiscal year, the Institute implements internal budget amendments, in close coordination with Institute operating units. Any amendments involving an increase or decrease in the overall Institute revenue must be approved by the President. These amendments are initiated by the Budget Office or by campus units, with subsequent approval by the Budget Office.

The Budget Office consolidates all internal Institute amendments for each quarter for submission to the Board of Regents on a summary basis. It is critical that the “expenditure authority” approved by the BOR be consistent with the official Georgia Tech budget, including an accurate breakdown of the budget between personal services and non-personal services. Failure to maintain this consistency may result in an audit exception. It is critical for every Institute unit to maintain a budget that closely resembles the expected year-end spending, including the distribution of dollars between personal services and non-personal services. The following are excerpts from key USG Business Procedures Manual sections ([USG Business Procedures Manual Chapter 8.6](#))

8.6 Budget Amendment – The budget amendment process is critical to ensuring that expenditures made during the course of the fiscal year are supported by budgets. Failure to amend budgets to meet changing circumstances may result in an over-expenditure of funds and lead to audit findings.

8.6.2 Revenue Adjustments – Throughout the fiscal year, various factors necessitate the adjustment of revenue estimates within the budget system. For example, if fall semester tuition were to exceed the original budget estimate, the institution would amend its budget to reflect the increased revenues. Revenue estimates are reviewed and amended on a quarterly basis to reflect projections of either increased or decreased revenue collections during the fiscal year.

8.6.3 Appropriation Amendments – The definitive expenditure authority within the financial system resides at the appropriation level; expenditure authority cannot be exceeded. At a minimum, allocations are in place for personal services and operating expenses.

NOTE: See Georgia Tech’s [“Budget Amendments”](#) policy and the links in the next section for more information.

Related Information:

[BOR Policy Manual Section 2.6.1](#)
[BOR Policy Manual Section 7.2](#)
[BOR Policy Manual Section 8.0](#)
[USG Business Procedures Manual Chapter 8.6](#)
[GT Budget Amendments Policy](#)
[GT Budget Amendment Process](#)
[GT Annual Operating Budget Policy](#)
[GT Budget Preparation Process](#)
[Financial Glossary](#)
[GT Budgeting Documents](#)

Annual Operating Budget (Proposed Budget)

Policy Book: Business & Finance

Type of Policy: Administrative

Review Date: Jan 2020

Policy Owner: Budget, Planning and Administration

Contact Name: Jamie Fernandes

Contact Title: Executive Director

Contact Email: jamie.fernandes@business.gatech.edu

Reason for Policy:

The Georgia Institute of Technology budget expresses in terms of dollars the funded programs and plans of the Institute for the specific budget (fiscal) year. Revenue estimates are also identified to support these programs and plans. Budgetary approval by the Board of Regents (BOR) of the University System of Georgia (USG) and by the Institute administration constitutes authorization to expend the funds as budgeted and to collect the anticipated revenue. The approved budget is the primary instrument of fiscal control and must contain all revenue and expenditures of the Institute.

Institute revenue or program support derives from State Appropriations and Internal Income such as Student Fees, Indirect Cost Recoveries from Sponsored Projects, Gifts and Grants, Sales and Services, and Sponsored Operations. Each year the State of Georgia Legislature appropriates funds to the University System of Georgia for support of all Institutions in the system. The BOR in turn allocates state funds to each institution on the basis of a funding formula and specific guidelines established in the state Appropriations Act.

Policy Statement:

Guidelines & Policies

The Georgia Tech Office of Budget Planning and Administration (the "Budget Office") is required to follow an established set of guidelines and policies set forth by the State of Georgia, the Board of Regents, and the Institute. These guidelines require an annual operating budget be prepared for each budgetary unit of the Institute.

- **General Policy**

The Board of Regents (BOR) annually allocates funds to each institution at its April meeting or next regular meeting following the approval of the appropriations act or as soon after as practical every year. The BOR approves the budgets of the institutions and Office of the Board of Regents at its regular May meeting each year, or as soon thereafter as practical.

The Board of Regents is the only medium through which all formal requests are made for appropriations from the General Assembly and the Governor of Georgia.

- **Operating Budgets**

Each institution in the University System prepares an Operating Budget for educational and general activities of the Institution for the fiscal year within the limit of funds allocated, plus estimated internal revenue. In addition, a budget is prepared for Auxiliary operations that are supported by fees and other revenues.

- **Sources of Revenue**

There are five basic sources of revenue for the Institute Resident Instruction operating budget: 1) State Appropriations; 2) Internal Revenue; 3) Sponsored Operations; 4) Departmental Sales and Services; and 5) Georgia Tech Research Corporation (GTRC) and the Georgia Tech Foundation (GTF).

1. State Appropriation

Annual allocation of funds from the Board of Regents' legislative appropriation, funded by the State of Georgia.

2. Internal Revenue

Derived primarily from tuition and fee income and recoveries of indirect costs from research conducted at Georgia Tech. (Note: Direct cost is anything that is directly related to a sponsored project, such as salaries and work supplies. Indirect cost recovery refers to the funds used to pay for administrative and support costs of the Institute, such as administration, facilities, and the Library.)

- Tuition and Student Fees
- Gifts and Grants
- Indirect Cost Recoveries
- Sales and Services of Educational Departments
- Other Sources

3. Sponsored Operations

Revenues from sponsor reimbursement of direct costs of sponsored research, instruction and other sponsored institutional activities.

4. Departmental Sales and Services

Revenues collected on behalf of a specific program to be used solely for that program, such as students are charged a computer fee to be used to maintain the computer facilities they use and colleges charge fees for non-credit courses offered to businesses and the community.

5. GTRC and GTF

Limited resources are available from the Georgia Tech Research Corporation and from the unrestricted (not designated for specific purposes) endowment of the Georgia Tech Foundation.

- **Distinctions in Sources of Revenue**

Sponsored operations and departmental sales and services revenues are collected to support a specific project or program and therefore are limited in their use to that project or program alone. GTF funds are generally used to support students, faculty and staff in non-research activities. GTRC funds are generally allocated to students, faculty and staff for research purposes. State appropriations and internal revenue, on the other hand, can be used for any part of the Resident Instruction program, including state-funded research activities.

Separate processes are used to allocate the funds from the different sources. Resident Instruction funding is usually placed in a unit's budget and forms the base budget for the next year. Additional money added to the base is called "new workload" funds. Generally, the base plus new workload forms the base for the following fiscal year. Funds from the Foundation and the Georgia Tech Research Corporation, on the other hand, are more likely to be treated as one-time grants.

Procedures:**Applicable Forms**

Forms to be used in preparing the Annual (Proposed) Operating Budget are specified each year in the guidelines and instructions provided to campus units. See the [Budget Office web site](#) for current forms.

Form Links: [Budget Forms](#)

Budget Amendments

Policy Book: Business & Finance

Type of Policy: Administrative

Review Date: Jan 2020

Policy Owner: Budget, Planning and Administration

Contact Name: Jamie Fernandes

Contact Title: Executive Director

Contact Email: jamie.fernandes@business.gatech.edu

Reason for Policy:

The Office of Institute Budget Planning and Administration (“Budget Office”) is responsible for the development, implementation, maintenance, and control of Georgia Tech’s non-sponsored budgets, based on allocations approved through appropriate academic and administrative processes. The budget consists of funding from general, departmental services, special funding initiative, research consortium, lottery, sponsored, auxiliary, student services, and agency operations. In addition, budgets are maintained for a large number of capital projects.

Policy Statement:

The budget for each department or project should be amended to reflect the current estimate of expenditures and income (if applicable) for the fiscal year. The following list shows some, but not all types of transactions that would require a budget amendment:

1. Establish a budget amount or change the amount budgeted for non-personal services expenditures, such as travel, operating supplies and expense, and equipment.
2. Establish a budget amount or change the amount budgeted for anticipated income (revenue and departmental sales and services) for the fiscal year.
3. Establish or change the amount budgeted for a vacant position.
4. Make an approved increase or decrease to your original budget amount.

Procedures:

Steps in Budget Amendment Process

1. Log into the IBS System
 - Enter your Operator ID (GT ID number).
 - Enter your password.
 - Click “enter.”
2. Check Totals
 - Go to Totals Page
 - Verify approved budget for all funding sources.
3. Check Amendment
 - Go to Review and Submit Page
 - Check Salary Planning and Distribution for any changes automatically generated by IBS.
 - These changes are driven by and reflect the SPD system the day the amendment was run. Delete/correct accordingly.
 - If increasing or decreasing budget, make adjustments to your personal services and/or non-personal services to reflect the change. After each entry is made make sure you click “Save.”
 - Complete “Amendment Notes” and “Comments” fields (see “Use of Comments Fields” section below)
 - If there is no change to the “bottom-line” budget and funds are being transferred between personal services and non-personal services, there must be a zero balance.
4. Check Request Prior to Budget Submission
 - Go to “Review and Submit” page.

- Verify funding source totals for any increases or decreases.
- Verify total.
- Make sure funding is not transferred from one source to another. For example, do not move funds from General Operations to Departmental Sales and Services (DSS).

5. Budget Submission

- Click “Submit” button.
- Your department is locked out to allow the Budget Analyst to process your changes.
- An e-mail is generated and sent to the Budget Office to process your request.
- Your budget amendment is updated. An e-mail notification is sent to you that your budget amendment is ready to print.

6. Printing Reports

1. Go to “Reports” page.
2. All reports are available in MS Excel.
3. Note that Bud802 and Bud805 are generated after the BA is submitted.
4. Print report for use by your unit’s financial administrators in review of authorized monthly budget activity.

Use of Comment Fields in the Amendment Process

Department Level Comments – provide a description of your budget changes.

- This page differs from the detail level comments on the Personal Services and Non-Personal Services pages in that here you must include any high-level description to document why you made budget adjustments. The description should be similar to the information previously provided on the cover sheets.

Detail Level Comments (on Personal Services and Non-Personal Services pages)

- Your department is either receiving or giving out a mixture of funding (example: both Tech Fee and Research Consortium funding).
 - Enter totals by funding source in comment.
- Funding to or from more than one other department/project.
 - Enter each of the other departments’ org numbers and amount in comment. Don’t just enter a lump sum total by department.

Actions that result in a NET change to your department’s budget require comments

- SPD adjustments or transfers from one account to another within a department do not require comments. Within comments, always include the project number org # or the name of the department that is either providing additional budget to your department or receiving funds from your department. Your analyst can help you with the transition to paperless documentation within amendments.

Any BA submitted with a net change in a department’s budget but without any documentation in the comment fields will need to be corrected before it will be processed

- Your analyst will contact you to request that you submit the missing information and resubmit the amendment.

Budget Amendment Close-Out Process

- Budget Office balances the changes to the Original Budget.
- The files are processed and submitted to update the PeopleSoft General Ledger.
- The Budget Office notifies the unit budget contacts that IBS is available for your use and the next budget amendment due date.

Please contact your Budget Analyst if you have any questions about these policies and procedures.

Related Documents: [BudgetAmendmentsFAQ.pdf](#)

Capital Budgets

Policy Book: Business & Finance

Type of Policy: Administrative

Review Date: Feb 2020

Policy Owner: Budget, Planning and Administration

Contact Name: Lisa Godfrey

Contact Title: Dir-Institute & Capital Plan Budget Mgt

Contact Email: lisa.godfrey@business.gatech.edu

Policy Statement:

Capital projects, generally those costing more than \$1 million, are funded from various sources. These sources, which include State of Georgia, Board of Regents, Georgia Tech Foundation, and campus funds, usually dictate who has administration of the project.

The State of Georgia funds the construction of buildings and the Georgia State Finance and Investment Commission (GSFIC) coordinates the project and disburses the funds.

The Board of Regents (BOR) receives an allocation from the state legislature referred to as Major Repair and Rehabilitation (MRR) funds. The MRR Fund is generally used for projects costing less than \$1 million. The Board of Regents allocates these funds to the various units of the University System. These funds may be funneled through GSFIC if they are bond funds. The administration of the project may be handled by GSFIC or Georgia Tech depending on the type of project.

The Georgia Tech Foundation (GTF) funds various capital projects on campus. GTF retains administration of some of the projects and the facilities office/plant operations administers the remainder. These GTF projects require prior approval from the Board of Regents.

Some projects are funded by resources held by Georgia Tech, i.e. discretionary endowment funds and Auxiliary Enterprises reserve funds. These projects are controlled by Georgia Tech personnel after receiving Board of Regents approval.

Procedures:

State of Georgia Funding

Each year a "Five-year Capital Outlay Budget Request" is prepared by the units of the University System of Georgia and submitted to the Board of Regents. The Board of Regents examines all requests and prepares a consolidated priority list. Only a portion of the list is funded by the legislature's allocation. The unfunded projects normally remain on the priority list the following year. Funds for the approved projects are transferred to GSFIC for disbursement and project administration. These projects are defined as new buildings, building additions, and building renovations estimated to cost \$1,000,000 or more.

Board of Regents Funding

The Board of Regents receives a special allotment from the State of Georgia called Major Repair and Rehabilitation (MRR) funds. Each unit of the University System submits to the Board of Regents a prioritized list of repair/renovation projects estimated to cost less than \$1,000,000 each. At Georgia Tech this list is prepared by the Space Administration Committee. The Board of Regents reviews each submission and decides which projects will be funded from the MRR allocation. The Board of Regents assigns a project number and authorizes GSFIC to make disbursements from the

MRR allocation if the source is bond proceeds. Occasionally projects in excess of \$1,000,000 will be funded from MRR funds. When this happens they are usually funded in phases.

Georgia Tech Foundation Funding

GTF funds special projects as determined by the President of Georgia Tech and the Board of Trustees of GTF. These projects may be coordinated by GTF or the funds may be transferred to Georgia Tech and handled by Georgia Tech personnel.

Campus Funds

These are discretionary funds held by Georgia Tech consisting mainly of endowment funds and Auxiliary reserve funds. The use of discretionary endowment funds must have the President's approval or his designee prior to establishing a project budget. The Auxiliary Reserve funds are used to renovate existing Auxiliary Enterprise facilities, construct new Auxiliary Enterprise facilities, and purchase equipment needed by Auxiliary Enterprise units.

Unexpended Plant Funds

This fund group is used to account for the construction or acquisition of physical properties, renovation of existing properties, and purchase of inventories and non-inventoried equipment.

Expenditures in this fund group are categorized as follows:

- Land
- Buildings - New
- Buildings - Additions (Cost a minimum of \$5,000 and a useful life of more than three years)
- Buildings - Renovations (Cost a minimum of \$5,000 and a useful life of more than three years)
- Improvements Other Than Buildings - landscaping, parking lots, fences, etc.
- Equipment/Inventories - items costing \$1,000 or more; (items made of glass or other fragile materials are supplies)
- Equipment items costing \$5,000 or more are capitalized and depreciated
- Equipment/Non-inventoried - items costing less than \$1,000 are considered supplies

Applicable Forms**Capital Budgets Form**

[The Capital Budgets Form](#) is used to establish plant fund projects and is provided to the units by the Budget Office.

The project account numbers for new projects will be assigned by the Budget Office after the project has been approved. If discretionary endowment funds are shown as the source, the President or his designee must approve the project. All plant fund projects must have the Board of Regents' approval.

Form Links: [Budget Forms](#)

Elective Fees and Special Charges Approval and Budget Review Policy

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: May 2019

Last Revised: Jul 2019

Review Date: Jul 2022

Policy Owner: Budget, Planning and Administration

Contact Name: Barbara Villa

Contact Title: Budget Manager

Contact Email: barbara.villa@business.gatech.edu

Reason for Policy:

The purpose of the Georgia Institute of Technology's Elective Fees and Special Charges policy is to:

- Ensure Georgia Tech meets the requirements of [BOR Policy 7.3.2.2](#) for establishing and managing elective fees and special charges;
- Provide guidance and consistency for the approval and management of the fees/charges;
- Ensure students are not burdened with costs that should be covered by tuition or state funds;
- Inform the Georgia Tech community about the review and approval process requirements.

Policy Statement:

Major Categories of Fees. Georgia Tech levies the following two major types of fees:

- Other Elective Fees and Special Charges – fees and charges that are paid selectively by students;
- Mandatory Fees – fees that are assessed to all students, all undergraduate students, or all full-time undergraduate students on one or more campuses. *These fees are NOT governed by this policy.* See the following Institute policy: [Mandatory Student Fee and Budget Review](#).

Review and Approval Process. Approval by the President of Georgia Tech is required for **all** elective fees and special charges per the Board of Regents (BOR) policy but Georgia Tech must annually report to the Chancellor any new fees or adjustments to existing fees. All fee changes are implemented in the following academic year, beginning with the fall semester. The following are four exceptions to the president's autonomous approval authority:

Fees for All Students in a Grade Level – approval by the BOR, following the same approval process as for mandatory student fees, of any fee or special charge that is required to be paid by any subgroup of students categorized solely by grade level or previous credit hours earned, such as a fee that applies to all freshman (no fees in this category currently in place at Georgia Tech);

Fees for Students in a Specific Degree Program – approval by the BOR of an elective fee or special charge required for all students in a specific degree program or in a specific course, with the exception of laboratory fees and supplemental course material fees;

Housing and Food Service Fees – approval by the USG chief fiscal officer of housing fees for on-campus facilities and fees paid by students who choose a campus food service plan.

General Guidelines for Review of Elective Fees. Increases in all elective fees should be kept moderate and gradual. Fees approved under this policy must be reviewed by the Bursar's Office to determine the most appropriate way to assess and collect these fees; all approved fees must be administered and collected directly by the Bursar's Office. Elective fees and special charges are reviewed on an annual basis to determine use, effectiveness, and appropriateness for continuation.

Services Funded through Fees. Departments and schools are expected to cover normal instructional costs within their General Operations budgets, and elective fees and special charges should be needed only in exceptional situations. The financial needs of the department or school must be weighed against the impact of the fees on students and the cost of administering the fees (assessment and collection costs). *The purpose of assessing an elective fee is to fund specific, unique costs that are the result of an educational choice made by the student. Fees must be used to augment, rather than replace, general budgeted funds for departmental instructional costs.*

The following are examples of what may be funded through elective fees and special charges:

- Cost of providing course materials to be consumed, retained or used by the student;
- Special costs associated with the use of Institute-owned tools and equipment for non-mandatory, special supplemental academic programs or educational experiences that directly benefit students;

- Cost of other materials, equipment, or services necessary to provide a special supplemental educational experience or program of direct benefit to the student;
- Salary and fringe benefit cost of laboratory assistants for the time spent in a specific lab for which lab fees are charged;
- Doctoral binding fees and transcript fees.

This policy specifically excludes the following cost items to be paid through elective fees:

- Salaries, wages, and employee benefits of faculty involved in course instruction;
- Instructional equipment located and utilized in classrooms and labs primarily during scheduled periods of instruction;
- Reproduction of copyrighted materials or course syllabi.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Procedures:

All elective fees and special charges must conform to this Georgia Tech policy. *Departments may not assess and collect course-related or any other fees not previously approved under this policy.*

4.1	
Proposal Format and Submission	To request a new elective fee for an upcoming academic year, a department must complete the New Student Fee Proposal Form on the Budget Office's website.
Requests for Fee Change	Current fees are updated annually in late fall for the following fall. The Budget Office contacts all of the departments with existing fees and requests confirmation of the fee for the following fiscal year. Changes may be made at this time. To make a change or for questions, unit financial managers should contact the Budget Program Manager, Revenue and External Funds.
Review Process	All requests to establish a new elective fee/special charge or an adjustment to an existing fee must follow this approval process. These requests are annually reviewed and submitted for approval to the Georgia Tech President and/or the BOR for implementation during the upcoming academic year. Separate fee requests are not required for courses taught during the summer if they have already been approved for the fall and spring. The approved fee is automatically assessed during the summer if the course is offered under the same course number and course description.
Guidelines for Allowable Costs	When proposing new fees, departments must adhere to the following guidelines: <ul style="list-style-type: none"> • Departments must apply a test of reasonableness to ensure funding has not already been provided to

	<p>the department or school for the stated need through other fund sources, such as state or tuition funds.</p> <ul style="list-style-type: none"> • The types of items that may be included in the fee are: art materials, course packets/kits, software/videos, special equipment, materials integral to the course or program, travel to off-campus learning sites, specific student experiences/events, and the cost of professional examination/certification required as a part of the class and procured by the institution under a group purchase. • Only direct costs (not overhead/indirect costs) may be included in the computation of the fee amount, and departments must fully and accurately document the cost of salaries and fringe benefits, supplies, consumables, and support services associated with each elective fee. • Each proposed fee must provide program or course-specific cost information. • If equipment needs are included in the fee, the cost of the equipment must be allocated over the useful life of the equipment and cannot be fully expensed in the year of acquisition. For the calculation of course materials fees, "equipment" is considered to be tangible property having a useful life of more than one year. • If the fee is assessed for a course or program during the summer, as well as the academic year, the expected costs and revenue associated with the summer session should be included in the calculation of the overall fee. Alternatively, departments may request a different fee for the summer.
Designation and Collection of Elective Fees and Special Charges Revenue	<p>The Budget Office will assist in establishing each fee in the appropriate fund, project, and account and contact the Bursar's Office to set up the BANNER detail code to be used. All approved course fees will be assessed through BANNER to all students enrolled in a specific course at the time of registration. The published tuition and fee deadlines for each term will be in effect for these fees. For all other type fee approvals, a review will be made by the Bursar's Office to determine the most appropriate method for assessment and subsequent collection.</p>
Utilization of Elective Fee Revenue	<p>Revenue from each individual elective fee and special charge must be expended only for the purpose(s) specified in the calculation of the approved fee. Revenue cannot be</p>

	used for other needs and should not be used as a profit generating mechanism.
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Form Links: [New Student Fee Proposal Form](#)

Enforcement:

The Provost's Office, Budget Office, and Bursar's Office are responsible for applying the policy and ensuring adequate campus oversight of all fees. This responsibility includes review of fee proposals, review of the costing and proposed fee levels, reporting fees to the BOR, and the appropriate distribution of collected fees.

Related Information:

[GT Elective Fees Information, New Fee Request, & Approved Elective Fees](#)

[BOR Tuition & Fees Policy Section 7.3.2.2 – Elective Fees and Special Charges](#)

[BOR Business Procedures Manual Section 24 – Student Fees](#)

[Budget Office Calendar](#)

Firm Fixed Price (FFP) Residual Balances

Policy Book: Business & Finance

Type of Policy: Administrative

Review Date: Jan 2020

Policy Owner: Budget, Planning and Administration

Contact Name: Lisa Godfrey

Contact Title: Dir-Institute & Capital Plan Budget Mgt

Contact Email: lisa.godfrey@business.gatech.edu

Policy Statement:

Some grants and/or contracts awarded to the Institute are considered “firm fixed price” contracts. For these types of contracts, a unit will produce a product for a pre-set price. (Most other grants and contracts are based on reimbursement of actual expenditures.) If a product is delivered and not all the sponsor funds have been utilized, the department may request the remaining funds.

Procedures:

Procedures for obtaining FFP Residual Balances

1. Request documentation of FFP residual balance amount from Grants and Contracts.
Note: Units only receive the direct portion of the residual balance.
2. Obtain approval of funds transfer from Budget Office. This may be done via email. Please contact the Director of Budget Planning and Administration, copy to the Associate VP of Financial Services. Include Grants and Contracts documentation as an attachment.
3. Once approved, the Unit may include the new funding in the next monthly budget amendment.
4. The Budget Office will establish a unique project number for these funds and post the appropriate budget amount.
Note: The revenue generated by this transaction is unique. The BOR classifies these funds as either Indirect Cost Recoveries or Other Miscellaneous Income, depending on details of the transactions. Expenditures must be charged to the same fund as the revenue. Budget amendments to these projects are not allowed.

Indirect Research Support Allocation

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Aug 2016

Review Date: Aug 2019

Policy Owner: Budget, Planning and Administration

Contact Name: Lisa Godfrey

Contact Title: Dir-Institute & Capital Plan Budget Mgt

Contact Email: lisa.godfrey@business.gatech.edu

Policy Statement:

Georgia Tech allocates 30% of the Resident Instruction F&A (facilities and admin) indirect cost recoveries generated by academic units back to those units. This includes all colleges. Depending on actual performance, a unit may generate additional or reduced budget allocations each fiscal year. Incentive allocations are approved by executive staff, subject to availability of funds. The allocation is made to the college level (not the department level), and funds are distributed at the discretion of each dean.

Procedures:

Original Budget Allocation

Each academic unit's Original Budget for the next fiscal year contains an F&A base. This base is 30% of the Office of Grants and Contracts' revenue estimate for the current fiscal year as of March 30. The Institute Budget Planning and Administration Office provides estimates to the units of their allocations during the budget development process to permit them to plan their expenditures and budget accordingly.

Mid-Year Budget Allocation

Mid-year permanent budget allocations may be approved by executive staff based on changes to F&A recoveries during the fiscal year. If approved, the allocations will be based on the most current Office of Grants and Contracts' revenue estimates for current fiscal year.

Reconciliation

After the close of the fiscal year, the allocations will be re-computed based on actual earnings for the previous year. These funds will be distributed as permanent additional or reduced budget adjustments in the first budget amendment of the new fiscal year. This will make the units whole for recoveries from the prior fiscal year.

Mandatory Student Fee and Budget Review

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Jul 2019

Review Date: Jul 2022

Policy Owner: Institute Budget, Planning and Administration

Contact Name: Isabel Lynch

Contact Title: Budget Manager and Lead Analyst

Contact Email: isabel.lynch@business.gatech.edu

Reason for Policy:

All mandatory fees (defined below) are annually approved by the Board of Regents (BOR), upon the recommendation of the President of Georgia Tech. This policy implements the following Board of Regents policy pertaining to mandatory student fees: [Board of Regents Policy 7.3.2.1 – Mandatory Student Fees](#). The BOR policy requires that an advisory committee comprised of at least half students provide recommendations to the President on any new mandatory fee or any change to an existing mandatory fee.

Policy Statement:

The Georgia Institute of Technology Mandatory Student Fee Advisory Committee ("Committee") is created to implement the provisions of [Board of Regents Policy 7.3.2.1](#) and thereby to ensure student input on changes to

mandatory student fees. The Committee shall make recommendations to the President on changes to existing mandatory student fees or on any new mandatory fees. Fees considered by the Committee shall exclude elective fees that are paid by the students who choose to receive specific services. "Mandatory student fees" are defined in the Board of Regents' Policy manual as follows: "... fees that are assessed to all students, all undergraduate students, or all full-time undergraduate students on one or more campuses of a USG institution."

Committee Members

The Committee shall be composed of twelve voting members selected as follows:

- Eight students appointed by the Graduate and Undergraduate Presidents of the Student Government Associations (SGA);
- Two faculty members appointed by the Provost;
- The Executive Director, Institute Budget Planning and Administration (IBPA), or his/her appointee (permanent member of Committee);
- One additional staff member appointed by the Executive Vice President, Administration and Finance (EVP A&F).

The two faculty members and the second staff member shall serve two year terms. The Committee is co-chaired by one of the eight student members appointed by the SGA Presidents and by the Executive Director, IBPA or his/her appointee. The IBPA Office provides staff assistance to the Committee and submits the required documentation to the BOR in support of Georgia Tech's fee recommendations.

In addition, there shall be non-voting, ex officio members of the Committee as follows, *unless these individuals are appointed as part of the twelve voting members*. The ex-officio student Committee members shall be the Presidents of the Graduate and Undergraduate Student Government Associations, the Editor of The Technique, the Vice President for Finance and Chair of the Joint Finance Committee, and any other students appointed by the Student Government Association Presidents. Ex-officio faculty and staff Committee members shall be the Vice President for Student Life, the Vice President for Campus Services, and up to two faculty or staff appointed by the Provost or Executive Vice President, Administration and Finance. Ex-officio members may fully participate in all business of the Committee except that they shall not have voting privileges.

Fees Reviewed by Committee

Below are the fees for which the Committee provides recommendations to the President, along with the organizations that provide recommendations to the Committee:

- Technology Fee – Technology Fee Committee (for recommendations on total fee amount only and *not* on projects to be funded)
- Transportation Fee – Parking and Transportation Advisory Committee
- Student Health Fee – Student Health Advisory Committee
- Student Activity Fee – Student Government Association
- CRC (Campus Recreation Center) Operations Fee – CRC Advisory Committee
- Student Center Operations Fee – Student Center Advisory Board
- Athletic Fee – Georgia Tech Athletic Association
- Recreation Fee – covers debt service on Campus Recreation Center (fixed fee for term of lease on CRC).

In addition to input from the advisory organizations listed, the SGA is encouraged to solicit input on mandatory fees from students through other means, including surveys and town hall meetings. Excluded from the Committee's review are any "general purpose fees" approved by the BOR, as stated in BOR policy 7.3.2.1. Other offices or student organizations also may propose new fees to the Committee. It would be up to the Committee Co-Chairs and the SGA

presidents whether such proposals are to be considered.

Committee Operations

The Committee is responsible for reviewing proposals for rate changes to current mandatory student fees and any newly proposed mandatory fees, and to review budgets funded from the fees. Following its review and votes on the fees, the Committee provides its recommendations to the Georgia Tech president, who submits the requests to the Chancellor of the University System of Georgia for review and final consideration by the Board of Regents. The Georgia Tech president's recommendations to the Chancellor may differ from the Committee's recommendations.

The following guidelines shall govern voting by the MSFAC:

1. The Committee votes on all mandatory fees, whether changes are proposed or not, and on proposals to add any new fees or to reduce existing fees.
2. Where a staff Committee member works in a program funded through a fee, he or she must recuse him/herself from the vote on that particular fee.
3. When a Committee member is absent from a meeting, a substitute may be requested for that member, subject to approval of the co-chairs.
4. In no case shall the number of voting student members at a meeting fall below one-half of the total voting Committee members.

The Committee meeting schedule must provide recommendations to the President in sufficient time for submission of proposals to the Chancellor in accordance with the BOR calendar. Accordingly, the Committee should strive to complete its review and prepare a preliminary recommendation prior to the end of the fall semester. The staff chair will coordinate with BOR staff to ensure that fee recommendations are made on a timely basis. Submitting organizations are responsible for preparing the forms required by the BOR and by Georgia Tech to support fee submissions, with the assistance of the Office of Institute Budget Planning and Administration.

For each mandatory fee program the submission shall include the following documents for review by the Committee. These shall be available to the members in advance of committee meetings.

- Overview of the fee, including the following: (a) current and proposed fee levels, (b) the previous year's revenue generated, (c) the fee review/advisory organization, and (d) the current uses of the revenue'
- All required BOR forms, including the fee request form, financial data form, and detail of revenue projection'
- Presentation that includes the following:
 - Detailed description of services provided, including utilization data
 - Budget summary for the current and following fiscal year
 - Fee increase request, if appropriate, with a description of how the students will benefit from the increase and the impact if the increase is not approved
 - If there was a fee increase for the current year, how the new funding is being used, compared to the proposal to the prior year's Committee
 - How the program has either generated cost savings or additional revenue outside of the student fee and, if requested by the Committee, how the program would absorb a reduction in the student fee;
 - Evidence of students' satisfaction in the services provided by the unit.

Scope:

This policy applies to all schools, colleges, departments, and units of the Institute.

Related Information: [Board of Regents Policy 7.3.2.1 – Mandatory Student Fees](#)

Resource Allocation and Overall Budget Process

Policy Book: Business & Finance

Type of Policy: Administrative

Policy Owner: Budget, Planning and Administration

Contact Name: Jamie Fernandes

Contact Title: Executive Director

Contact Email: jamie.fernandes@business.gatech.edu

Policy Statement:

The President of Georgia Tech, within the constraints established by the Board of Regents, ultimately determines Georgia Tech's internal budget allocations within the constraints imposed by sponsoring organizations, donors, and the Board of Regents (BOR) of the University System of Georgia. Georgia Tech's internal budget process requires all campus units to develop requests on the basis of the Strategic Plan of Georgia Tech and their own strategic plans. Institute executive staff receive input from the college deans and directors of other units and also from committees that make recommendations on fees for the coming year.

The following factors enter into decisions about resource allocations to colleges and other units:

- Revenue projections, including the level of expected state funding and tuition and fee and other revenue
- Budget requests from the units
- Expected impact of requests on Georgia Tech's overall strategic plan and on individual unit plans
- Committee recommendations

The process begins in the fall with a review by executive staff and division heads of performance metrics that are to be used to help determine budget allocations. The process also involves the review of mandatory and elective fee increase requests from Auxiliary and other units funded through student fees and development of tuition recommendations to be provided to the BOR. Early in the calendar year units are required to prepare budget requests for the following fiscal year. Budget proposals address funding above base budgets and, if required, reallocations or reductions. Requests include the assignment of unit-wide priorities and an explanation of how the requests address their strategic plans. In most years the President's Office conducts meetings on unit budget priorities.

The attached flow chart summarizes the budget process, explained in more detail as follows.

Procedures:

Allocation Schedule

The process for determining resource allocations for the following fiscal year generally follows the following schedule:

- **July through January**
 - **Institute Planning Activities**

The Office of the President, which includes the Provost, Executive Vice President for Research, and the Executive Vice President for Administration and Finance, review the Institute's strategic plan and the related action plans and also review performance metrics of the Institute's academic and administrative units. The President establishes unit operating and capital budget request guidelines, Institute operating budget request priorities, capital plan guidelines, operating budget allocation policy and guidelines, and capital plan priorities.
 - **Unit Strategic Planning Activities**

Each Georgia Tech unit reviews its strategic plan, including strategies, objectives, and action plans accompanied by resource requirements. Also, each unit reviews its performance metrics from the previous fiscal year and projections for the current year, to be used in developing budget requests for the following year.

- Preliminary Central Budget Analysis

Offices of the Institute Planning and Resource Management (IPRM) team perform preliminary planning activities, including revenue estimates, preparation of fee and tuition recommendations, and determination of mandatory cost increases anticipated for the following fiscal year. The IPRM office coordinating this effort is the Office of Institute Budget Planning and Administration (IBPA, or “Budget Office”).
- Tuition and Fee Recommendations

The following four efforts proceed during the November through January time period related to tuition and fee review and approval:

 - IPRM staff prepare recommended graduate and undergraduate tuition recommendations on the basis of comparisons of Georgia Tech with its peer institutions. The primary office conducting this work is the Office of Institutional Research and Planning (IRP).
 - The Mandatory Student Fee Advisory Committee receives recommended fee changes from the following units partially funded through such these fees paid by all students: transportation, student activities, technology, student health, and athletics. The Committee recommends the fee levels to the President, who in turn recommends mandatory fees to the Board of Regents. See the separate policy describing this fee process, which is coordinated by the Budget Office.
 - Units that administer fees may recommend changes to these fees for the following year to the Budget Office for review. Except for the mandatory fees noted above, the President approves new fees or changes to existing fee levels. See the separate policy on non-mandatory fees.
 - Academic units may seek approval of tuition differentials for professional masters programs. These are submitted to the Budget Office for initial review and must be recommended by the President to the Board of Regents, which approves all tuition differentials. See the separate policy on tuition differentials.
- **January through March**
 - Central Budget Analysis Activities

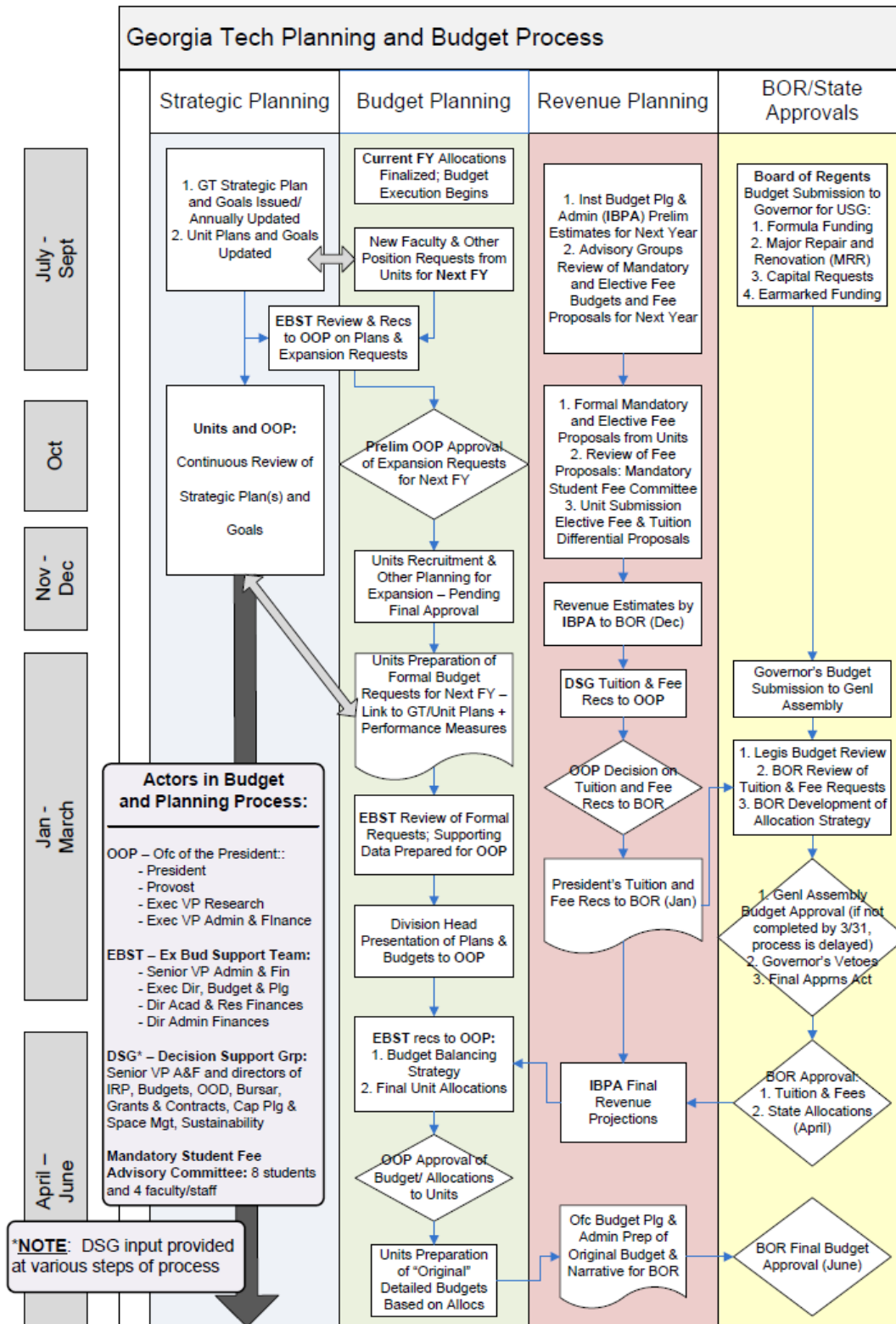
Preliminary allocation figures and detailed budget instructions, including salary administration guidelines, are distributed to units. Revenue and institutional expense estimates are updated on the basis of preliminary information from the Board of Regents and the status of the state appropriations act. The General Assembly is scheduled to complete the appropriations act by the end of March each year.
 - Budget Request Activities

College deans and other division heads prepare budget requests for the following fiscal year based on guidelines issued by the Budget Office. Requests must be linked to the Institute and unit strategic plans and must reference performance metrics to justify the requests. The requests could involve reallocation of existing resources or budget reduction plans, depending on the Institute’s expected budget status and the guidelines provided by the President. The Office of the President reviews the Institute budget situation with input from IPRM and holds budget meetings with the major division heads. The Office of the President establishes priorities for the Institute budget following consideration of unit requests and projections of resources available.
 - Preliminary Resource Allocation Decisions

The Office of the President determines preliminary allocations and/or budget reductions based on expected resource level information available at the end of March. These decisions are made on the basis of a review of the Georgia Tech Strategic Plan and previous and projected performance data such as student enrollment.
- **April and May**
 - Resource Allocation Activities
 - The Board of Regents is scheduled to approve the following at its April meeting:
 - Tuition rates
 - Mandatory fee rates (fees paid by all students such as student activities, student health, transportation, and athletics)

-
- Budget allocations to Georgia Tech on the basis of the approved appropriations act.
Budget letters with allocations and guidelines are issued to the campus units by IBPA per instructions from the Office of the President. These include pay raise guidelines based on the Legislature's and the Board of Regents' guidelines.
 - Detailed Budget Preparation
Campus units prepare detailed "Original Budgets" within the resource allocation and pay raise guidelines. The tool used for this preparation is the Internet Budgeting Solution (IBS).
 - **May and June**
 - Final Budget Activities
The individual unit budgets are reviewed and incorporated into the Institute's budget. This final Original Budget is sent to the Board of Regents.
 - Establishing and Executing Approved Original Budget
The Budget Office works with campus units to establish final budgets for implementation in the new fiscal year.

Attachment to Resource Allocation Policy



Related Documents: [ResourceAllocationPolicy_0.pdf](#)

Hidden Policy Images: [Georgia Tech Planning and Budget Process.png](#)

Tuition Differentials & Studies Abroad Revenue

Policy Book: Business & Finance

Type of Policy: Administrative

Policy Owner: Budget, Planning and Administration

Contact Name: Lisa Godfrey

Contact Title: Dir-Institute & Capital Plan Budget Mgt

Contact Email: lisa.godfrey@business.gatech.edu

Reason for Policy:

Units have the option to budget estimated Tuition Differentials and Study Abroad Program revenues for the current fiscal year in September. This allows use of funds before the actual revenues for Fall and Spring are known.

Policy Statement:

- Departments are allowed to “pre-budget” **up to but not exceeding the total actual revenue earned in the prior fiscal year**. Actuals information is provided by the Bursar’s Office. The 5% administrative overhead retained by the Institute should not be included in the department’s budget. It is the responsibility of units to submit a budget amendment in September to receive their early allocations.
- The Bursar’s Office will report to units the actual Fall and Spring differentials and studies abroad revenue earned. Fall totals will be reported no later than the first work day of December, and Spring totals no later than the first work day of May. Units will be required to adjust any pre-budgeted September amount to the actual differentials/study abroad revenues earned in the current fiscal year. For departments that chose not to take advantage of the “pre-budget” opportunity in September, the current year actual revenue amount must all be budgeted no later than the May budget amendment. Board of Regents policy requires that available allocations **must be expended during the same fiscal year that the revenues are earned**.
 - When students are enrolled in dual degree programs with differentials, both programs will receive a portion of the total differential paid. The distribution is determined by the ratio of differentials to each other between two programs. A template for calculating the split of such differentials is available on the [Budget Office website](#) (See **Appendix A** for a sample).
 - Summer semester revenues: Units receive 60% of the upcoming summer revenue in the current fiscal year. The remaining 40% will be budgeted for the following fiscal year. This split coincides with requirements for reporting Summer tuition & fees from all sources to the Board of Regents. If desired, a carry-forward of the current year’s 60% may be requested via e-mail to the unit’s assigned budget analyst, no later than May 31. For purposes of estimating the 60%, the maximum allowed carry-forward is 60% of the PRIOR summer’s revenue. A ‘true up’ opportunity is provided in the next fiscal year after Summer semester ends and information about actual revenue earned is provided by the Bursar’s Office in September (See **Appendix B** for an example of budgeting adjustments).

Units should contact their assigned analysts with any questions or concerns regarding the procedure. To look up the contact information for the analyst assigned to a division/department, go to "[Institute Budget Planning & Administration Staff](#)" and click on the link “Budget Analyst Assignments” below the list of Budget Development & Management staff.

Procedures:

Appendix A

Example of Method for Allocating Differential When a Student Is In Two (or More) Differential Programs

Student is charged highest tuition rate based on programs in which the student is enrolled. The differential is then split between the programs based on ratio between the differentials in play.

Enter Data Into Blue Cells

	FY11 GT Base Tuition	Program A Tuition	Program A Differential	Program B Tuition	Program B Differential	Differential Charged To Student (Highest Differential)	Program A Differential Allocation (Per Student)	Program B Differential Allocation (Per Student)	# of Students	Extended Program A Differential Allocation	Extended Program B Differential Allocation
Resident	\$ 4,318	\$ 7,044	\$ 2,726	\$ 11,000	\$ 6,682	\$ 6,682	\$ 1,936	\$ 4,746	\$ 2	\$ 3,872	\$ 9,492
Non-Resident	\$ 13,102	\$ 18,372	\$ 5,270	\$ 16,856	\$ 3,754	\$ 5,270	\$ 3,078	\$ 2,192	\$ 1	\$ 3,078	\$ 2,192

Appendix B: Differentials budgeting example FY13

Example Using FY13 as "Current Year" and FY12 as "Prior Year"	
Actuals, Prior Fiscal Year	
Summer 2011 40%	28,000
Fall 2011	103,500
Spring 2012	98,325
Summer 2012 60%	42,600
MAXIMUM Amount that can be "pre-budgeted" in September of current FY:	272,425
Actuals for Current Year per Bursar's reports:	
Summer 2012 40%	28,840
Fall 2012	106,605
Spring 2013	101,275
Carry-forward of Summer 2012 60% (if requested in prior year)	42,600
Total Current Year Actuals as of May	279,320
True-up" of budget required after May 2013 report from Bursar	
Pre-budgeted	272,425
Actuals current year	279,320
Adjust budget (Current year Actuals - pre-budgeted)	6,895

In this example, the Actuals for current year are provided by the Bursar's Office by the first working day of:

September 2012: Summer 2012 report
December 2012: Fall 2012 report
May 2013: Spring 2013 report

(September 2013: Summer 2013 report)

Forms:

[Example of Method for Allocating Differential When a Student Is In Two \(or More\) Differential Programs.pdf](#)
[Differentials budgeting example FY13.pdf](#)

Hidden Policy Images:

[Example of Method for Allocating Differential When a Student Is In Two \(or More\) Differential Programs_0_0.jpg](#)
[Differentials budgeting example FY13_0.jpg](#)

Year-End Deficits and Division Carry Forwards

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2015

Review Date: Apr 2023

Policy Owner: Institute Budget, Planning and Administration

Contact Name: Lisa Godfrey

Contact Title: Dir-Institute & Capital Plan Budget Mgt

Contact Email: lisa.godfrey@business.gatech.edu

Reason for Policy:

This policy establishes procedures for handling year-end deficits or surpluses incurred by Georgia Tech divisions. The policy pertains to Resident Instruction General Operations funds budgeted in the following fund numbers: 10010 (State Appropriations), 10015 (Indirect Cost Recovery), 10500 (Tuition), and 10600 (Other General).

Policy Statement:**General Operations Funds**

At the beginning of each fiscal year, an expense budget is established for General Operations funded projects. These budgets are funded by the following revenue streams: State Appropriations, Indirect Cost Recoveries, Tuition, and Other General. During the year the Institute may allocate additional budget authority to units, depending on need and funding availability. At year end budgets should equal expenditures plus encumbrances (total expenses). When a college or other division's spending exceeds or is less than the final amended budget, either an adjustment must be made to balance the total Institute budget or a documented carry forward plan must be in place.

Departmental Sales Funds

Please refer to the DSS policy for DSS carry forward requirements and request forms;

<http://www.policylibrary.gatech.edu/business-finance/departmental-sales-and-services-dss>

Operating Deficits

Audit guidelines state that Institutions shall not overspend their Board of Regents approved budget authority, nor will expenses exceed revenues. When budgets are overspent or expenses exceed revenues, an operating deficit is created. Before the fiscal year can be closed, the operating deficits must be corrected. To help facilitate more effective management of the Institute's budget as a whole, divisions will be responsible for any year end deficits that are not previously approved by the administration.

Surplus

A division may request the return of surplus funds at year-end for use in the next fiscal year, often referred to as a "carry forward of funds." To meet the needs of the division, the Office of Institute Budget Planning and Administration ("Budget Office") must manage the carry forward in the year of close and in the following year as well. Because of the restrictive state rules governing carrying forward funds and year-end closing, surplus/carry forward arrangements must

be documented and reviewed to ensure proper accounting and budgeting methods have been followed. This policy establishes carry forward guidelines to ensure that all requirements are met.

Procedures:**Rules and Guidelines****Division Deficits**

If, during the fiscal year, a division becomes aware of a deficit situation, the Budget Office should be notified by the division head or chief division budget director as soon as possible. The Assistant Vice President, Institute Budget Planning and Administration will inform the administration of the situation. In some cases, operating deficits may be allowed by the administration due to special circumstances. After the fiscal year closes, the Budget Office will conduct an analysis of budget to actual total expenses. If any division has an unapproved net operating deficit, the division's current fiscal year budget will be reduced on a one-time basis by the year-end deficit amount in the first budget amendment or an approved re-payment plan will be established.

Division Carry Forwards

If a surplus or excess budget is anticipated for year end, and the college or other division would like those funds returned in the next fiscal year, an online request form must be completed (<http://status.budgets.gatech.edu/CarryForward/Index>) on or before April 15th (or the next business day if the 15th falls on a weekend). In the request, the division should explain:

- the explanation of the source of funding
- the projected amount to be carried forward
- an explanation of why the funds will be available, and
- the purpose for which those funds will be used in the next fiscal year.

These will be reviewed by the Assistant Vice President, Institute Budget Planning and Administration, and where appropriate, by executive staff with a final decision to be communicated to the division by May 15th. Requests submitted by individual departments, programs, centers, or schools will not be accepted except for tuition differential or studies abroad 60/40 split of summer semester revenues.

If, prior to June 1st, the division's estimate of the year-end surplus changes, the Carry Forward Request Editing form (<http://status.budgets.gatech.edu/CarryForward/Index>) must be used to update the request and notify the Budget Office. No revisions to carry forward requests will be accepted after May 31st.

The division should keep in mind that expenses funded from carry forward funds are subject to audit. Documentation should be kept to verify that purchases were in accordance with the purpose originally stated.

Approval is subject to the Institute's generation of an overall surplus of at least the approved amount. These are one-time funds that will not be built into the unit's permanent base budget. If the unit's net year-end balance for General Operations is less than the amount requested, only the year-end balance may be budgeted in the upcoming fiscal year. If the net year-end balance exceeds the amount requested, the maximum amount approved per the request may be budgeted in the upcoming fiscal year. The Budget Office will verify final carry-forward amounts with the units in the first budget amendment of the new fiscal year.

Form Links: [Request to Utilize Year-End Fund Balances](#)

Policy History:

Revision Date	Author	Description
April 2015	Budget Office	Clarification of language/added link

Revision Date	Author	Description
		to online form

Equipment Management

General Information

Policy No: 7.1

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Sep 2016

Review Date: Sep 2022

Policy Owner: Property Control

Contact Name: Frederick Trotter

Contact Title: Director of Insurance & Assets

Contact Email: Frederick.trotter@business.gatech.edu

Reason for Policy:

This procedure provides general information regarding the function and responsibilities for asset management of the Institute. Management of assets is administered by the Property Control Department of the Procurement & Business Services unit.

Policy Statement:

The State of Georgia General Statutes requires the Institute to be accountable for all equipment under its control. The Institute must also comply with the provisions of the Approval of Management, Budget Circulars A-21, Revised, SAS 112 (Federal Audit Guidelines) and A-110 to assure proper reimbursement of federally funded research and training projects.

The maintenance of a perpetual inventory of equipment is necessary to achieve correct financial reporting for the institution, to provide the basis for suitable insurance coverage, and to assist departments in accountability for their equipment.

Procedures:

Threshold Requirements

In accordance with state & Board of Regents guidelines, the current threshold for which an inventory of an asset is maintained is \$3000 with a life expectancy of one or more years. Items which do not meet the current threshold may be maintained on the inventory if, in the judgment of those responsible, is essential to meet contractual requirements, or to effect proper management of small and/or unique groups of movable personal property. The following items, are required to be inventory controlled without regard to the \$3000 minimum cost:

1. Books and periodicals (Total dollar value is capitalized each year)
2. Firearms
3. Vehicles

Property Control Department responsibilities:

1. To be accountable for all equipment under its control as mandated by state and federal regulations. Property Coordinators must complete the "Asset Management For Property Coordinators" training provided by the Property Control Department.

2. To provide internal control of capital assets, including proof of existence, ownership, location and proper valuation.
3. To provide uniform procedures for furnishing information needed for effective analysis and control of capital expenditures.
4. To provide a database of inventory information to meet equipment management/reporting needs of the Institute.

Unit Head Responsibilities

Colleges/departments have an important role in the maintenance of an accurate, up-to-date inventory system. The custodianship of property purchased by or assigned to a unit is the responsibility of the unit head. The responsibility includes ensuring that the physical security is maintained over all property; tagging items valued at \$3000 or more; preparing property reports as required; and documenting and reporting all acquisitions, disposals and changes in the status of unit equipment. Fulfillment of these responsibilities on behalf of the unit head may be delegated, but the ultimate responsibility remains with the unit head. Adherence to the following guidelines helps to ensure that departmental inventory records are as accurate and complete as possible.

1. Correct coding of purchase requisitions and purchase orders. Most of the data recorded in the perpetual inventory is taken directly from check vouchers, which have been coded with an equipment account code. Correct coding by departments/units during purchase requisition avoids unnecessary and time consuming corrections after receipt of the equipment.
2. Proper coding of capital asset expenditures. Equipment purchases must be coded with a 714400, 743XXX, 744XXX, 841XXX, 843XXX expenditure account code. Use of an account code other than these increases the possibility that the asset will be omitted from the inventory records.

Benefits of Inventory Systems

The perpetual inventory system provides University colleges/departments with the following key benefits:

1. Equipment control and accountability through a comprehensive campus-wide inventory system.
2. Improved equipment utilization through control and identification of capital assets.
3. Database to meet University, state and federal grant, and audit requirements.
4. Database to meet requirements of proper risk management and provide basis for identifying equipment for the State's self-insurance program.
5. Basis for management to project and budget future capital replacement requirements.

Procedures

The vast majority of capital asset acquisitions are generated by purchase requisition. Colleges/departments authorize equipment purchases by initiating purchase requisitions through the Purchasing Department.

When the equipment is received, the Unit's Equipment/Property Coordinator enters into the web page the pertinent physical asset information including the "Tag Number".

The asset accounting records are selected from the General Ledger based on the account number and interfaces to the Asset Management staging table. In this table, the Property Control Department reviews the posting records and deletes any record that is not an asset transaction. The Property Control Department makes any corrections/changes/adjustment to an asset record to accurately reflect the description, cost and other pertinent accounting information. Assets, including Federal Surplus items, are recorded at actual cost.

The Property Control Department matches the tag information entered on-line by the self-tagging department to the interface record to complete the asset information. The web data is easily loaded into Asset Management System thus reducing redundant data entry. A report of untagged items is extracted. If a matching record is not found, the Property Control Department will notify the Unit via e-mail. The Unit will have 5-days to enter the asset information into the Asset Management System. The cycle is repeated again to match newly entered information.

The Property Control Department is responsible for record retention and ensuring that all taggable assets are identified through internal controls.

Policy History:

Revision Date	Author	Description
08-2013	Property Control	Update to policy

Disposal of Property**Policy No:** 7.9**Policy Book:** Business & Finance**Type of Policy:** Administrative**Last Revised:** Aug 2013**Review Date:** Aug 2020**Policy Owner:** Property Control**Contact Name:** Frederick Trotter**Contact Title:** Director of Insurance & Assets**Contact Email:** frederick.trotter@business.gatech.edu**Reason for Policy:**

This procedure explains how Georgia Tech equipment is retired by the Property Control and Logistics (Surplus) Departments

Policy Statement:**Non-Inventoried Supplies and Materials**

All supplies, materials and equipment, regardless of value purchased through the Institute is the property of the state, federal government, or private grantor agency. As such, it cannot be sold, surplused, or transferred from Georgia Tech without the prior written approval of the appropriate federal sponsoring agency and/or the Institute Logistics (Surplus) Property Officer. Property that is considered valueless may be disposed of by cannibalization, recycling, or waste disposal provided an Affidavit of Disposal is obtained by the Institute's Logistics (Surplus) Property Officer prior to disposal.

Building maintenance, repair and operation items are not required to have an Affidavit of Disposal. They may be disposed of by cannibalization, recycling or waste disposal if, in the judgment of the installing mechanic and/or his superior, that the economic value is such that transporting and storage of the property is not practical.

Inventoried Equipment and Materials

Equipment, inventoried, with a value of \$3,000 or more purchased through the Institute is the property of the state, federal government, or private grantor agency. As such, it cannot be sold, surplused, or transferred from Georgia Tech without the prior written approval of the appropriate federal sponsoring agency and/or the Institute Logistics (Surplus) Property Officer.

Non-Inventoried Equipment and Materials

Equipment, with a value less than \$3,000 is the property of the state, federal government, or private grantor agency. As such, it cannot be sold, surplused, or transferred from Georgia Tech without the prior written approval of the appropriate federal sponsoring agency and/or the Institute Logistics (Surplus) Property Officer. For non-inventoried equipment, departments can utilize the Non-Inventory Property Surplus Report form. A Non-Inventory Property Surplus Report Form may be obtained by downloading it from the following site:

<http://www.procurement.gatech.edu/logistics>

Instructions for completion of the form:

All necessary information must be entered on the Non-Inventory Property Surplus Report Form. This will include:

1. Your name and phone number or the designee's name and phone number
2. The department's unit number and name
3. Today's date
4. Completion of all applicable fields in the tabled area:
 - a) Quantity - like items can be combined (i.e. desks, chairs, printers and even computers), if they are non-inventoried items. Please make sure that you validate equipment that still have an asset tag (i.e. RFID tag with black and white Georgia Tech Campanile logo) before grouping them with other equipment. If you inform Property Control that an asset is still showing "In Service" in your inventory and was a part of a previous surplus request in as a grouped item, Property Control will advise you to mark the asset missing because it does not have a proper audit trail for the asset record.
 - b) Description – give an adequate description for the item(s)
 - c) Model Number- optional field
 - d) Serial Number – optional field
 - e) Current location and room number for asset
 - f) State the condition of the asset(s)
5. Submit a copy of the completed form to Logistics via email or fax as indicated on form.

Requirements for Data Security

To comply with [Georgia Tech's data security policies](#)

and the State of Georgia 's Electronic Scrap Disposal Policy. (See Chapter 15: Electronics Disposal in the [Georgia Surplus Property Manual](#).)

Surplused computers (PCs/CPU's) will have their hard drives removed and shredded. Logistics (Surplus) will formulate and issue instructions on pick up procedures to comply with these requirements. (effective 07/01/06)

Exempt Property

Under the authority of OMB Circular A-110 "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" and the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), equipment purchased using federal grant/contract funds by Georgia Institute of Technology is considered to be "exempt" property. Based on these regulations, should a Federal awarding agency not establish conditions, title to exempt property upon acquisition vests with the Institute without further obligation to the Federal Government.

A-110 "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations"

OMB Circular ____ Definitions Section

(n) Exempt property means tangible personal property acquired in whole or in part with Federal funds, where the Federal awarding agency has statutory authority to vest title in the recipient without further obligation to the Federal Government. An example of exempt property authority is contained in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), for property acquired under an award to conduct basic or applied research by a non-profit institution of higher education or non-profit organization whose principal purpose is conducting scientific research.

____ Property Standards Section .33 "Federally owned and exempt property"

(b) Exempt property . When statutory authority exists, the Federal awarding agency has the option to vest title to property acquired with Federal funds in the recipient without further obligation to the Federal Government and under conditions the Federal awarding agency considers appropriate. Such property is "exempt property." Should a Federal awarding agency not establish conditions, title to exempt property upon acquisition shall vest in the recipient without further obligation to the Federal Government.

Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306)

____ § 6306. Authority to vest title in tangible personal property for research

The head of an executive agency may vest title in tangible personal property in a nonprofit institution of higher education or in a nonprofit organization whose primary purpose is conducting scientific research—

1. when the property is bought with amounts provided under a procurement contract, grant agreement, or

- cooperative agreement with the institution or organization to conduct basic or applied scientific research;
2. when the head of the agency decides the vesting furthers the objectives of the agency;
 3. without further obligation to the United States Government; and
 4. under conditions the head of the agency considers appropriate.

Procedures:

The Asset Management System is used to report surplus items to the Logistics Department Department/Procurement & Business Services. A disposal is considered to be the removal of equipment from the custody and accountability of Georgia Tech.

If a college/department “disposes” of equipment by providing it for the use of another university or State Agency, this activity is considered to be a transfer, rather than a disposal, of the equipment. Please refer to "[equipment transfer within georgia tech](#)" for information regarding the transfer of equipment.

Policy History:

Revision Date	Author	Description
08-2013	Property Control	Update to policy

Equipment Transfer (within Georgia Tech)

Policy No: 7.2

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Aug 2016

Review Date: Aug 2020

Policy Owner: Property Control

Contact Name: Frederick Trotter

Contact Title: Dir. of Insurance & Assets

Contact Email: frederick.trotter@business.gatech.edu

Reason for Policy:

This section explains the procedures for updating the Asset Management System when equipment (asset) is transferred from one Institute department to another.

Policy Statement:

Asset movement must be recorded on the Institute's Asset Management System when there is a permanent change in the asset location or physical custody (e.g., from one department to another). If the asset is temporarily loaned or relocated and the intention is to reclaim the item in the near future, the asset record need not be changed.

Equipment Transfer Request Procedures:

Moving ownership of an asset from one department to another is a semi-manual process. The department currently assigned the asset should request that the asset be transferred via the Asset Management System. An email is generated to the sending unit, the receiving unit and the Property Control Department. When the email is received, the Property Control Department will obtain approval from the receiving department. Once approval is obtained from the receiving department, Property Control will complete the transfer process and notify all parties that the transfer has been completed. The receiving department will be instructed to update the asset to the new location.

Please Note: This request process is not used for transfer of equipment to another State Agency or the disposal of equipment to the Department of Administrative Services' Surplus Division.

Policy History:

Revision Date	Author	Description
08-2013	Property Control	Update to policy

Fabrication of Property**Policy No:** 7.5**Policy Book:** Business & Finance**Type of Policy:** Administrative**Last Revised:** Jun 2008**Review Date:** Sep 2020**Policy Owner:** Property Control**Contact Name:** Frederick Trotter**Contact Title:** Dir. of Insurance & Assets**Contact Email:** frederick.trotter@business.gatech.edu**Reason for Policy:**

This procedure outlines the accounting process for fabricated equipment.

Policy Terms:**Fabricated equipment**

any piece of equipment with a value of \$3,000 or greater, and with a useful life of at least one year, which has been assembled from parts purchased with supply or non-inventory equipment accounts (714***). All Georgia Tech equipment that is assembled from parts which were not purchased under an equipment account code must be properly recorded as inventoried equipment (account range 743*** and value of \$3,000 to \$4,999.99) or capitalized equipment (account range 84**** and value exceeding \$5,000.00) once completed.

Procedures:

A Fabricated Property Report must be completed when a piece of equipment is fabricated. This form, its supporting purchasing documentation, and cost transfer form should be prepared and submitted to the Property Control Department at mail code 0303 as soon as a determination is made that the item is a piece of equipment and the department property coordinator has tagged it. The Property Control Department will review and forward the approved documents to the Grants & Contracts Office. They will record accounting changes necessary to classify expense items as equipment which will feed into the Asset Management System.

Instructions for completion of the form:

1. Enter the scientific name of the equipment, if applicable. Enter the common name of the equipment. Enter which name should be placed in the description field of the inventory records. This is the name, which will appear on equipment reports to the department.
2. Check if the title to the equipment belongs to the state or another agency.
3. Enter the name and telephone number of the equipment custodian for the department.
4. Enter the various cost components of the equipment. This includes materials purchased, external labor costs, transportation and any other costs involved. Enter the total cost.
5. Check whether the above cost are for a new item of equipment or is added value (upgrade) to an existing item of equipment.
6. Enter Georgia Tech asset tag number of existing equipment if item is an upgrade.
7. If federal funds were involved in the construction of the equipment, the amount MUST be identified along with

the sponsoring agency.

8. Enter the name of the building, the room number and the department, which has physical custody of the equipment.
9. The form must be signed and dated by the PI/Custodian and the Department Head or his/her designee. Also enter the phone number of the Department Head or designee.
10. Mail completed form to Property Control at Mail Code 0303.
11. The property coordinator should tag the equipment and enter the required information into the Asset Management System.

Form Links: [A Fabricated Property Report Form may be obtained by downloading it from here.](#)

Gift of Property

Policy No: 7.8

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Aug 2016

Review Date: Aug 2019

Policy Owner: Property Control

Contact Name: Tom Provancher

Contact Title: Director of Insurance, Claims & Property Control

Contact Email: tom.provancher@business.gatech.edu

Reason for Policy:

This procedure outlines the accounting for gifts of equipment to Georgia Tech.

Policy Statement:

Equipment received as a gift by Georgia Tech becomes the property of the Georgia Tech/Board of Regents. As such, it cannot be sold, surplus, or transferred outside the Board of Regents, without the prior written approval of the Georgia Tech Surplus Property Manager (Logistics Department).

Procedures:

1. Contact Gift Accounting in the Georgia Tech Office of Development to notify them of the proposed gift. They will guide you through the process to receive the gift. Be aware that they will want to know the nature of the gift, the appraised value of the gift, and any written conditions or provisions, which the donor is attaching to the gift.
2. The Office of Development will notify the Property Control Department when Georgia Tech officially accepts the gift.
3. Once officially accepted, the Property Coordinator for the receiving unit should tag the equipment item and enter the required information into the Asset Management System. To obtain training on the use of the Asset Management System, please register for classes at www.training.gatech.edu.

Policy History:

Revision Date	Author	Description
08-2016	Insurance and Claims	Content Update
08-2013	Property Control	Update to policy

Home or Off-campus Use of Property

Policy No: 7.4

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Aug 2016

Review Date: Aug 2020

Policy Owner: Property Control

Contact Name: Frederick Trotter

Contact Title: Dir. of Insurance & Assets

Contact Email: frederick.trotter@business.gatech.edu

Reason for Policy:

This procedure outlines the steps that should be followed to use equipment off campus at a remote site or an employee's home.

Policy Statement:

Equipment owned/managed by the Institute may be used at a remote site or at home by Georgia Tech faculty/staff employees, provided the following criteria are met:

1. The equipment is used only for Georgia Tech business.
2. Use of the equipment off site or at home will not interfere with the operational needs of the college/department.
3. Home use is approved by the appropriate Dean/Director/Department Head.

Procedures:

Individuals who receive college/department approval to temporarily remove equipment from the campus must complete an Equipment Loan Agreement Form.

Instructions for completion of the form:

1. Print name of person using the equipment.
2. Enter the location (address) where the equipment will be used.
3. Enter the reason for using the equipment off campus.
4. Enter Georgia Tech tag number.
5. Enter a short description of the asset, including serial number, model and replacement cost.
6. Sign Form and enter telephone number.
7. Enter Employee ID Number.
8. Print Department Name and have Dean/Director/Department Head sign and date form. The form should be retained in the unit for audit and insurance recovery purposes. Unit staff should contact Georgia Tech Insurance & Claims Mgt. (4-3483) to obtain information on how to insure the property off site.
9. The Unit Head or his designee (Property Coordinator) must update the Asset Management System to indicate that the equipment item(s) with a Georgia Tech asset tag is now off-site.
10. When the equipment is returned to campus, the Unit Head or his designee (Property Coordinator) must update the Asset Management System to indicate that the equipment item(s) with a Georgia Tech asset tag is no longer off-site.

Form Links:

[Equipment Loan Agreement Form can be downloaded from here.](#)

([Training for use of the Asset Management System can be by registering for class here](#))

Related Information: [Training for use of the Asset Management System can be obtained by registering for class here.](#)

Policy History:

Revision Date	Author	Description
08-2013	Property Control	Update to policy

Stolen Property

Policy No: 7.7

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Aug 2016

Review Date: Aug 2020

Policy Owner: Property Control

Contact Name: Frederick Trotter

Contact Title: Dir. of Insurance & Assets

Contact Email: frederick.trotter@business.gatech.edu

Reason for Policy:

This procedure outlines the steps to take to remove a stolen item from the Institute's inventory.

Policy Statement:

All Georgia Tech equipment, which is stolen, must be reported to the campus police, Georgia Tech Insurance & Claims Management and the Property Control Department (for removal from the Asset Management System).

Procedures:

If a department has an equipment theft, the property coordinator should contact the campus police at ext. 4-2500 to obtain a report of the incident prepared by an officer. The property coordinator should also log onto the Asset Management System and mark the department status as stolen on the Disposal Worksheet, enter the GTPD Incident # in the GT Info 1 field of the BASIC ADD page, and save the record. The Property Control Department will retire equipment upon receipt of the GTPD incident report. No further action is required by the department.

The Incident Report filed with the police department must contain the following information:

1. GA Tech asset tag number of the equipment.
2. Serial number and model number of the equipment.
3. Contact person and telephone number.
4. Location (building name and room number of equipment).

Policy History:

Revision Date	Author	Description
08-2016	Insurance and Claims	Minor content revision
08-2013	Property Control	Update to policy

Trade-in of Property

Policy No: 7.6

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Aug 2013

Review Date: Aug 2020

Policy Owner: Property Control

Contact Name: Frederick Trotter

Contact Title: Dir. of Insurance & Assets

Contact Email: frederick.trotter@business.gatech.edu

Reason for Policy:

This procedure outlines the process for accounting for equipment trade ins.

Policy Statement:

All Georgia Tech equipment traded in must be deleted from the Asset Management System, and the replacement item must be valued correctly within the system. To accomplish this, follow the procedure outlined below.

Procedures:

A Trade-In Authorization Request, must be completed and forwarded to Purchasing at Mail Code 0300 when a piece of equipment is to be traded in. (Note: If a computer upgrade involves sending the existing Computer Central Processing Unit back to the vendor in exchange for another Central Processing Unit, this IS considered a trade-in.) Purchasing will forward a copy of the form to Property Control for approval. Once approved, the form will be returned to Purchasing, and a Purchase Order will be issued to the selected vendor. No further action is required by the requesting department except to coordinate the transfer of the old item and the receipt of the new item.

Instructions for completion of the form:

1. Enter the name of the department initiating the trade-in.
2. Enter the Georgia Tech asset tag number of the equipment.
3. Enter a short description of the equipment, the serial number and the model number.
4. Enter the condition of the equipment.
5. Enter the acquisition date and original cost of the equipment, if known.
6. Enter the amount the vendor is deducting from the cost of the new equipment for the equipment traded in.
7. Enter a short description of the equipment being purchased, and the price of the new equipment.
8. Enter the Document Number and Account Number used for the purchase of the new equipment.
9. The form must be signed and dated by the Department Head or his/her designee. Also enter the Department requesting the trade-in.
10. Mail the completed form to Purchasing at Mail Code 0300.

Form Links: [A Trade-In Authorization Form may be obtained by downloading it from here.](#)

Policy History:

Revision Date	Author	Description
08-2013	Property Control	Update to policy

Transfer Property (to entities outside GT)

Policy No: 7.3

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Jul 2016

Review Date: Aug 2020

Policy Owner: Property Control

Contact Name: Frederick Trotter

Contact Title: Director of Insurance & Assets

Contact Email: frederick.trotter@business.gatech.edu

Reason for Policy:

This procedure explains how to transfer Georgia Tech equipment to other State Agencies.

Policy Statement:

Equipment, which is the property of the state, cannot be given away to an individual under any circumstances. It may not be sold or transferred to an entity outside the Board of Regents for the University System of Georgia without the prior written approval of the State Surplus Property Officer.

Procedures:

If a department has an item to transfer to another state agency, the property coordinator should log onto the Asset Management System and mark the department status as Requested Transfer outside Georgia Tech, save the record and then follow the procedure listed below to complete the transfer.

1. Submit a written request to the Manager of the Property Control Department, Mail Code 0303 or via email; am.ask@business.gatech.edu.
2. The request should describe the equipment, list the tag number and model number and the location (building and room number) of the equipment.
3. The request should state name of state agency to receive the equipment.
4. The request must be approved by the Department Head or his/her designee.

When a request is received that includes all the information noted above, the Manager of the Property Control Department will coordinate with others at the Institute and the state Department of Administrative Services (DOAS) to facilitate the transfer. Note that approval/contact is required with others at the Institute, DOAS, and the receiving state agency to complete this process. Some time will be required to get all the approvals needed. Once the proper form/authorizations are received from all parties, the transferring department will receive written authorization from the Property Control Department to complete the transfer.

Policy History:

Revision Date	Author	Description
July 2016	Insurance, Claims, Property Control	Minor edits
08-2013	Property Control	Update to policy

Foundation Funds

Gifts

Distinction Between Gifts and Sponsored Activities

Policy No: 11.1.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 1999

Last Revised: Oct 2012

Review Date: Oct 2019

Policy Owner: Georgia Tech Foundation

Contact Name: Mark Long

Contact Title: GTF Controller

Contact Email: mark.long@gtf.gatech.edu

Reason for Policy:

Contributions to GIT must be distinguished from private support, which creates a contractual obligation on the part of the Institute. Generally, funds received for the benefit of the Institute may be classified as "Gifts", "Grants and Sponsored Agreements" or "Contracts" as described below.

Procedures:

Gifts

Gifts represent contributions made for which the provider receives no direct benefit and requires nothing in exchange beyond a general assurance that the intent of the contribution be honored. Contributions which are considered "Gifts" should be made to Georgia Tech Foundation, Inc. and accepted and processed as provided for in this document. The following guidelines are to be used to determine if a proposal will result in a "Gift" to the Institute: Key indicators include:

- No contractual requirements are imposed
- The award is irrevocable
- No period of performance is specified
- No formal financial reporting to donor is required
- No requirement to return unexpended funds
- Funds are donative in nature and bestowed voluntarily without expectation

Grants and Sponsored Agreements

Grants and Sponsored Agreements Accepted by Georgia Tech Foundation

Grants and Sponsored Agreements represent awards that have a defined activity to be undertaken with the support provided, with an outcome that either directly benefits the provider or a public purpose. Grants and Sponsored Agreements, or contributions made for a specific project of the Institute, may be received and accepted by GTF if:

1. the grant agreement names GTF as grantee, and
2. the obligations of the Foundation under the grant agreement are limited to
 - expenditure of the funds for the described purpose at the request of GIT, and
 - reporting on the expenditure of funds to the donor, but not the status or progress of any project.

GIT procedures require that Grants and Sponsored Agreements awarded to GTF be administered by Grants and Contracts Accounting (or GTRI Accounting for awards to units of GTRI) in the same manner as other sponsored projects. GTF will not accept funds sponsored directly or indirectly by the Federal Government.

Grants and Sponsored Agreements Accepted by Georgia Institute of Technology

If the Grant or Sponsored Agreement is sponsored directly or indirectly by the Federal Government, requires cost-sharing, or requires support in excess of the grant amount, the Grant or Sponsored Agreement must be awarded to Georgia Institute of Technology (GIT) and administered by the Office of Contract Administration. The following guidelines will determine whether a proposal would result in a Grant or Sponsored Agreement to GIT:

- The award carries terms on the use of funds
- The sponsor may retain authority to withhold funds pending satisfactory completion of project objectives
- Unused funds must be returned to the grantor unless waived, in writing, by the sponsor
- Formal financial accounting may be required
- Periodic payments may be made by the sponsor
- Generally, subject to specific restrictions and contingencies

Contracts and Other Agreements with Special Term and conditions.

The acceptance of funds under circumstances which entitle the sponsor to deliverables and/or intellectual property rights, or under which anything of value is conveyed to the sponsor, will create a "Contract" which must be processed through the Office of Contract Administration. **Contracts can not be processed through the Georgia Tech Foundation.** The operating procedures of the Office of Contract Administration include features designed to address these requirements, and assure compliance with the terms of such agreements. All contracts must be made with the Georgia Tech Research Corporation (Georgia Tech Applied Research Corporation for GTRI contracts) and administered by the Office of Contract Administration. The following guidelines are suggested for determining whether a proposal will result in a "Contract" with the Institute:

- The award is subject to formal conditions outlined in a contractual instrument signed by both parties
- The sponsor often places more restrictions upon expenditures allowed in the pursuit of the activity
- Normally involves the generation of some tangible product or service
- Financing may be on a cost-reimbursable basis, advance funding, or lump-sum payments as work progresses
- Sponsor requires periodic progress reports and may include invention, royalty, financial or equipment inventory reports
- A closing audit is sometimes required

Frequently Asked Questions: [Office of Development FAQs](#)

Facilities & Administrative Costs Associated with Account Management

Policy No: 11.1.2.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 1999

Review Date: Sep 2016

Policy Statement:

Facilities & Administrative (Indirect) costs incurred to manage gifts to the Institute are supported by the Institute budget and are not charged to the gift accounts. In recognition of the additional support services required to manage sponsored projects and contracts managed through the Office of Contract Administration, Facilities & Administrative (Indirect) costs are charged to the project operating costs. In certain instances, requests to waive charges for Facilities & Administrative (Indirect) costs are considered by the Vice-Provost of Research according to OSP Policies &

Procedures. Refer policy no 45 of this manual.

Gift Processing

Policy No: 11.1.3

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 1999

Last Revised: May 2017

Review Date: May 2020

Policy Owner: Development, Office of

Contact Name: Pat Barton

Contact Title: Director

Contact Email: pat.barton@dev.gatech.edu

Procedures:

Gifts of Cash or Securities

All checks or securities intended as donations to Georgia Tech and payable to Georgia Tech Foundation, Inc. should be forwarded with the original letter from the donor and a completed [Gift Transmittal Form](#), if applicable promptly to the Georgia Tech Foundation, Inc. All checks or securities payable to the **Institute** should also be forwarded to the Georgia Tech Foundation, Inc., which will then process them for deposit by the Institute. Contributions intended for the Foundation but made payable to the Institute or one of its units may be transferred to the Foundation on receipt of written documentation of the donor's intent. No attempt should be made to deposit a check to any entity other than the Payee. Under no circumstances should a check be modified to change the Payee.

Contributions of securities should also be made to the Georgia Tech Foundation, Inc., either by transfer via DTC (Depository Trust Co.) or transfer of the actual stock certificates to the Georgia Tech Foundation, Inc. Transfer via DTC is the most efficient and preferred method of handling transfers of securities. Questions pertaining to the transfer of securities should be directed to the Georgia Tech Foundation Accounting Office.

In-Kind Gifts of Equipment & other In-Kind Contributions

Gifts of equipment and in-kind contributions are more effectively handled by the Institute. Such gifts include donations of: (a) instructional and research equipment and (b) books and other library materials. The Office of Development's Gift Accounting Office should receive all documents regarding gifts of equipment and in-kind contributions, including the original letter of transmittal, as well as tax forms and other documents requiring signatures.

The Board of Regents (BOR) has delegated the acceptance of gifts of property (equipment and in-kind contributions) to the President of the Institute who has in turn delegated that responsibility to the Executive Vice President for Administration and Finance.

Donations of in-kind gifts, such as instructional and research equipment, library books, and other library materials, should be made to the Georgia Institute of Technology. The department receiving the gift is responsible for forwarding the gift information to Office of Development's Gift Accounting Office using

the [In-kind Gift Report Form](#).

The Office of Development's Gift Accounting Office will record the gift information in their database, acknowledge the gift and forward the gift information to the Business Office and the Capital Asset Accounting Services for recording in their database. The department/campus unit receiving the gift is responsible for ensuring that the entire gift pledged is

actually received. If, for some reason, a portion of the gift is not received, the department should notify Office of Development's Gift Accounting Office and Accounting Services so that inventory valuation records may be updated reflecting the revised value of the gift. Accounting Services will notify the President's Office, Administration and Finance.

NOTE: Gifts of Visual Art are governed by Policy No. xxxxxx (# to be assigned, when policy written)

Gifts of Real Estate

Gifts of real estate should generally be made to GT Foundation. The Real Estate Committee of the Foundation will examine any proposed gift of real estate to determine whether there are any conditions that may adversely affect the Foundation's ability to market the property. The Committee usually requires an environmental audit (including inspections for soil and water contamination, asbestos and other hazardous materials or substances) and a title examination to be conducted prior to acceptance of the gift. For more information about accepting a donation of real estate, contact Gift Planning in the Office of Development at (404) 894-8812.

Gift Valuation

Federal income tax regulations require that a donor obtain a written appraisal to substantiate gifts of property worth \$5,000 or more. Gifts of property will generally be valued based on the donor's appraisal.

Forms:

[In Kind Gift Form Procedures.doc](#)

[In Kind Gift Form Procedures.pdf](#)

[gift_transmittal_form_workday.pdf](#)

Frequently Asked Questions: [Office of Development FAQs](#)

Solicitation of Gifts

Policy No: 11.1.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 1999

Last Revised: Oct 2013

Review Date: Aug 2018

Policy Owner: Office of Development

Contact Name: Pat Barton

Contact Title: Director of Gift Accounting

Contact Email: pat.barton@dev.gatech.edu

Policy Statement:

Philanthropic support from private sources, i.e. individuals, corporations, foundations, and other organizations, is becoming increasingly important to the continuation of the quality instruction, research, and service functions that are a trademark of the Georgia Institute of Technology. The Office of Development is charged to secure private support to meet the Institute's strategic goals and objectives.

All Vice Presidents, Deans, School Chairs, Department Directors, faculty, and staff initiating efforts to obtain gifts or private, non-contractual grants must coordinate their efforts with the Office of Development through their respective assigned Development Officer or, where none is assigned, through the Office of the Vice President for Development. Such coordination must **begin before making formal contact** with a new funding source and will continue on a regular basis after initial contact is made.

Prior to the formal submission of written proposals to private funding sources, the submission should be cleared through the Office of Development.

The Office of Development is responsible to ensure proper acceptance of gifts to the Institute and its affiliated organizations that receive private gifts for the benefit of Georgia Tech, including the Georgia Tech Foundation, Inc. and the Alexander-Tharpe Fund. Private gifts include gifts of equipment and other property as well as cash and securities. Acceptance of most gifts will be routine; however, gifts which may obligate the Institute beyond the approved budget or program of a College, School, or Department should be discussed in advance with the Vice President for Development. The following are NOT considered charitable gifts and are not to be accepted as such.

- Advertising revenue;
- Contract revenues;
- Contributed services;
- Gifts of intellectual property rights;
- Governmental funds, whether local, state (including state matching grants), federal or foreign;
- Investment earnings on gifts, even if accrued during the reporting period;
- Sale of merchandise;
- Software licenses where the Institute is exempted from paying annual license or maintenance fees;
- Tuition payments.

All gifts to Georgia Tech and its affiliated organizations will be acknowledged by the Vice President for Development or his designee. Other acknowledgments are strongly encouraged. Copies of receipts/acknowledgments will be posted in the Donor Database System.

It has been the policy to encourage donors to make gifts designated for academic purposes, excluding gifts of equipment and in-kind contributions, to the Georgia Tech Foundation, Inc., rather than to the Institute proper. Therefore, anyone soliciting support for the programs at the Institute should request that the donation be made to Georgia Tech Foundation, Inc. rather than to the Institute. Gifts of equipment and in-kind contributions are more effectively handled by the Institute. Such gifts include donations of: (a) instructional and research equipment; and (b) books and other library materials. The Gift Accounting Office in the Office of Development should receive all documents regarding gifts of equipment and in-kind contributions, including the original letter of transmittal, as well as tax forms and other documents requiring signatures. In addition, the Gift Accounting Office in the Office of Development should be informed when a GT unit accepts a software license for stewardship and reporting purposes, even when the software license does not qualify as a gift under IRS regulations or CASE (Council for the Advancement and Support of Education) standards.

Using GTF Funds - General Policy Statement

Policy No: 11.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 1999

Last Revised: Oct 2012

Review Date: Oct 2019

Policy Owner: Georgia Tech Foundation

Contact Name: Mark Long

Contact Title: GTF Controller

Contact Email: mark.long@gtf.gatech.edu

Policy Statement:

The use of all funds held by the Georgia Tech Foundation (GTF) must be in accordance with the restrictions or intent of the donor and with Georgia Institute of Technology (GIT) policies and procedures. GTF funds intended to benefit a function of GIT(instruction, research, service, and supporting functions) are to be recorded on Institute financial records. All transactions financed by GTF funds are to be made through GIT in accordance with generally accepted business practices and procedures except where there are specific prohibitions on the use of Institute funds, or when prior approval of individual transactions has been received from the Office of the President. These standard operating procedures are designed to minimize costs and duplication, and to enhance accountability.

Setting up Accounts for GTF Funds**Policy No:** 11.2.1**Policy Book:** Business & Finance**Type of Policy:** Administrative**Effective Date:** Feb 1999**Last Revised:** Oct 2012**Review Date:** Oct 2019**Policy Owner:** GT Foundation, Inc**Contact Name:** Mark Long**Contact Title:** Chief Financial Officer**Contact Email:** mark.long@gtf.gatech.edu**Policy Statement:**

This procedure is to be used to establish a new sponsored project in the accounting records of the Georgia Institute of Technology (GIT) where the Georgia Tech Foundation (GTF) is the sponsoring entity. Business transactions financed by GTF funds are to be processed through GIT in accordance with generally accepted business practices and processes, as provided in these procedures.

Procedures:**Account Establishment**

Upon receipt of a gift or budgetary allocation, the Georgia Tech Foundation will establish a GTF account number for the funds. GTF will transmit the account number, initial dollar amount, restricted use of the funds, and any effective or expiration dates for the funds to the Unit and to the Controller's Office or to GTRI Accounting for awards to GTRI units using the Gift Transmittal Form. All funds reported on this form will be budgeted in the "Other Memo" category. If specific budget details are required, the budget information should be entered on the second page of the Form using the spaces provided.

The Controller's Office and GTRI Accounting are charged with the responsibility of establishing sponsored projects in the GIT Chart of Accounts, the Grants and Contracts accounting system and GTRI accounting subsystems, and the preparation and maintenance of accounting records and financial reports for these accounts. Upon receipt of account information from GTF, the Controller's Office determines the type of account to establish and assigns a sponsored account number and general ledger account center number within the numbers assigned for the unit requesting the account. The account number is then submitted electronically for review and update to the Chart of Accounts. The budget for the project will be established in the "Other Memo" category unless specific information is provided on the second page of the Form in detail.

Unit Notification

The unit responsible for the account and GTF are notified by the Controller's Office or GTRI Accounting of the sponsored account and center numbers, which have been assigned to the project, the available funding (budget), and

of any restrictions associated with the use of funds.

Budgetary Changes

Changes in an account budget will follow the same procedures as those for changes to other sponsored project budgets. GTF will notify the Controller's Office or GTRI Accounting of any additions or reductions in funding.

Sub-Projects

Sub-Projects that are required by the managing units should be established using the procedure in: ["Establishing Sponsored Sub-Project Numbers"](#).

Forms: [gift_transmittal_form_workday.pdf](#)

Expenditure of GTF Funds

Policy No: 11.2.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 1999

Last Revised: Oct 2012

Review Date: Oct 2019

Policy Owner: Georgia Tech Foundation

Contact Name: Mark Long

Contact Title: GTF Controller

Contact Email: mark.long@gtf.gatech.edu

Procedures:

Signature Approval

As with the use of any GIT funds, faculty and staff are to use prudence and good business judgment with the use of GTF funds. Unit management is responsible for assuring the funds are used properly and has the responsibility and accountability for the use of funds consistent with all gift requirements, GIT and GTF policies and procedures, and applicable state and federal laws.

Signature approval of financial documents (purchase orders, travel requests, and direct pay vouchers, etc.) is necessary to indicate that an expenditure of GTF funds is consistent with any applicable restrictions imposed on the specific funds being used and with the purpose and mission of the Institute, and that adequate funds are available in the designated account(s). The approver must be an authorized individual who is knowledgeable of account restrictions, GTF and GIT Gift Accounting procedures.

Expenditures processed through GIT

Business transactions financed by GTF funds are to be processed through GIT in accordance with general business practices and processes. GIT purchasing and expenditure policies and procedures are to be used for these purposes. Expenditures supporting Institute activities that are not permitted with the use of State funds, such as entertainment or special events, certain business meetings, membership dues and some employee moving expenses may be paid directly by GTF. Exceptions to this policy may be requested by the unit's school chair, dean or vice provost, with the approval of the provost, executive vice president for administration and finance or the president. Exception requests need to be preauthorized and must be obtained using a Foundation Expenditure Exception Request Form (see links to the Word and PDF forms below). Expenditure documents for these expenses are to be submitted directly to the Foundation for processing.

Expenditures processed through the Georgia Tech Foundation

Requests for direct expenditures to be made by the Foundation are to be submitted on the [Georgia Tech Foundation Check Request](#) (in Word format. Also see [Adobe Acrobat](#) form) form and be supported with appropriate documentation, itemized receipts and original invoices. Signature approval will include a certification by the approver that the expenditure is for Institute business and consistent with the purpose and conditions of the underlying gift. Invoices and requests for reimbursement should be submitted on a timely basis and within the fiscal year in which the expenses were incurred. The check request with documentation is sent to GTF at Mail Code 0182.

Unless permissible for payment by GIT under GIT policies, the following types of transactions may be submitted for direct payment by GTF. All other transactions must be processed through GIT.

1. Business Meetings and Events
See ["Business and Finance 5.2.1.9 Procurement of Group Meals for Employees, Students, and Official Visitors"](#)
2. Employee Moving Expenses
See also refer to Personnel

[6.15 Moving expense payment for New Academic Faculty](#)
[6.16 Relocation Policy for New Faculty, Staff or Researchers](#)
[6.21 Relocation Expenses \(Intrastate\)](#)

3. Entertainment and Special Events
4. Facility Rental
5. Membership Dues
6. Other Transactions with approved Foundation Expenditure Exception Request form attached.

Project Expenditure Reports

Project expenditure reports generated by reflect financial activity recorded to both GIT and GTF records. The transaction details and amount of GT Foundation direct expenditures will be reported to the Controller's Office and GTRI Accounting on a regular basis for entry into the GIT and GTRI accounting system as "Other Memo" expenditures to provide account managers with financial reports that reflect total project costs. Project expenditure and budget reports for these accounts are available on the Web.

Forms:

[ExceptionForm_revised_7_1_17.doc](#)
[exceptionform_revised_7_1_17.pdf](#)
[gtfcheckreq.doc](#)
[gtfcheckreq.pdf](#)

Georgia Tech Foundation Account Numbers

Policy No: 3.9.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 1999

Review Date: Sep 2016

Contact Name:

Policy Statement:

This procedure is to be used to establish a new sponsored project in the accounting records of the Georgia Institute of Technology (GIT) where the Georgia Tech Foundation (GTF) is the sponsoring entity. Effective February 1, 1999, all business transactions financed by GTF funds are to be processed through GIT in accordance with generally accepted

business practices and processes, therefore, a GIT sponsored project is to be established for GTF awards. For additional information, see [Processing and Use of Georgia Tech Foundation Funds](#) (Georgia Tech Policies And Procedures-Business and Finance) for a complete description of the policies and procedures for Solicitation, Acceptance and Expenditure of Georgia Tech Foundation Funds.

Procedures:

The Office of Grants and Contracts Accounting is charged with the establishment of sponsored projects in the Chart of Accounts and the accounting records of the Georgia Institute of Technology upon receipt of properly completed GTF "Gift Transmittal Form" (click for [Word](#) or [Adobe .pdf](#) formats) from the Foundation.

Upon receipt of a gift or budgetary allocation, the Georgia Tech Foundation will establish a GTF account number for the funds. GTF will transmit the account number, dollar amount, restricted use of the funds, and any effective or expiration dates for the funds to the Office of Grants and Contracts Accounting, or to GTRI Accounting for awards to GTRI units, using the Gift Transmittal Form. All funds reported on this form will be budgeted in the "Other Memo" category. If specific budget details are required, the budget information should be entered on the second page of the Form (back of the Form) using the spaces provided. The authorization should be approved by authorized personnel at the Georgia Tech Foundation.

When gifts and/or awards are received initially by the operating units, a Gift Transmittal Form should be prepared by the unit and forwarded directly to the Foundation with all supporting documentation. Requests received by the Office of Grants and Contracts Accounting without a properly completed Gift Transmittal Form will be forwarded to the Georgia Tech Foundation for action.

Unit Notification

The unit responsible for management of the account will be notified by G&C or GTRI Accounting of the GTF Foundation account number, the GIT sponsored project account number and center numbers, which have been assigned to the project. This notification will also identify the available funding (budget), and any restrictions associated with the use of funds that are reported by the Foundation.

Budgetary Changes

Changes in a sponsored account budget will follow the same procedures as those for changes to other sponsored project budgets. GTF will notify G&C or GTRI Accounting of any additions or reductions in funding. Upon completion of processing the required changes, the managing department will be notified of the revised budget.

Sub-Projects

Sub-Projects that are required by the managing units should be established using Grants and Contracts: [Establishing Sub-Projects](#).

Forms: [gift_transmittal_form_workday.pdf](#)

Grants & Contracts Accounting

General Information

Policy No: 3.1

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Sep 2005

Review Date: Sep 2016

Reason for Policy:

The purpose of the Grants and Contracts Accounting Office is to provide fiscal and administrative support to the Institute in its contribution to the fulfillment of the scientific and technical needs of the State of Georgia through education, research and service. The primary functions of G&C: Financial administration of Georgia Tech's (excluding GTRI) sponsored projects; special studies relating to indirect costs, fringe benefits, and cost centers; audit liaison related to external audits; ensuring that the Institute's payroll reporting system documentation is in compliance with OMB Circular A-21, Revised; interpretation and implementation of Federal guidelines as related to sponsored projects administration.

Policy Statement:

The Office of Grants and Contracts Accounting is required to follow an established set of guidelines and policies set forth by the Federal Government, State of Georgia, the Board of Regents and the Institute.

Responsibilities:

Organizationally, Grants and Contracts Accounting Office report to the Associate Vice President for Financial Services but works in close partnership with the Office of Sponsored Programs (OSP) and the Georgia Tech Research Corporation (GTRC).

Allowable Expenses

Policy No: 3.4

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Dec 2014

Last Revised: Dec 2014

Review Date: Dec 2020

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

Direct charges to sponsored projects are allowable if they can be identified specifically to a particular sponsored project and are not treated as a facility or administrative (F&A) cost item. F&A cost items, such as office supplies, departmental administration, facility costs, and general purpose equipment are charged to sponsored projects via the appropriate F&A rate. Typical costs charged directly to a sponsored agreement are the compensation of employees for performance of work under the sponsored agreement, including related fringe benefit costs; the costs of materials consumed or expended in the performance of the work; and other items of expense incurred for the sponsored agreement. The cost of materials supplied from stock or services rendered by specialized facilities or other institutional service operations may be included as direct costs of sponsored agreements, provided such items are consistently

treated and are charged under a recognized method of computing actual costs. Policies and procedures developed by the Office of Grants and Contracts Accounting are based on the Federal government's Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR Part 200) Subpart E "Cost Principles". Individual sponsored awards may contain terms and conditions that are more specific and that are either more or less restrictive than 2 CFR Part 200 Subpart E. In these cases, the individual award/agreement will be used to determine the allowability of expenses posted directly to the associated sponsored project(s). In all cases, expenses must be accounted for in accordance with applicable Georgia Tech operating procedures.

Policy Statement:

From OMB 2 CFR Part 200.403: The factors affecting allowability of costs under these principles are:

- They must be necessary, reasonable, and allocable;
- They must conform to any limitations or exclusions set forth in the principles or in the Federal award as to types or amount of cost items;
- They must be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the non-Federal entity;
- They must be accorded consistent treatment as either a direct or indirect cost;
- They must be determined in accordance with generally accepted accounting principles (GAAP);
- They must not be included or used to meet cost sharing or matching requirements of any other Federally-financed program; and
- They must be adequately documented

If any activity/expense cannot meet the above criteria, it may not be charged directly or indirectly to a sponsored project, regardless of its purpose.

Policy Terms:**Reasonable**

...does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost (200.404)

Allocable

...the goods or services involved are chargeable or assignable to that award in accordance with relative benefits received (200.405)

Consistently Treated

...may not be charged as a direct cost if any other like cost has been allocated or charged as an indirect cost (200.403)

Allowable

conforms to limitations or exclusions set forth in the sponsored agreement and these principles as to types or amounts of cost items

The following expense types are typically "unallowable" as a direct charge to a sponsored project (list not all-inclusive):

- Office supplies
- Telephone toll charges / hand-held communications device charges
- Dues and membership fees
- Administrative or clerical salaries*
- Postage
- First Class or Business Class travel
- Entertainment, including alcohol

* Salaries of administrative and clerical staff may be charged directly only if all of the following conditions are met:

1. They are integral to the project or activity;
2. Individuals involved can be specifically identified with the project or activity;
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
4. The costs are not also recovered as indirect costs.

The following expense types are typically allowable as a direct charge to a sponsored project (2 CFR Part 200.453):

- In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.

Facilities and Administrative (F&A) (or indirect) costs are charged to sponsored projects via the Institute's F&A rate. Typical F&A cost items include office supplies, departmental administration, facility costs, general purpose equipment, and others as listed above (list not all-inclusive). See G&C "Facilities & Administrative Rates" for additional information.

If it is determined that the individual award/agreement allows direct charging of costs normally expensed as F&A costs (e.g., postage, local telephone, office supplies, membership dues, and general purpose equipment), a Cost Accounting Standards (CAS) Exception Form must be completed, certified, and kept on file in the project files of the PI's home academic department. This form must be properly supported by pertinent award/agreement documentation. The CAS Exception Form can be found on the [Grants and Contracts website](#).

Certain allowable non-sponsored expenses may be unallowable for purposes of the F&A Cost study. Examples include fines/penalties, commencement expenses, and fund-raising activities. Unique project numbers are used to identify unallowable activities.

Procedures:

Georgia Tech authorizes the principal investigator (PI) and the properly authorized unit designee (financial manager and staff) to have primary responsibility for the management of sponsored agreement funds. The actions of these authorized individuals are documented using manual/electronic signatures and/or a system password. It is the responsibility of PIs, unit heads and staff delegated signature authority by unit heads to ensure that only allowable charges are posted as direct expenses to sponsored projects. Unit financial managers are in the most knowledgeable position with up-to-date information regarding the status of their respective sponsored projects. As such, local management's signature approval of a financial transaction indicates:

- Approval for the action requested
- Goods or services are directly related to the project scope
- Charges are allowable according to the approved project budget
- Charges have been incurred within the project time period
- Charges have been incurred in accordance with GIT financial and accounting policies and procedures
- Charges have been incurred in accordance with Terms and Conditions of the sponsored agreement
- Funds are available in the designated projects

Quarterly Compliance Reviews

The Office of Grants and Contracts Accounting will perform a quarterly "Sponsored Project Allowable Costs" compliance review to accomplish the following objectives:

1. Provide means for monitoring compliance with 2 CFR Part 200 and implementing adequate internal controls to ensure that departmental business managers are monitoring compliance with respect to expenditures charged to sponsored projects.
2. Implement systematic queries of sponsored project charges to evaluate the appropriateness of direct costs

charged to projects.

The Office of Grants and Contracts Accounting conducts regularly scheduled [training sessions](#) pertaining to allowable and unallowable costs.

Contact the [Grants and Contracts Accounting Department](#) for specific guidance related to managing sponsored projects at Georgia Tech.

Form Links:

[Cost Accounting Standards Exception Form](#)

[Grants and Contracts Website](#)

Frequently Asked Questions: [Grants and Contracts Accounting Department](#)

Responsibilities:

Each Georgia Tech PI is responsible for effectively overseeing and managing his/her sponsored projects based to a considerable extent upon his/her knowledge of the field of study and his/her capabilities to conduct the projects in an efficient and productive manner. Monthly "PI Sponsored Project Review" reports are provided directly to PIs by the Office of Grants and Contracts Accounting to permit timely reviews and approval/confirmation of all charges posted to his/her assigned sponsored projects. PIs are to perform periodic reviews of these charges to provide proper financial oversight. Additional information pertaining to "PI Sponsored Project Review" reports is available on the [Grants and Contracts website](#).

List the units or individuals who are responsible for aspects of the policy (e.g., colleges, departments, offices, faculty, students, employees, etc.). Summarize the major responsibilities – the "what" not the "how" of the responsibility. Details of "how" should be in the procedures section.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's EthicsPoint, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[OMB 2 CFR 200](#)

[Unbillable Sponsored Costs – Cost Overruns / Sponsored Project Exceptions](#)

[Cost Transfer Requests](#)

[Write-Off Requests](#)

Policy History:

Revision Date	Author	Description
12-26-2014	Office of Grants and Contracts Accounting	Update to conform to Office of Management and Budget Uniform Requirements issued 12-26-2013

Cost / Service Centers

Policy No: 3.14

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Dec 2014

Last Revised: Apr 2018

Review Date: Apr 2021

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

Service centers are defined as operating units established for the primary purpose of providing specialized service to the educational and research community. Service centers are also known as Specialized Service Facilities and are subject to the terms and conditions of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200), Section 200.468.

Policy Statement:

This cost accounting policy is based on OMB Uniform Administrative Requirements, Section 200.468 (2 CFR 200) which states: "The costs of such services, when material, must be charged directly to applicable awards based on actual usage of the services on the basis of a schedule of rates or established methodology".

Scope:

This policy is applicable to all Cost/Service Centers established at the Institute.

Definitions:

Specialized Service Facilities(SSF)	Operating units which provide specialized services to the university community, with annual operating budgets in excess of \$1,000,000 annually or based on management discretion. Additional procedures related to Service Center rate studies are included below.
Service Centers	Operations greater than \$5,000 annually or any charges to sponsored projects regardless of size where the business-case for establishing a separate service center has been properly justified and is approved in advance by the Sr. Director of Grants and Contracts Accounting and the appropriate College or Institute level officer. Costs for materials/services should constitute a pass-through of direct costs only. Service centers should be able to demonstrate that there is an advantage to the sponsor to justify its existence. Grants and Contracts Accounting is available to provide assistance in developing such pass-through rates.
Facility Usage Rates	Rates established with a defined time period for the infrequent and non-recurring use by external entities of Georgia Tech lab facilities that are unique and not commercially available. Grants and Contracts Accounting will develop the appropriate Facility Usage rates in coordination with the requesting department.

Procedures:

Basic Requirements

Due to the administrative requirements of managing service centers, there should be a clear business-case for

establishing and renewing separate service center charge rates. The requisite business-case includes the following basic parameters:

1. **Self-Supporting Revenues** - Service center annual recoveries should typically be sufficient to fund the annual operating costs of the center. Any cost in excess of revenue should be posted to a discrete project so total center costs can be easily identified. Direct costs include allocable salaries, fringe benefits, supplies, equipment maintenance, and maintenance agreements. SSFs also include indirect costs such as building depreciation, equipment depreciation, and building operations and maintenance expenses (including utilities).
2. **Local Administrative and Financial Support** - The unit/department must be equipped to manage the additional accounting and reporting requirements of the Center. These activities include separate accounting for expenses and recoveries and precise tracking of utilization for charge-out purposes.
3. **College and Institute Level Approval** - The "Service Center Rate Study Request" form must be completed and approved by the appropriate School or Department Head and the appropriate College or Institute level officer prior to being submitted to Grants and Contracts Accounting for consideration. The form can be found on the [Grants and Contracts](#) website.

Service/recharge center rates may only be established or renewed after the above basic requirements have been met, documented, and properly approved. Thereafter, rate studies are prepared and billing rates are established and renewed based on the following procedures:

Service Center Rate Studies and Billing Rates

1. Proposed billing rate studies are scheduled on an annual basis. Estimated rate calculations will be developed based on the most recent completed fiscal year. Estimated rate calculations for Resident Instruction and Units other than GTRI are to be submitted to Grants and Contracts Accounting annually. Rates normally become effective July 1 of the subsequent year. Prior to ONR approval, if required, rates utilized will be considered provisional until subsequently amended.
2. Billing rates may not be based on what others charge for similar services.
3. Service rates should include both direct and for SSFs an allocable share of Facilities & Administrative (F&A or indirect) costs. The proposal should consist of prior year historical costs all equipment by specific item, net square footage occupied and any over/under recovery from the prior year if required. The proposal should also contain documented utilization of the cost center from the prior period and a justification of the selected utilization base.
4. All billings are to be invoiced to a Georgia Tech account/project. Direct expenses applicable to the service center and all offsetting billing revenues should be recorded to projects/accounts established for purposes of reporting and accounting for center activities.
5. Agreements to conduct services for external entities may be evaluated by the Office of Sponsored Programs (OSP) and should be based on the OSP short form contract document. Billings to external parties are coordinated through the Bursar's Office after approval is gained via Grants and Contracts.
6. Service Center rates are validated periodically to ensure that charge rates were at or below cost during the prior period(s). This validation work is scheduled and managed by the Grants and Contracts Accounting Office with significant assistance from the responsible Center or Unit Financial Officer. Accurate tracking and reporting (including detailed supporting documentation) for expenses and revenue entries is critical to the timely performance of service center rate studies and validations.
7. Existing (previously approved) service centers that do not meet the basic "business-case" requirements noted above will be reevaluated as part of the annual rate validation step. In these cases, Service Center billing rates may be suspended or lapsed until the business-case is reestablished and properly approved via the "Service Center Rate Study Request" form. Grants and Contracts Accounting will notify the responsible Institute, School, Center, and Unit contacts at least 30 days prior to this action.
8. Existing (previously approved) Service Center billing rates where a significant amount of charges were posted

to sponsored projects will be suspended if this validation and renewal process is not completed in a timely fashion. Grants and Contracts Accounting will notify the responsible Institute, School, Center, and Unit contacts at least 30 days prior to this action.

9. Existing (previously approved) service centers with costs posted to a non-DSS project will require College or Institute level officer approval of support annually.

Service center rates that are not documented, supported, validated, and renewed in accordance with this policy may not be charged to externally-funded sponsored projects.

Form Links: [Current and prior year approved Cost/Service Center rates may be accessed from the Grants and Contracts Accounting web site at:](#)

Frequently Asked Questions: [Refer to the G&C website for Frequently Asked Questions related to Cost/Service Centers:](#)

Responsibilities:

Contact the Grants and Contracts Accounting Department at gc.ask@business.gatech.edu for additional guidance related to Cost/Service Centers at Georgia Tech.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at:

https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[G&C Policy 3. 15 F&A Cost Rates](#)

[2 CFR 200.468 Specialized service facilities](#)

Policy History:

Revision Date	Author	Description
April 2015	Office of Grants & Contracts Accounting	Update with new OMB Requirements
12-30-14	Office of Grants & Contracts Accounting	Align with requirements of 2 CFR 200
07-01-12	Office of Grants & Contracts Accounting	Administrative review

Cost Share

Cost Share Expenses

Policy No: 3.9

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Dec 2014

Last Revised: Dec 2014

Review Date: Apr 2021

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

Cost share (Matching) funds are those funds contractually obligated by the Institute to meet the financial requirements specified in a sponsored award. These expenses represent the Institute's contribution to an externally funded sponsored project. When a cost share obligation is identified in the sponsored agreement, it must be accounted for in the Institute's accounting records and reported to the sponsor. Cost share expenses should generally be incurred at the same rate as the sponsor's portion of award expenses.

Policy Statement:

The Federal Government's Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200 – 200.306 "Cost sharing or matching") indicates that all contributions, including cash and third party in-kind contributions, must be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria:

1. Are verifiable from the recipient's records.
2. Are not included as contributions for any other Federal award.
3. Are necessary and reasonable for accomplishment of project or program objectives.
4. Are allowable under Subpart E – Cost Principles.
5. Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
6. Are provided for in the approved budget when required by the Federal awarding agency.
7. Conform to other provisions of this Part, as applicable.

If any expense cannot meet the above criteria, it is not eligible to be recorded and reported as cost share. In addition to expenses incurred by Georgia Tech, the following types of expenses may be counted as cost sharing if properly approved, documented, and supported:

- Unrecovered F&A (indirect) costs, including indirect costs on cost sharing or matching, with the prior approval of the Federal awarding agency based on approved rates.
- Unrecovered tuition remission costs with the prior approval of the Federal awarding agency based on approved rates.
- Donated supplies, equipment, or property based on current fair-market values and period-of-use requirements [reference 200.434 "Contributions and donations"].
- Third party contributions of personal services, supplies, equipment, property based on current fair-market value and period-of-use requirements [reference 200.434 "Contributions and donations"].

Generally speaking, only expenses that would be allowable to the sponsored project are allowable as cost sharing expenses. Any exceptions to this rule must be approved and documented (i.e., salaries in excess of the NIH salary cap or waived Tuition Remission expenses).

Scope:

All employees engaging in sponsored research activity.

Policy Terms:

Unrecovered F&A

The difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the recipient's approved negotiated indirect cost rate.

Internal Institutional support

Internal institutional funding provided to the unit upon successful receipt of a research award, which is not contractually obligated by the sponsored program.

Procedures:

The GM System obtains contract information directly from the OSP database. Since all projects with Cost Sharing requirements must be managed by OSP, the GM System receives all authorized Cost Share/Matching information at the time of the award or any subsequent amendment. Upon completion of an agreement by OSP, Project Numbers are assigned. If there is a contractual Cost Sharing requirement a Cost Sharing Project number will be assigned.

The amount of the Cost Sharing requirement is entered into the Project Demographic section of the GM Project files. Cost Share budgets are entered by the departments via the Institute budgeting process into the Institute's General Ledger System. These budget amounts are subsequently added to the GM project files systematically. The budgets in the GL System will only reflect the amount of funds budgeted by the departments.

The Grants Management (GM) System allows for all companion cost share projects to be linked, summarized, and reported in accordance with applicable requirements. For this reason, all cost share projects should be associated with the appropriate sponsored award/fund within the GM system.

The GM System reports Cost Share Obligation on the "Fund" Demographics Panel. The amount of the budget to be reflected in the cost share project(s) is to represent the funded amount available to spend (plus amounts already expended). A comparison of the total amount budgeted (including State funded cost sharing and GTRC funded projects) to the obligation will indicate the amount of additional funding required.

All related cost share projects are linked to the sponsored project for reporting purposes. Additional companion Cost Share projects may be established by appropriate personnel throughout the life of a sponsored project to properly account for all applicable cost sharing expenditures. When this occurs, the Office of Grants and Contracts Accounting should be notified immediately in order to ensure proper set-up in the GM System.

Projects should not be set up or allocated in the accounting records as cost share projects unless they are contractually required by the sponsor. Internal institutional support that is necessary but not contractually required should be set up by the Budget Office as other State funds outside of the matching fund group of sponsored projects.

Cost Share Documentation Requiring Special Certification and Approval Authorization

On an exception basis, cost share expenses posted to non-companion discretionary projects may be recorded as cost sharing for the applicable sponsored award. In these cases, the Principal Investigator and appropriate unit financial officer are required to complete the cost share certification form, which certifies the project can be used as matching contribution. Source accounting system support and pertinent summary schedules must accompany this certification page.

Documentation and certification of prior fiscal year cost share expenses posted to "non-companion" projects must be approved by the Director of Project Accounting or Senior Director of Grants and Contracts Accounting prior to processing. Requests that exceed 120 days of the initial posting date will follow the Late Cost Transfer process for review and approval.

Federal Salary Limitations (NIH Salary Cap)

The Cost Sharing accounting mechanism referenced above should be used to account for salary limitations applicable to NIH grant and cooperative agreement awards and extramural research and development contract awards. In so doing, the appropriate amount of effort devoted to the NIH award is visible in the accounting records of the Institute.

Refer to the G&C website for Frequently Asked Questions related to cost sharing.
http://grants.gatech.edu/main/wp-content/uploads/2014/03/FINAL_Cost-share-FAQ_1.pdf

Contact the Office of Grants and Contracts Accounting at gc.ask@business.gatech.edu for additional guidance related to sponsored cost transfer requests.

Form Links:

[Cost Share Certification Form](#)

[Cost Share Requirements and Certification Form](#)

[Tuition Waiver Cost Share Worksheet Certification](#)

Frequently Asked Questions: [Refer to the G&C website for Frequently Asked Questions related to cost sharing.](#)

Responsibilities:

Principal Investigators, assigned delegates, and unit financial officers are responsible for providing proper oversight and management of sponsored projects during the performance and close-out periods.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[Industry Standards and Regulations](#)

[G&C Policy 3.6 Cost Transfer Requests](#)

[G&C Policy 3.4 Allowable Expenses](#)

[G&C Policy 3.8 Project Set-up in Grants Management System](#)

[OSP Policy 4.3 Cost Sharing](#)

Policy History:

Revision Date	Author	Description
11-05-2014	Office of Grants & Contracts Accounting	Align with requirements of 2 CFR 200
04-01-2014	Office of Grants & Contracts Accounting	Administrative review

Cost Transfer Requests

Policy No: 3.6

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Oct 2015

Last Revised: Oct 2016

Review Date: Oct 2020

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Rob Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

The matter of cost transfers is a sensitive issue in a university's operation of its sponsored programs and one which always receives careful scrutiny by sponsor representatives, especially federal government contracting officers and auditors. Accordingly, the following policy and implementation procedures are established pursuant to sound business practice and in order to ensure full compliance with federal regulations, contract and grant terms and other conditions concerning cost transfers for Resident Instruction (RI), Georgia Tech Professional Education (GTPE), and Enterprise

Innovation Institute (EII) programs. Georgia Tech Research Institute (GTRI) has a separate policy/procedure in place that is applicable to its projects.

Policy Statement:

Cost transfers that are required to correct errors or to achieve proper, consistent, and equitable distribution of costs to sponsored projects will be allowed, provided adequate justification for the change is furnished and necessary approvals that certify the accuracy of the charges are received. Such cost transfers should be made as soon as possible after the necessity for the transfer is recognized. A cost transfer made within 60 days after the posting date of the transaction requiring a transfer will be considered timely. In other exceptional instances, cost transfers may be required after the 60 day period identified above. For example, if costs are deemed to be unallowable by an audit of project expenditures after submission of the final reports, it will be necessary to process a cost transfer to adjust the final project costs. In such situations, it would be acceptable to process a cost transfer beyond the 60 day limit if the cost transfer request is properly supported, certified, and adequate documentation is provided that clearly demonstrates that the need for the transfer could not have been known within the acceptable time period.

The procedures included below are applicable to Non-Personal Service Cost Transfers. See Policy 3.2 "Personal Services Reporting Using the Plan Confirmation System" for specific procedures related to retroactive salary distribution changes.

Scope:

All employees engaging in sponsored research activity.

Policy Terms:**Cost Transfer**

For the purpose of this policy, a cost transfer involves action in which costs are moved from a non-sponsored project to a sponsored project or from a sponsored project to any other project. Excluded are initial transfers of charges for supplies or services from an inventory account, a cost center, or other similar operations in accordance with established accounting procedures. Also excluded are corrections of processing errors that occur within the Business Office accounting systems such that when the correction is made, the accounting records are in agreement with the documentation that authorized the change. Corrections of encumbrances are not considered cost transfers, and any such changes are to be processed according to Procurement and Business Services Office procedures.

Electronic Cost Transfer (ECT)

Electronic Cost Transfer refers to an online system that takes advantage of the features of the Institute's Financial System to automate the cost transfer process.

Procedures:**Non-Personal Service Cost Transfers**

Georgia Tech authorizes the principal investigator (PI) and the properly authorized unit designee (financial manager and staff) to have primary responsibility for the management of sponsored agreement funds. The actions of these authorized individuals are documented using manual/electronic signatures and/or a system password.

All requests for a non-personal service cost transfer should originate with the department that originally approved the charge. The request will require adequate supporting statements that clearly indicate that the costs being moved to a project are directly related to the project scope, allowable by the project budget, and have been incurred in a timely manner to benefit project activities. In this regard, it must be recognized that justification must always consist of more than a simple statement such as "to correct an error" or "purchases posted to the wrong project number." While such statements may be correct, justification must be considered adequate to convince a sponsor or auditor of the accuracy of the charge to the sponsored project. The review of these transactions will usually occur no earlier than eighteen months after its occurrence, and no information will be available to substantiate the charge except that provided by the

transfer request and the supporting documentation. The designated financial administrator or other responsible party with first-hand knowledge, according to delegated authority within the department, must certify as to the accuracy of the cost transfer.

Electronic Cost Transfer System

The preferred way to make a cost transfer of non-personal service expenditures is to utilize the Electronic Cost Transfer (ECT) process to decrease the amount of time required to make corrections to Institute financial records and eliminate duplicate data entry. The ECT system uses existing system features to automate edit and review procedures that are manually performed during the approval process for a paper-based cost transfer request. The ECT procedures incorporate training, maintenance of acceptable documentation, second-tier approval where required, and compliance review features to meet Institute and federal cost accounting standards.

A potential ECT system user must submit an executed Authorization to Prepare and Submit Electronic Cost Transfers form that is approved by the appropriate unit head. This form includes the user's acceptance of specific conditions relative to compliance with the system requirements. Also prior to taking the training, the user must complete two (2) pre-requisite financial system classes and be appointed at the Accountant III level (JCCS level 7) and higher to demonstrate an adequate level of understanding of the Institute financial policies. Following the training class, the participant must pass an examination that tests the users understanding of cost transfer procedures, use of the system, and requirements for maintenance of records.

All transactions submitted through the ECT system are subject to routine compliance testing to confirm the accuracy and acceptability of completed transactions, and the maintenance of required supporting documentation. Failure to comply with the required procedures warrants additional training and testing; further failure to comply results in the user's access being revoked.

The ECT system data entry screens mimic those elements found on the Cost Transfer Request form outlined elsewhere and below under the Forms/Links heading. System edits have been incorporated into the ECT system. The following statements must be true for an ECT entry to be accepted and processed:

- Projects and accounts are both active in current FY Chart of Accounts
- Accounts are not for Personal Services or Indirect (F&A) expenses
- Project receiving the charge has budgeted available funds greater than the transfer amount. Please note, encumbrances are not considered available funds
- Original posting dates for charges being moved are within the current fiscal year and within 90 days
- "From" and "To" Projects are within the same unit

In many cases the corrections are updated overnight, provided the correction meets the following additional edits:

- Total charges transferred to any one project must be less than \$5,000
- Original posting date must be less than or equal to 60 days prior to original entry date
- Account fields do not change between the "From" panel and the "To" panel
- Equipment tag number (if required) does not change between the "From" panel and the "To" panel
- Project has not reached term date
- Account fields do not include Student Aid accounts

Acceptable ECT entries that do not meet these edits are automatically forwarded to the Grants & Contracts Accounting Office for further review prior to acceptance and posting. In most instances, these entries are reviewed and approved on the same business day and subsequently posted to the Institute financial records the next day. If additional information or supporting documentation is required, the user will be notified. If action cannot be taken or requested supporting documentation is not received in within two weeks, the ECT will be canceled.

Cost Transfer Request

A paper-based request for a non-personal service cost transfer involving sponsored projects must be submitted to the Grants & Contracts Accounting Office, who may approve the cost transfer based on review of the proper authorization, accuracy of the accounting, and adequacy of the supporting documentation.

Approved cost transfers involving Operating Supplies and Expenses, Travel, Equipment, Capital Outlay, or Other Direct Expenses will be accomplished in the General Ledger system by journal entry, with the Cost Transfer Form supporting the reasons for the transfer(s). Adequate supporting documentation must be attached to the Cost Transfer Request Form.

In addition to the existing approval procedures, quarterly compliance tests are performed on a random basis to test the accuracy of all sponsored project financial transactions to identify areas of weakness.

Non-Personal Service Cost Transfers Requiring Special Documentation

There are many types of cost transfer situations that may look questionable solely on the basis of timing, the net effect on the project budget, or the type of expense being moved. Accordingly, a valid and complete explanation is required that clearly indicates that the costs being moved to a project are directly related to the project scope, are allowable by the project budget, are allowable by the terms and conditions of the award, and the expense is required to complete the objectives of the sponsored agreement. In addition, any available supporting documentation should be attached to either the ECT or Cost Transfer Request so that it will be available for subsequent audit review.

Examples of cost transfer situations that require special documentation include:

1. A transfer that moves charges from an over expended project to a project with a free balance.
2. A transfer which moves charges to an active project when they have been posted to a project after its termination date.
3. A transfer that moves equipment charges to a project with a free balance within 90 days of termination.
4. A transfer which moves substantial charges from one project to another project which is about to terminate and which has available uncommitted funds which will be lost if not expended.
5. A transfer from a sponsored project to an indirect expense account. (Note: An overrun on a sponsored project may not be transferred to an indirect expense account.)

At a minimum, supporting documentation means that a copy of some form of original documentation will be provided. The following examples are provided to assist in this regard:

1. Equipment Purchases

To support a request to transfer the cost of an equipment purchase, a copy of the project budget that includes a description of equipment to be purchased and a copy of an invoice for the purchase of the equipment that matches the equipment description in the budget should be included. If the purchased equipment does not exactly match the item included in the budget, a written statement from the Project Director may be required indicating that a substitution was made and the new equipment item serves the same purpose as that included in the original proposal. Please note that in this example, what is required to support the cost transfer includes copies of the invoice, and the written statement signed by the Project Director. A valid GIT Tag number is also required for all equipment cost transfers, including fabricated equipment.

Note: An equipment cost transfer with supporting documentation that consists of a statement prepared by the fiscal officer of a department indicating that the Project Director told the fiscal officer that the equipment should have been charged to the receiving project, without copies of supporting documentation as described above,

would not be considered adequate supporting documentation.

2. Travel Expenses

To support a request to transfer the cost of travel to a conference, a copy of the travel authorization indicating the itinerary and purpose of the trip, a statement from the project agreement or proposal, and/or a written statement from the Project Director or Conference program indicating that the trip and conference benefited the project being charged must be included. Please note that in this example, what is required to support the cost transfer includes the original travel authorization, and/or expense statement, and the written statement signed by the Project Director. A valid Employee ID is also required for all travel cost transfers.

3. Over-Expended Budgets

Policies and procedures also require special documentation for cost transfers that change the costs of projects after termination or when the project budget is over-expended. This special attention is needed at the time the cost transfer is requested to make sure that appropriate consideration is given to the adjustments before any changes are made to financial records that have previously been certified to be correct. Since (in most instances) certifications have been made that the charges were correct, billed, and funds were collected based on prior accounting records, proper documentation must be available to indicate that an honest error did occur or specific conditions have changed to demonstrate that the Institute has not fraudulently billed and collected funds from a federal agency or other sponsor.

Non-Personal Service Cost Transfers Requiring Special Approval Authorization

All cost transfers are to be processed in a timely manner and properly documented. Cost transfers to externally-funded** sponsored funds beyond 90days of the original expense posting will not be allowed under normal circumstances. The Electronic Cost Transfer system will not process entries involving charges that originated more than 90days prior to the current date. To process a cost transfer more than 90 days from the original expense posting, please prepare a paper-based Cost Transfer Request form.

Provisions for exceptions to the 90 day limit will be considered as follows:

1. In situations where initial or continuing sponsor funding is delayed beyond 90 days after the effective date, consideration for recognition of cost transfers beyond the limit will be addressed by the Grants & Contracts Accounting Office if the transfer is requested within the reporting period of the sponsored project (typically 60-90 days after the expiration date of the project). If the terms and conditions of the sponsored agreement provide for acceptance and payment of the expenses covered by the proposed cost transfer and appropriate supporting documentation is provided, the Senior Director of Grants & Contracts Accounting may approve the proposed transfer. Other exceptions will be considered on a case-by-case basis.
2. Upon approval from the Senior Director of Grants & Contracts Accounting, Associate Vice President for Financial Services, and Vice President for Research, such entries will be recorded.

*** Excludes sponsored projects funded by the Georgia Tech Foundation and Georgia Tech Research Corporation. Transfers between projects associated with the same sponsored fund (award) are not subject to the 90 day limitation.*

Personal Service Cost Transfers

Current fiscal year cost transfers of Personal Services expenses are to be processed using the Salary Planning and Distribution (SPD) System. See Policy 3.2 "Personal Services Reporting Using the Plan Confirmation System" for specific requirements.

Prior fiscal year cost transfer requests must include a revised Annual Statement of Reasonableness (ASR) for each employee whose personal service costs are requested to be moved. Revised ASRs must be signed and dated by the employee and/or supervisor/person with first-hand knowledge. Changes to the distribution of employee effort must also

be initialed and dated by the employee or supervisor/person with first-hand knowledge. The unit Financial Manager should certify and date the changes by signing the form where indicated.

Forms

To obtain hard copy forms, please contact the Office of Grants & Contracts Accounting at gc.ask@business.gatech.edu.

Frequently Asked Questions

Contact the Office of Grants and Contracts Accounting at gc.ask@business.gatech.edu for additional guidance related to sponsored cost transfer requests.

Form Links:

[ECT for Campus Administrators](#)

[ECT Authorization Form](#)

[Cost Transfer Request Form \(PDF or Excel\)](#)

Responsibilities:

Principal Investigator (PI) Responsibilities

Each Georgia Tech PI is responsible for effectively overseeing and managing his/her sponsored projects based to a considerable extent upon his/her knowledge of the field of study and his/her capabilities to conduct the projects in an efficient and productive manner.

Monthly "PI Sponsored Project Review" reports are provided directly to PIs by the Office of Grants & Contracts Accounting to permit timely reviews and approval/confirmation of all charges posted to his/her assigned sponsored projects. PIs are to perform periodic reviews of these charges to provide proper financial oversight.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[G&C Policy 3.2 Personal Services Reporting](#)

[Purchasing Policy 5.2.2.4 Purchase Order Changes and Open Encumbrances](#)

[Purchasing Policy 5.5.2 Fiscal Year-end Encumbrances](#)

[ASR Signature Example](#)

Policy History:

Revision Date	Author	Description
10-01-2015	Office of Grants & Contracts Accounting	Updated Non-Personal Service Cost Transfers Requiring Special Approval Authorization for externally-funded Sponsored Projects from 120 days beyond the original expense posting date to 90 days aligning with close-out requirements of OMB 2 CFR 200.
11-05-2014	Office of Grants & Contracts Accounting	Align with requirements of 2 CFR 200

Revision Date	Author	Description
04-01-2014	Office of Grants & Contracts Accounting	Administrative review

Establishing Sponsored Sub-Project Numbers

Policy No: 3.18

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2014

Review Date: Apr 2021

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Policy Statement:

This procedure describes the process to be used by departments and the Office of Grants and Contracts Accounting to establish and distribute project information for new sub-projects under sponsored awards and to redistribute the budgets of existing main and sub-projects. The Office of Grants and Contracts Accounting is responsible for assigning sub-project numbers for externally funded awards and internally funded projects (i.e., Georgia Tech Research Corporation and Georgia Tech Foundation). Georgia Tech Foundation projects are managed by the Controller's Office.

Procedures:

Departmental/Unit Approval for Budget Revision to Sponsored Projects

Staff with the proper approval and authority may initiate a request for a new sponsored sub-project number using the WEB Grants Management system. Users of the web-based Budget Revision to Sponsored Project tool have a responsibility to ensure the accuracy and legitimacy of the sub-project requests they initiate. When Budget Revision requests are submitted, the user must read, confirm, and acknowledge the following:

1. I have Departmental/Unit authorization to prepare and approve this request for a new sub-project and/or budget revision.
2. This request for a new sub-project and/or budget revision has been reviewed and approved by the project director.
3. This request for a new sub-project and/or budget revision complies with all terms and conditions of the supporting sponsored agreement.
4. This request for a budget revision has been approved by OSP or does not require OSP approval.

The Office of Grants and Contracts Accounting is charged with establishing project numbers for sub-projects in sponsored operations, maintenance of budget information related to sub-projects in sponsored project files, and maintenance of Institute accounting records for Resident Instruction (RI), Georgia Tech Professional Education (GTPE), Enterprise Innovation Institute (EII), and Plant funds (if applicable). Requests to establish a sub-project are to be initiated and approved by the academic or administrative unit of the main project director.

Requests for sub-projects supported by the Georgia Tech Research Institute (GTRI) are to be provided to the Office of Grants and Contracts Accounting with required source documentation as prepared by the GTRI Accounting office.

Establishing Sub-Projects

These procedures address the redistribution of existing budgeted funds from the main project to new sub-project(s).

Requests for sponsored project budget revisions are to be prepared using the Budget Revision to Sponsored Projects feature available on the WEB Grants Management menu. All of the standards outlined in G&C Policy No. 3.19 - Sponsored Project Budget Revisions should be adhered to. Additional procedures and steps to navigate this feature of the system can be found in the Grants Management for Campus Administrators training manual located on the G&C website: <http://www.grants.gatech.edu>.

Grants and Contracts Accounting will receive the request for a new sub-project electronically and will assign a sub-project number in the GM System and Chart of Accounts. Grants and Contracts Accounting will provide notification via email to the department once the new sub-project has been assigned.

Circumstances Requiring a Sub-project

The sub-project accounting mechanism referenced above should be used to account for sponsored funds in the following circumstances:

- Participant Support is a component of the sponsored award. This expense category is separate from the main project for reporting and auditing purposes. See G&C Policy No. 3.12.4 - Processing Participant Support Stipends or Subsistence Allowance for additional information.
- Shared research awards between multiple departments.
- A portion of an award has a different F&A (indirect) rate.

Contact the [Grants and Contracts Accounting Department](#) for specific guidance related to establishing new sponsored sub-projects in the Grants Management System.

Facilities & Administrative (F&A) Cost Rates

Policy No: 3.15

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Dec 2014

Last Revised: Apr 2015

Review Date: Apr 2021

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

Georgia Institute of Technology/Georgia Tech Research Corporation utilizes Facilities and Administrative (F&A) rates to obtain recovery of costs, other than direct costs, incurred to support sponsored projects.

Policy Statement:

This cost accounting policy is based on OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200), Section 200.414 which states: "For major IHEs (Institutions of Higher Education), indirect (F&A) cost must be classified within two broad categories: "Facilities" and "Administration".

Scope:

This policy is applicable to expenditures incurred on sponsored projects.

Definitions:

Facilities costs	Facilities costs include depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements used for sponsored projects, operation and maintenance of plant expenses incurred for space used for sponsored projects, and allocated library expenses.
Administrative costs	Administrative expenses include the allocated portion of general administrative and general expense, departmental administration, sponsored project administration, and the allocated portion of student services administration.
Modified Total Direct Cost (MTDC)	MTDC consists of all salaries and wages, fringe benefits, materials and supplies, services, travel, and sub-grants and sub-contracts up to the first \$25,000 each; and excluding equipment, capital expenditures, charges for tuition remission, rental costs, scholarships and fellowships, participant support costs, as well as the portion of each sub-grant and sub-contract in excess of \$25,000.

Procedures:

Facilities and Administrative costs (previously referred to as indirect costs) are comprised of two main categories: Facilities costs and Administrative costs. (See definitions above.) The distribution base used to determine F&A Rates is the Modified Total Direct Cost (MTDC) as defined by OMB Uniform Administrative Requirements (2 CFR 200) . An F&A rate is expressed as a percentage multiplied times the appropriate cost base on the grant or contract to determine the amount of F&A cost to be charged. The F&A cost is billed to the sponsor along with direct costs.

Facilities and Administrative (F&A) rates are determined on an annual basis according to the provisions of OMB Uniform Administrative Requirements (2 CFR 200), Section 200.414, and audits by the Defense Contract Audit Agency (DCAA), with negotiation and approval of rates by the Department of Navy, Office of Naval Research (ONR). The Institute and ONR negotiate F&A rates to be used over a period of years, based on the audited rate proposal report.

The negotiated F&A rates are to be used on externally-funded grants and contracts. Other sponsors, including the State and private foundations, tend to limit, by their own policy, the F&A rate they are willing to pay. Federal training and fellowship grants, clinical trials and drug studies also limit the F&A rate.

Types of F&A Rates

Three F&A rate types and five standard F&A rates are in place and applicable to sponsored work performed by the academic units of Georgia Tech (excluding GTRI). The applicable rate types and standard rates are described as follows:

1. Organized Research

Research and development activities financed by external sponsors that are separately budgeted and accounted for by the Institute.

- Federal Capped Rate – Incorporates all administrative limitations imposed by the Federal government. Rate is applicable to all Federal awards, all Department of Defense (DOD) Grants, and to DOD contracts awarded before November 30, 1993.
- Federal Uncapped Rate – Incorporates only the departmental administration limitation imposed by the Federal government. Rate is applicable to DOD Contracts awarded on or after November 30, 1993 in accordance with DFARS 231.303(1).
- Industrial Rate – Fully-burdened without administrative limitations. Rate is applicable to industrial awards.

2. Instruction

Conventional academic instruction and related activities financed by external sponsors that are separately budgeted and accounted for by the Institute. There is only one standard rate associated with this rate type.

3. Other Sponsored Activities

Program and projects financed by external sponsors which involve the performance of work other than instruction and organized research. Among these activities are included programs designated as Community or Public Services. Examples include conferences, institutes, general advisory services, reference bureaus, consulting, and similar non-instructional services to particular sectors of the community. There is only one standard rate associated with this rate type.

Determination and Application of Federal F&A Cost Rates

F&A rates approved by ONR on a “Predetermined” or “Fixed” basis are treated as fixed rates throughout the competitive segment of the Federal sponsored agreement. A competitive segment is a period of years approved by the Federal funding agency at the time of the award. If negotiated rate agreements do not extend through the life of the sponsored agreement at the time of the initial award, the negotiated rate for the last year of the sponsored agreement is extended through the end of the life of the sponsored agreement.

Form Links: [Current and prior year approved F&A rates and rate agreements may be accessed from the Grants and Contracts Accounting site at:](#)

Frequently Asked Questions: [Refer to the G&C website for Frequently Asked Questions related to F&A rates.](#)

Responsibilities:

Contact the Grants and Contracts Accounting Department at gc.ask@business.gatech.edu for additional guidance related to F&A rates at Georgia Tech.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at:

https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information: [2 CFR 200 Section 200.414](#)

Policy History:

Revision Date	Author	Description
12-30-14	Office of Grants & Contracts Accounting	Align with requirements of 2 CFR 200

Revision Date	Author	Description
07-01-12	Office of Grants & Contracts Accounting	Administrative review
April 2015	Office of Grants & Contracts Accounting	Updated based on OMB Uniform Requirements

Fringe Benefits Cost Rates

Policy No: 3.16

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Dec 2014

Last Revised: Dec 2014

Review Date: Jul 2020

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Rob Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

Georgia Institute of Technology/Georgia Tech Research Corporation utilizes Institute and Sponsor-Funded Fringe Benefits rates to charge benefiting activities for the cost of all employees' fringe benefits. This policy reduces the amount of accounting required to accurately distribute fringe benefits expenses to benefiting activities.

Policy Statement:

This cost accounting policy is based on OMB Uniform Administrative Requirements, Section 200.431 (2 CFR 200) which states: "except as provided elsewhere, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, employee agreement, or an established policy of the institution".

Scope:

This policy is applicable to all employees eligible for Institute fringe benefits.

Procedures:

Institute and Sponsor-Funded Fringe Benefits rates are determined on an annual basis according to the provisions of 2 CFR 200, and audits by the Defense Contract Audit Agency (DCAA), with negotiation and approval of rates by the Department of Navy, Office of Naval Research (ONR). Upon approval by ONR, rates are used to charge fringe benefits expenses to institute-funded and sponsor-funded activities and projects during the fiscal year. Following the end of the fiscal year, the actual fringe benefits rates are determined. If Fringe Benefits rates have been approved on a "Fixed with Carry-forward Basis", any amount of over or under-recovery of expense is incorporated into the next fringe benefits rate proposal. This procedure provides for the collection or repayment of any over or under-recovery of fringe benefit expenses.

The following benefits are included in the Institute and Sponsor-Funded Fringe Benefits rates for the academic units of Georgia Tech (excluding GTRI):

- Social Security
- Life Insurance
- Health Insurance
- Retirement

- Termination Vacation Leave
- Other Non-Payroll Benefit Expenses – Includes Worker's Compensation, Unemployment Compensation, Retiree Group Insurance

Types of Fringe Benefits Rates

Five Personal Services Cost Groups have been identified for purposes of determining and applying the fringe benefits rates. The classes of employees and types of payments included in each of the five groups are as follows:

1. Partial Benefits - Social Security Benefits only; Covered employees include

- a. Temporary classified persons
- b. Temporary academic or research professionals not eligible for retirement, health insurance, and life insurance programs or not electing coverage under the plans
- c. Part-time employees employed for less than 50% of a full work schedule
- d. Additional compensation payments not covered by retirement programs
- e. Other payments to employees to cover moving expenses, awards, termination pay and other miscellaneous payments not covered by retirement programs

2. Full Fringe Benefits - All Benefits noted above; Covered employees include:

- a. Regular full-time faculty
- b. Principal Investigators
- c. Professional and administrative staff
- d. Joint staff
- e. Temporary academic or research professionals covered by applicable retirement, health insurance, and life insurance programs
- f. Bi-weekly permanent employees
- g. Part-time employees employed for at least 75% of a full work schedule

3. Limited Benefits – Social Security, Retirement, Termination Vacation Leave, and Other Non-Payroll Benefits; Covered employees are those employed for at least 50%, but less than 75% of a full work schedule, including:

- a. Regular faculty
- b. Principal Investigators

- c. Professional and administrative staff
- d. Joint staff
- e. Temporary academic or research professionals covered by applicable retirement programs
- f. Bi-weekly permanent employees

4. Graduate Student Health Insurance - Covered employees include:

- a. Graduate Research/Teaching Assistants who qualify for the graduate tuition remission award. See G&C Policy 3.17 "Graduate Student Tuition Remission Program" for additional information on qualifications.

5. No Benefits – Applicable to all other student employees enrolled full-time and working less than 20 hours per week.

Form Links: [Current and prior yr apprvd Fringe Benefits rates/rate agreements may be accessed from Grants and Contracts Accounting site:](#)

Frequently Asked Questions: [Refer to the G&C website for Frequently Asked Questions related to fringe benefits rates.](#)

Responsibilities:

Contact the Grants and Contracts Accounting Department at gc.ask@business.gatech.edu for additional guidance related to Fringe Benefits rates at Georgia Tech.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information: [G&C Policy 3.2 Personal Services Reporting](#)

Policy History:

Revision Date	Author	Description
12-08-2014	Office of Grants & Contracts Accounting	Align with requirements of 2 CFR 200
04-01-2012	Office of Grants & Contracts Accounting	Administrative review

Georgia Tech Research Corporation Project Numbers

Policy No: 3.10

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2014

Review Date: Apr 2021

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

This procedure explains the method of establishing a new sponsored project in the accounting records of the Georgia Institute of Technology where the Georgia Tech Research Corporation is the sponsoring entity.

Policy Statement:

The Office of Grants and Contracts Accounting is charged with the establishment of sponsored projects in the Chart of Accounts and the accounting records of the Georgia Institute of Technology upon receipt of properly authorized/approved budgetary and invoicing documentation. The authorization should be approved by authorized personnel to obligate funds from the Georgia Tech Research Corporation. Requests received by the Office of Grants and Contracts Accounting without approval by appropriate personnel will be returned to the requesting unit.

Procedures:

Upon receipt of a properly authorized request for a new sponsored project, the Office of Grants and Contracts Accounting determines the scope of work to be funded and assigns a sponsored fund and project number within the requesting unit. The project number is then submitted electronically for review and update to the Institute accounting records. The following steps are then taken to complete the project number assignment and notification process:

1. The Office of Grants and Contracts Accounting sets up the fund and project in the Grants Management (GM) System and the Chart of Accounts. The appropriate budget information is entered into GM based upon data provided in the request.
2. The unit requesting the project and the recipient unit are notified by the Office of Grants and Contracts Accounting of the fund and project number which should be used for related charges.

Forms/Links

There is no specific form which is used to request new funding from the Georgia Tech Research Corporation. The requests are typically routed through the Office of the Provost and Executive Vice President for Academic Affairs and should include at a minimum the following information:

1. Requested budget maximum with category distribution.
2. Source of funding for costs incurred for the project being requested.
3. Effective and expiration date required for the project.
4. Project director responsible for project.
5. Administrative unit to which project should be assigned.
6. Sponsored Project, Fund and Sponsor name if established for matching/cost share obligation.

Contact the Grants and [Contracts Accounting Department](#) for specific guidance related to managing sponsored projects at Georgia Tech.

Graduate Student Tuition Remission Program (GSTRP)

Policy No: 3.17

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Nov 2007

Review Date: Nov 2016

Policy Statement:

Georgia Tech developed and implemented a plan in 1996 named the Graduate Student Tuition Remission Plan (GSTRP). This plan was reviewed and approved by the Office of Naval Research (ONR). Since that time annual rate

studies have been provided to ONR that are audited by the Defense Contract Audit Agency (DCAA) to produce approved rates for each fiscal year.

The key features of this program are:

1. The Tuition Remission Award is managed through our graduate coordinators in each academic department. Upon approval of the appointment as a Graduate Research Assistant or Graduate Teaching Assistant (GRA/GTA) the home department of the student will enter a waiver code into the student system and then a credit is processed to the student's account for the fee reduction for the academic term (set on an annual basis). All GRA/GTA appointments are processed in this manner. The fee reduction is charged against one of two ledger accounts based on whether the reduction is for in-state or out-of-state tuition.
2. Part of the requirement for the appointment as a GRA/GTA includes the appointment to provide services to GIT at 33% to 50% time, registered for at least 12 credit hours of which 9 are letter grade/pass/fail. GRA/GTA's must be hired in the appropriate job code for a GRA/GTA in Human Resources. These appointments are made by the academic departments and the charges will be made against appropriate benefiting activity.
3. On a monthly basis, the Salary Planning and Distribution (SPD) System identifies the GRA/GTA payroll charges to sponsored projects and charges the sponsored project the approved monthly rate. If the student provides services to multiple projects, the charge is prorated. The charge to the sponsored project is offset by a credit to a Revenue Account- Sponsored Funded Fees.
4. Waivers of GSTRP charges to sponsored projects are considered by the Office of the Provost when required. Any such request should identify the unique features of the sponsored project that might warrant this special accounting treatment.

Form Links:

[Current and prior year approved GSTRP rates may be accessed from the Grants and Contracts Accounting web site](#)
[Expanded graduate student policies, eligibility/appointment info and FAQs may be accessed from the GTech Grad Studies site](#)
[Graduate Student Policies](#)

Participant Support Stipends Or Subsistence Allowances

Memorandum Of Understanding

Policy No: 3.12.4.a

Type of Policy: Administrative

Review Date: Dec 2014

MEMORANDUM OF UNDERSTANDING

PARTICIPANT SUPPORT STIPENDS OR SUBSISTENCE ALLOWANCES

Note: This Memorandum of Understanding is to be prepared and submitted with each request to disburse participant support stipends or subsistence allowances to individuals who participate in sponsored conferences or research or instructional training programs.

Name of Program	Project/Fund Number
Department/Unit	Month/Day/Year

Participant is to place an (X) in the box below and complete the signature section indicating that you understand your obligation(s) regarding the reporting of stipend or subsistence allowances as taxable income on your tax return.

I am a United States Citizen or a Resident Alien, and I am participating in a research or instructional training program. To the best of my knowledge I am performing activities designed to train individuals in the performance of instructional or research projects, and this is not work the Institute would employ individuals to perform. I understand that I am not a Georgia Institute of Technology employee for payroll tax withholding purposes, and I am not covered by Worker's Compensation under Georgia Law. Georgia Institute of Technology will issue an IRS Form 1099 for these payments. Furthermore, I understand that it is my responsibility to determine my tax liability and file my United States tax return with the IRS.

Definition of Participant Support Stipends or Subsistence Allowances

Participant Support stipends or subsistence allowances are paid to help defray the costs of personal maintenance while participating in a conference or training activity. Participants may be paid a stipend, per diem or subsistence allowance, based on the type and duration of the activity, as outlined in the pertinent sponsored program announcement and in the grant instrument. Such allowances must be documented and represent reasonable costs, in conformance with the Georgia Institute travel policies and procedures.

Definition of Participant Support Reimbursement of Expenses

Travel costs of participants in research or instructional training programs may be allowable as outlined in the pertinent program announcement and in the grant instrument.

Printed Name of Participant	Social Security Number
Signature of Participant	Date
Signature of Departmental Representative	Date

Distribution: Accounts Payable; Participant; Department

Processing Participant Support Stipends Or Subsistence Allowances

Policy No: 3.12.4

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2014

Review Date: Apr 2021

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Policy Terms:

Participant Support Stipends or Subsistence Allowances

Participant Support stipends or subsistence allowances are paid to help defray the costs of personal maintenance while participating in a conference or training activity. Participants may be paid a stipend, per diem or subsistence allowance, based on the type and duration of the activity, as outlined in the pertinent sponsored program announcement and in the grant instrument. Such allowances must be reasonable and conform to Institute policies. A Memorandum of Understanding (MOU) between the department/unit and each participant is recommended. Please refer to G&C Policy No. 3.12.4.a – Memorandum of Understanding to obtain an MOU template.

Human Subject/ Research Participant payments are defined differently from Participant Support and are not included under the purview of this policy. Please see Georgia Institute of Technology Institutional Review Board Policies & Procedures – XIV “Compensation and Incentives for Research Participation.” Questions regarding these payments may be directed to ap.ask@business.gatech.edu.

Participant Support Reimbursement of Expenses

Travel costs of participants in research of instructional training programs may be allowable as outlined in the pertinent program announcement, the grant instrument, and Georgia Tech policy. For participant expense reimbursements, the participant should retain original receipts and submit only copies with the reimbursement request.

Procedures:

Participant Support Payments to GT students

Participant Support payments can be made using one of the following methods:

1. Payment through the Accounts Payable Office using an AP Payment Request Form (formally known as the Check Request form) and the recommended MEMORANDUM OF UNDERSTANDING - PARTICIPANT SUPPORT STIPENDS OR SUBSISTENCE ALLOWANCES for direct payment to the participants.
2. Payment through Financial Aid (ie: SURE, FACES) using an appropriate project specific to Undergraduate or Graduate students (i.e., projects with a 997 or 998 prefix).
3. Payment through payroll if the participant is being paid a stipend and is already paid as a student employee through payroll. The stipend amount for students already paid through payroll must be set up in the SPD/Payroll system by the department. A subproject should be set up in the accounting system within the same fund for the participant support costs with a zero percent F&A rate.

Payments to non-student participants

Submit an AP Payment Request Form (Formally Check Request Form), Vendor Profile Form, and a recommended MEMORANDUM OF UNDERSTANDING - PARTICIPANT SUPPORT STIPENDS OR SUBSISTENCE ALLOWANCES to the Institute's Accounts Payable department. The check box on the AP Payment Request Form form should be marked "Non-GT Student Training Stipends, Non-Employee Awards (Sponsored Funds Only)" if used for stipend payments and "Reimbursement" for other expense reimbursements. For travel reimbursement see Policy No. 6.16 – Non-Employee Travel.

For additional information regarding the AP Payment Request Form, please contact ap.ask@business.gatech.edu or go to www.procurement.gatech.edu.

IRS Regulatory Requirements

The Institution will report participant support payments to the individual on IRS Form 1099-Misc at the end of each year or W-2 if the student/participant is paid through payroll.

Contact the Grants and Contracts Accounting Department at gc.ask@business.gatech.edu for specific guidance related to managing sponsored projects at Georgia Tech.

Personal Services Reporting Using the Plan Confirmation System

Policy No: 3.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Oct 2016

Last Revised: May 2018

Review Date: Oct 2020

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

The Federal Government's Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200) establishes principles for determining costs applicable to grants, contracts, and other agreements between Federal agencies and non-Federal entities (i.e., educational institutions). All Federal agencies that sponsor research and development, training, and other work at educational institutions must apply the provisions of the Uniform Requirements in determining the costs incurred for such work.

Policy Statement:

As a major research university that manages a large number of sponsored agreements, Georgia Institute of Technology must have financial systems and internal control procedures in place to assure compliance with the terms and conditions of these agreements and State and Federal regulations concerning sponsored programs. One of the most important parts of these procedures involves the documentation and support of the distribution of salary and fringe benefits charges to sponsored programs.

Georgia Institute of Technology policy requires that the preparation of invoices to sponsors be based on the information in the accounting records, including the salary and fringe benefit charges determined by the Plan Confirmation System. In most instances, these billings are issued on a monthly basis. Every invoice must be signed and certified by an Institute financial officer. The signature certifies the accuracy of the charges presented on the invoice for payment:

- Are allowable to the project scope,
- Are allowable by the project budget,
- Are reasonable and have been incurred within the Period of Performance, and
- Have been incurred according to all Institute accounting policies and procedures.

For the above reasons, the distribution of personal service costs to sponsored projects is a sensitive issue in the university's operation of its sponsored programs; it therefore receives careful scrutiny by Institute officers, sponsor representatives, and federal government contracting officers and auditors.

Scope:

These provisions apply to all units of Georgia Tech other than the Georgia Tech Research Institute (GTRI). Employees of GTRI utilize hourly time sheet procedures designed to comply with Federal Acquisition Regulations 31.2, which have different requirements for the documentation of personal services expenses. The GTRI Policies & Procedures Manual includes specific instructions for GTRI time sheet preparation and time reporting.

Policy Terms:

eWAF

Electronic Workload Assignment Form report produced monthly for Plan Confirmation System employees to review their effort allocation for accuracy and make timely corrections.

eASR

Electronic Annual Statement of Reasonableness report produced annually for Plan Confirmation System employees documenting confirmation and certification that their effort allocation was reasonable and correctly posted in the past fiscal year.

Procedures:**Compensation for Personal Services**

Compensation for personal services covers amounts paid currently, or accrued by the institution, for services of employees rendered during the period of performance under sponsored agreements or other institutional activity. The distribution of salaries and wages, whether treated as direct (charges to activities such as instruction, research, public service) or F&A (indirect) costs (support activities such as Departmental Administration, contract administration and accounting, and central administrative office services), are based on payrolls documented in accordance with the generally accepted practices of colleges and universities. The payroll distribution system, which is incorporated into the official records of the institution, must reasonably reflect the activity for which employees are compensated by the institution, and it encompasses both sponsored and all other activities on an integrated basis.

Georgia Tech uses the Plan Confirmation System for exempt employees and the After-the-Fact Activity Records System for non-exempt employees for handling payroll distributions.

After-the-Fact Activity Records - Non-Exempt Employees

Georgia Tech uses the After-the-Fact Activity Records system for non-exempt employees. OMB Uniform Requirements states that charges for salaries and wages of non-exempt employees must also be supported by records indicating the total number of hours worked each day. The use of time documents, as prescribed under current Georgia Institute of Technology payroll procedures, meets the requirements of the OMB Uniform Requirements for non-exempt employees. So although these employees are covered by OMB Uniform Requirements, they are not included in the Institute's Plan Confirmation System.

Plan Confirmation System - Exempt Employees

Georgia Tech uses the Plan-Confirmation System as the basis for its distribution of salaries and wages for most exempt faculty and staff. Under this system the distribution of salaries and wages is based on budgeted, planned, or assigned work activity based on the initial annual budget and updated throughout the year to reflect any significant changes in work distribution.

Employees Covered by the Plan-Confirmation System**Exempt Faculty and Staff**

The Georgia Tech Plan-Confirmation System covers all exempt faculty and staff employees who meet the following requirements at any time during the fiscal year:

- All academic personnel paid monthly whose activities are distributed to a sponsored project and/or more than one project or account.
- All other monthly paid personnel:
Whose activities are distributed directly either to one or more organized research projects, other sponsored agreements, or cost-sharing projects.

Who distribute their activities to more than one direct or indirect (Facilities and Administrative) activity.

Who split their effort between direct and indirect (Facilities and Administrative) activities.

Who have any or all of their effort distributed to Departmental Administration–Instruction, Departmental Administration-Research and/or Other Sponsored Activities.

Graduate Student Employees

Georgia Tech uses the Plan-Confirmation System as the basis for its distribution of salaries and wages for all appointed graduate students who are paid on a monthly basis from sponsored, cost-sharing, general research and departmental administration projects. Under this system the distribution of salaries and wages is based on budgeted, planned, or assigned work activity, which is updated throughout the year to reflect any significant changes in work distribution.

All graduate students who are paid on an hourly basis shall report their time worked on bi-weekly time documents, and the Plan-Confirmation System does not cover them. This procedure meets the OMB Uniform Requirements and no additional reporting is necessary.

Salary Planning and Distribution (SPD) System

The Institute uses a Salary Planning and Distribution System (SPD) which operates as a sub-system to our Office of Human Resources Payroll system. The SPD system is designed to receive employee and salary distribution information from the payroll system, and can accept new information about employee activities to update the distribution of salary and fringe benefits expenses. In most instances, the unit financial managers can enter updates to salary distribution directly to the system on a daily basis. Salary distribution changes for other units are processed on a daily basis by the SPD Center located in the Office of Grants and Contracts Accounting. Salary distribution changes can be made throughout the month and updated summary reports of employee salary distribution can be printed after completion of each change. This information is directly submitted to the sponsored project accounting records to permit early evaluation of project financial status.

As a part of the SPD system features, any applicable fringe benefit expenses are charged to projects based upon the appropriate flat rate fringe benefits percentages as approved on an annual basis. In addition, graduate student tuition remission (GSTRP) charges are posted and encumbered for all projects that are eligible for these charges.

Georgia Institute of Technology Budget System

The Plan-Confirmation System (PCS) and the Salary Planning and Distribution (SPD) System have been developed and implemented to support the Institute budget process.

In preparing the annual budget, the Budget Office obtains original operating budget information from all campus organizational units. The initial budget information contains the details of each employee's salary as well as the distribution between state and sponsored projects. When the budget is approved, the salary information is uploaded to the Office of Human Resources' payroll system. Following that process, the SPD system is populated with the approved project allocations to initiate the activity monitoring required by the Plan-Confirmation System. Subsequent appointments are entered into the payroll system using the OHR appointment forms and then the information is updated in the SPD system.

Electronic Workload Assignment Forms

At the end of each month, a workload assignment form is prepared for each employee covered by the Plan-Confirmation system. Employees are notified by E-Mail from Grants and Contracts Accounting when their reports are available and may be accessed directly using a link provided in the message. These forms can also be reviewed by employees on their TechWorks Home Page when obtaining monthly payroll information. Unit financial managers may also produce copies for review by individual employees. Each monthly Electronic Workload Assignment Form (eWAF) covers an entire fiscal year, July 1 to June 30, including both actual payments and planned salary distribution for future periods. In this way, the employee is reminded of the current and future distribution of salary charges based on effort and his/her responsibility to report workload changes to his/her supervisor in a timely manner. See "Employee Responsibilities".

Significant Changes in Workload Distribution

The Plan-Confirmation System provides for the modification of an individual's salary distribution, commensurate with any significant change in the employee's workload or the ratio of activities comprising the total workload. Specific events, which will or may cause a significant change in workload distribution include, but are not limited to:

- The beginning or ending of work on a sponsored project or an internally funded project.
- A material change in the scope of work on a project.
- An increase or decrease in the number or level of courses taught.
- A new committee or major administrative assignment or relief from a committee or major administrative assignment.
- The beginning or ending of a sabbatical leave, leave without pay, or prolonged sick leave.
- Status changes from part-time to full-time or vice versa.

The system does not require an adjustment in the employee's workload assignment for day-to-day, or short-term, changes in his/her work schedule. However, the basic concept of the Plan-Confirmation System does require an adjustment for **all significant** changes in an employee's workload. Although there is no precise definition for the term "significant," Georgia Institute of Technology policy provides for a general rule that a change applicable to a given project or activity of 5% or more of an employee's total effort over the course of the academic term would warrant an adjustment.

Changes in an employee's workload distribution for future periods are generally acceptable but are subject to the standard documentation requirements noted below. Future period workload distributions are confirmed monthly via EWAF (described above).

Retroactive Changes in Workload Distribution

Retroactive changes to payroll distributions must be subjected to the closest scrutiny. These types of changes indicate a contradiction of previous monitoring reviews and, for that reason, should be limited to the correction of errors. If a retroactive change must be made, it must be approved and documented in accordance with the requirements included below.

Standard Documentation Requirements

Primary supporting documentation for Plan Confirmation System salary charges are either electronic or signed paper Acknowledgement of initial Personal Services Reporting (PSR) training; Monthly Workload Assignment Forms (EWAFs); and Annual Statements of Reasonableness (ASRs). These forms and reports are fully explained in other sections of this policy statement.

Georgia Tech authorizes the principal investigator (PI) and the properly authorized unit designee (financial manager and staff) to have primary responsibility for the management of sponsored agreement funds. Therefore, the actions of these individuals as documented using manual/electronic signatures and/or a system password is normally considered sufficient documentation to support standard workload allocation changes.

Retroactive changes that cross fiscal years may be made in extraordinary circumstances by manual journal entries when supported by appropriate documentation, including a revised Annual Statement of the Reasonableness of Salary Charges (ASR).

Special Documentation Requirements and Limitations – Externally-funded** Sponsored Projects

In addition to the standard documentation requirements noted above, retroactive salary distribution changes that add salary charges to externally-funded** sponsored projects must be accompanied by a written (or system-recorded) justification statement at an appropriate level of detail. Specific reasons for the transfer must be provided in the explanation. Transfer requests of this type that are not properly documented with an acceptable justification statement

will be moved to the unit's sponsored undesignated project number by SPD Center staff.

Retroactive salary cost transfers to externally-funded** sponsored projects beyond 90 days of the original expense posting will not be allowed under normal circumstances.

Provisions for exceptions to the 90 day limit will be considered as follows:

- In situations where initial or continuing sponsor funding is delayed beyond 90 days after the effective date, consideration for recognition of cost transfers beyond the limit will be addressed by the Grants and Contracts Accounting Office if the transfer is requested within the reporting period of the sponsored project (typically 60-90 days after the expiration date of the project). If the terms and conditions of the sponsored agreement provide for acceptance and payment of the expenses covered by the proposed cost transfer and appropriate supporting documentation is provided, the Senior Director of Grants and Contracts Accounting will approve the proposed transfer.
- Other exceptions will be considered on a case-by-case basis and properly documented.
- Upon the proper approval of the Senior Director of Grants and Contracts Accounting, the Associate Vice President for Financial Services, and the Associate Vice President for Research, such entries will be recorded.

*** Excludes sponsored projects funded by the Georgia Tech Foundation and Georgia Tech Research Corporation. Transfers between projects associated with the same sponsored fund (award) are not subject to special documentation requirements or the 90 day limitation.*

Annual Statement of Reasonableness (ASR) of Salary Charges

The Plan-Confirmation System requires that at least annually a statement will be signed (electronically or manually) by the employee, principal investigator, or responsible official, using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges, or that salaries and wages charged to both direct and indirect cost categories, or to more than one (F&A) indirect cost category, are reasonable in relation to work performed.

The Annual Statements on the Reasonableness of Salary Charges (ASRs) for Georgia Tech coincide with the institution's fiscal year, which ends June 30 for covered employees having Fiscal or Academic Year appointments. The Salary Planning and Distribution (SPD) Center of the Office of Grants and Contracts Accounting will send email notifications to covered employees to complete the ASR certification electronically (eASR), with an embedded link, following the completion of the fiscal year. Employees will logon to the eASR application, review their final fiscal year distribution, and electronically confirm their eASR with their userid and time/date stamp representing an electronic signature. For those not completing the electronic ASR, the SPD Center will distribute manual ASRs to School Chairs or organizational unit heads to be certified. EASRs and manual ASRs must be completed and returned according to the specific date selected each year.

The Annual Statement on the Reasonableness of Salary Charges presents the workload distribution of each employee for the fiscal year. This statement shows the amount of salary charged to each of the employee's projects and the percentage of each amount to the total effort. This statement merely restructures the Electronic Workload Assignment Form, which the employee has in his/her possession. The manual ASR provides a ready means of making adjustments in payroll distributions if corrections are required. The instructions on the manual Annual Statement provide that the percentages of certified annual effort, Column D on the form, are to be completed only if they differ from the actual amounts of salary charged to the various projects. If changes are required, the certified annual effort percentages in Column D must be entered for each project number and must total 100%. Also, if effort is reported in Departmental Administration (typically Project numbers ending in 290, 400, 990) the section on these activities must be completed by designating the activities performed.

ASR Signatory Requirements – Certification of Effort

The Electronic Annual Statement on the Reasonableness of Salary Charges (ASR) is designed for the employee to confirm that the distribution of salary charges to projects represents a reasonable estimate of the work performed during the stated period. In most instances, only the employee has the information required to complete this certification and therefore eASR's must be completed and signed by the covered employee.

The manual ASR does provide a second certification section to be used in limited instances when the covered employee is not available to complete the certification. This certification may be signed by the employee's supervisor, PI, or other organizational unit head, without the employee's signature, provided the responsible official is prepared to certify that he/she has firsthand knowledge of all the employee's activities using suitable means of verification that the work was performed. If the responsible official cannot certify that he/she has personal familiarity with all of the employee's activities, then the employee is required to sign the statement. In some cases, an employee may be involved in a number of activities under different supervisors, and no single person other than the employee has firsthand knowledge of all his/her activities. In these cases, the employee must sign the documents.

If a covered employee or graduate student completes his/her term of employment and/or is on leave from Georgia Tech during the certification period, a special ASR can be requested from the SPD Center for immediate confirmation prior to fiscal year-end. These special ASR's will be prepared to reflect all salary payments made to the employee at the end of the assignment.

Unit Financial Manager's Certification

The Plan Confirmation System procedures also require that the appropriate financial manager in each unit review the electronic or manual ASR statements before returning to the SPD Center in Grants and Contracts Accounting. This unit quality assurance review is needed to ensure that the ASR amounts and distribution agree with the payroll and SPD records, that the Departmental Administration section of the statement has been completed as needed, and that the form has been signed as required. The financial manager should sign and date each eASR or manual ASR to indicate that the review has been done. The eASR has the Financial Manager userid and Time/date stamp representing an electronic signature. For manual ASRs, this action is in addition to any signature reported as a responsible official having firsthand knowledge of the employee's activities. In no case should the employee signing the manual ASR in the Certification section (above) also sign in this financial manager certification section.

Forms

To obtain hard copy forms, please contact the Office of Grants & Contracts Accounting at spd.ask@business.gatech.edu.

Form Links:

[Personal Services Reporting Training Video](#)
[Personal Services Reporting Booklet](#)
[Personal Services Reporting Acknowledgement Form](#)
[Electronic Annual Statement of Reasonableness Trng](#)
[ASR Signature Example](#)

Responsibilities:

8.1 Departmental Responsibilities

Unit heads and financial managers (who have been delegated signature authority by unit heads for submission of salary information to the Budget and SPD Systems) are responsible for the accuracy of salary and fringe benefits transactions. This includes confirmation that the salary charges are allowable charges to the designated projects, and that funds are available to support such charges.

All changes to salary distribution are to be reported and corrected as soon as possible to assure the accuracy of monthly invoicing to sponsors. This reporting process is covered in the SPD System operating procedures and training programs. All retroactive salary distribution changes that add charges to externally-funded** sponsored projects are subject to additional documentation requirements, restrictions, and limitations. See "Retroactive Changes in Workload Distribution".

Unit financial managers are to provide instructions and support to employees covered by the Plan Confirmation System (PCS) to make sure that these employees understand their responsibilities in this regard. This training is supported by the Salary Planning and Distribution (SPD) Center in the Grants and Contracts Accounting Office via an on-line tutorial entitled "Personal Services Reporting" (PSR). After viewing the required tutorial on the GT Training website, all employees covered by the system must complete an assessment questionnaire. Once they have passed the tutorial the employee must click the Acknowledgement Statement to record their successful completion of the PSR training. An alternative training option is to read the PSR booklet (found on the G&C website) and submit a paper acknowledgement form indicating that they understand their responsibilities for personal services reporting using the Plan-Confirmation System. This completed acknowledgement (either electronic or paper) must be on file in the SPD center for all employees whose salaries are charged directly or indirectly to sponsored projects.

8.2 Principal Investigator Responsibilities

Each Georgia Tech PI is responsible for effectively overseeing and managing his/her sponsored projects based to a considerable extent upon his/her knowledge of the field of study and his/her capabilities to conduct the projects in an efficient and productive manner.

Monthly "PI Sponsored Project Review" reports are provided directly to PIs by the Office of Grants and Contracts Accounting to permit timely reviews and approval/confirmation of all charges posted to his/her assigned sponsored projects. PIs are to perform periodic reviews of these charges to provide proper financial oversight.

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8.3 Employee Responsibilities

The employee has definite responsibilities in the operation of the Plan-Confirmation System (PCS), and these are set forth below for his/her information and guidance:

- All employees with appointments to positions or activities covered by the PCS must develop an understanding of their responsibilities for PCS reporting by participating in the on-line Personal Services Reporting training program and/or reading the Personal Services Reporting booklet. After successfully completing the required training, the employee must submit an acknowledgement indicating that they understand their responsibilities for personal services reporting using the Plan-Confirmation system.
- The employee is to review their Monthly Workload Assignment form to confirm the accuracy of current and future salary distribution. To assist in this regard, each monthly report includes a notification regarding changes made to their workload allocations since the last report.
- The employee must advise his/her supervisor or unit financial manager if his/her Monthly Workload Assignment forms are not received in a timely manner.
- The employee must advise his/her supervisor if the actual effort for a given project or planned to be given to a project or activity varies by 5% or more of the total estimated effort shown for the current assignment, so that the workload may be modified.
- The employee must provide additional supporting documentation to his/her supervisor for any change in salary distribution that is reported over 90 days after the payroll date. The supporting documentation must include a

copy of the employee's Workload Assignment Form for any period past 90 days of the payroll date. For all salary distribution charges to externally-funded sponsored projects, an alternate funding source is to be provided.

- If appropriate action is not initiated promptly by his/her supervisor or the designated unit financial manager, the employee should immediately notify the SPD Center at spd.ask@business.gatech.edu.
- The employee must retain in his/her files the initial workload assignment form as well as all Monthly Electronic Workload Assignment Forms received during the current fiscal year.
- The employee must electronically or manually complete, sign, date, and return their Annual Statement on the Reasonableness of Salary Charges for each fiscal year by the stated deadline.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[OMB Uniform Administrative Requirements 200.430 Compensation - personal services](#)

[Fringe Benefits Cost Rates Policy 3.16](#)

[Graduate Student Tuition Remission Program \(GSTRP\) Policy 3.17](#)

Policy History:

Revision Date	Author	Description
10-17-2015	Office of Grants & Contracts Accounting	Align with terminology of Fair Labor Standards Act (FLSA)
10-01-2015	Office of Grants & Contracts Accounting	Revise Special Documentation Requirements and Limitations – Externally-funded Sponsored Projects from 120 days beyond the original expense posting date to 90 days aligning with close-out requirements of OMB 2 CFR 200.
11-05-2014	Office of Grants & Contracts Accounting	Align with requirements of 2 CFR 200
04-01-2012	Office of Grants & Contracts Accounting	Administrative review

Project Close-out in Grants Management System

Policy No: 3.11

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Oct 2015

Last Revised: Oct 2015

Review Date: Oct 2020

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

This procedure explains the method of review to financially close sponsored projects in the accounting records of the Georgia Institute of Technology in accordance with close-out requirements mandated by Federal regulations, including the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200), sponsor requirements, and award terms and conditions. Timing of the financial close is often included in contractual clauses and efforts should be made to meet deadlines and limit the risk of loss.

Policy Statement:

The Office of Grants and Contracts Accounting is charged with the financial close-out of Sponsored projects in the accounting records of the Georgia Institute of Technology for sponsored activity in Resident Instruction (RI), Georgia Tech Professional Education (GTPE), and the Enterprise Innovation Institute (EII).

Scope:

All employees engaging in sponsored research activity.

Policy Terms:

Matching/Cost Sharing Funds

Funds contractually obligated by awards accepted by the Office of Sponsored Programs (OSP) in the name of Georgia Institute of Technology or the Georgia Tech Research Corporation.

Procedures:

The Office of Grants and Contracts Accounting is responsible for the financial close-out of sponsored awards in the accounting records of the Georgia Institute of Technology for both externally funded awards and internally funded projects (i.e., Georgia Tech Foundation, managed by the Controller's Office, and the Georgia Tech Research Corporation). Steps taken to complete the financial close-out process are as follows:

1. Accountants in the Office of Grants and Contracts Accounting review expenditures and encumbrances allocated to sponsored projects throughout the life of the award. These checks may include, but are not limited to, line item transaction review and verification that transactions occurred within the performance period. This process is designed to ensure expenditures are within sponsor guidelines established in the award document and in compliance with applicable laws and institutional policies, including the Federal Government's Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200). In accordance with 2 CFR 200.343, the non-Federal entity must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award.
2. An administrative report entitled "90 Days to Expiration" is available to Project Directors/Principal Investigators, unit financial officers and other appropriate Grants Management (GM) system users as notice of initiation of the financial close-out process.
3. Upon project expiration, the G&C Accountant responsible for financial review of the expiring project contacts the administrative unit responsible for expenditure allocation. The purpose of the contact is to verify that all appropriate expenditures and/or encumbrances have been recorded properly in the accounting records. Any unrecorded activity must be verified by the Accountant as allowable in order to include those costs and/or unliquidated obligations in the financial reporting to the sponsoring entity.
4. Upon confirmation that all expenditures and/or obligations have been verified, the G&C Accountant reviews transactions for propriety, and reconciles indirect charges. Charges are verified to be allowable and within

contractual budgets and terms of the award. The accounting review includes the same checks with respect to contractually obligated matching/cost sharing funds as it does to sponsored funds.

5. Final invoices, vouchers, or cash requests are prepared according to instructions included in the award document or standard procedures for specific sponsoring entities.
6. Final financial reports, if required, are prepared and submitted to the sponsoring entity in compliance with external reporting requirements.
7. Accountants in the Office of Grants and Contracts Accounting are responsible for monitoring projects which have been financially closed with the sponsor but have outstanding action required by campus units. Until all internal adjustments are complete, the sponsored project cannot be inactivated in the accounting records.
8. At the time final payment from the sponsoring entity is received and all internal actions have been processed in the accounting records, the Office of Grants and Contracts Accounting inactivates the fund and project(s) in the Institute's records.

Fixed-price Sponsored Projects

Fixed-price sponsored projects will be closed in accordance with the terms and conditions of the sponsored award agreement and in the same manner as standard cost-reimbursable projects. In accordance with 200.201 (b)(3) of the OMB Uniform Requirements (2 CFR 200), written certification that the project or activity was completed or the level of effort expended must be obtained. If the required level of effort or activity was not carried out, the amount of the award must be adjusted.

Residual funds (if any) remaining on fixed price projects, after certification, will be transferred to a departmental GTRC allocation fund, net of applicable F&A expenses, to be managed by the Chair/Director of the department.

Frequently Asked Questions

Additional information, including Web GM access requirements and training materials, are available on the Grants and Contracts Accounting web site www.grants.gatech.edu

Contact the Office of Grants and Contracts Accounting at gc.ask@business.gatech.edu for specific guidance related to managing sponsored projects at Georgia Tech.

Form Links: [FFP PI-PD Certification Form](#)

Responsibilities:

Principal Investigators, assigned delegates, and unit financial officers are responsible for providing proper oversight and management of sponsored projects during the performance and close-out periods.

Valuation and disposition of equipment and supplies, including computing devices, must be managed in accordance with 200.313 "Equipment" and 200.314 "Supplies" of the OMB Uniform Requirements (2 CFR 200).

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[G&C Notice – Fixed Price Awards \(Revised\)](#)

[OSP Policy 5.4 Closeout of Subawards](#)

[OSP Policy 6.5 Closeout](#)

Policy History:

Revision Date	Author	Description
10-01-2015	Office of Grants & Contracts	Revise close-out process for Firm

Revision Date	Author	Description
	Accounting	Fixed Price awards
11-05-2014	Office of Grants & Contracts Accounting	Align with requirements of 2 CFR 200
04-01-2014	Office of Grants & Contracts Accounting	Administrative review

Project Set Up in Grants Management System

Policy No: 3.8

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2014

Review Date: Apr 2021

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

This procedure explains the method of establishing a new sponsored project in the official accounting records of the Georgia Institute of Technology. Projects are set up in the accounting records upon authorization of the sponsoring entity and the acceptance of the funding terms and conditions by the Georgia Institute of Technology or the Georgia Tech Research Corporation.

Policy Statement:

The Office of Grants and Contracts Accounting is charged with the establishment of sponsored projects in the accounting records of the Georgia Institute of Technology upon receipt of properly authorized/approved budgetary and invoicing documentation for awards under the direction of Institute personnel in the following funds: Resident Instruction (RI), Georgia Tech Professional Education (GTPE), and Enterprise Innovation Institute (EII). Awards are accepted and/or negotiated with external sponsors by the Office of Sponsored Programs (OSP) to minimize the risk to the Institute. After an agreement is accepted and a project number assigned, OSP forwards copies of the documentation to the Project Director/Investigator, the School Administrator, the Grants and Contracts Accounting office and appropriate representatives within the respective campus units via electronic notification. With the exception of sponsored awards funded by the Georgia Tech Foundation and the Georgia Tech Research Corporation, most requests received by the Grants and Contracts Accounting office without approval by the Office of Sponsored Programs will be returned.

Procedures:

Upon receipt of an accepted award, OSP contacts the Office of Grants and Contracts Accounting to establish a sponsored fund and project number in the accounting records of the Institute. Only after the project number is assigned can costs be allocated to the award for cost recovery from the sponsoring entity. At the time the project number is assigned, the Grants and Contracts Accounting office has notification that an award has been accepted by the Institute and/or Corporation and the following steps are taken to monitor the project and establish the sponsored project in the accounting records:

1. Demographic information is sent electronically from OSP to the GM System.
2. Contractual budgets are established in the accounting records by the Office of Grants and Contracts Accounting.
3. A project accountant is assigned based upon the sponsoring entity at the time a project number is assigned.
4. A review of the contractual terms and conditions for financial matters (i.e., budget, financial reporting, billing, etc.) budget distribution, contractual matching cost requirements, invoicing and financial reporting requirements, effective and termination dates is performed by the Grants and Contracts accountant to limit the risk that contractual obligations will not be met. Discrepancies are brought to the attention of the Contracting Officer in OSP for clarification and/or adjustment.
5. Posting errors should be brought to the attention of the accounting staff in the Grants and Contracts Accounting office for correction.

A separate process/procedure has been developed to account for minor Gifts and Grants (amounts usually between \$1,000 and \$15,000) received by Georgia Institute of Technology that contain restrictions as to the use of the funds, but have no requirements for project deliverables or intellectual property rights. These Gifts and Grants are identified as GIT Miscellaneous Awards in the accounting records of the Institute. If the award meets these requirements, the Director of Grants and Contracts Accounting is authorized to establish a restricted fund to manage the award upon receipt of a "New Project Request Form" from a Unit Financial Manager along with the funds. If the award has deliverable requirements, any stipulations related to intellectual property, represents an award from a federal sponsor, or exceeds the limit of funding referenced above, the award documentation will be forwarded to the Office of Sponsored Programs for processing or other action in accordance with existing procedures.

Cost Share Projects

Cost share (Matching) funds are those funds contractually obligated by the Institute to meet the financial requirements specified in a sponsored award. The GM System obtains contract information directly from the OSP database and reports Cost Share Obligation on the "Fund" Demographics Panel. All related cost share projects are linked to the sponsored project for reporting purposes. The GM System is designed to prepare Cost Share reports on a regular basis. See G&C Policy 3.9 "Cost Share Expenses" for procedures and additional guidance.

Contact the Grants and Contracts Accounting Department at gc.ask@business.gatech.edu for specific guidance related to managing sponsored projects at Georgia Tech.

Form Links: [Grants and Contracts Accounting](#)

Record Retention - Federal Sponsored Projects

Policy No: 3.20

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Dec 2014

Last Revised: Apr 2015

Review Date: Apr 2021

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Rob Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

The procedure is to explain the special record retention requirements governing Federal sponsored projects.

Policy Statement:

Georgia Tech is a unit of the Board of Regents of the University System of Georgia (USG). The Institute follows the official USG Records Retention guidelines. These guidelines (including retention periods) can be found at the following web link:

http://www.usg.edu/records_management/schedules/A

Scope:

This policy is applicable to accounting records relating to Federal sponsored projects.

Procedures:

Standard payroll, procurement, accounts payable, travel, and general accounting supporting documentation is maintained centrally in accordance with USG retention guidelines.

P-Card, Electronic Cost Transfer (ECT) and other subsidiary expenditure documentation is maintained at the local unit level.

Additional Retention Requirements – Federal Sponsored Projects

Central sponsored program files, including award documentation, financial reports and summarized accounting system information are retained in accordance with the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements (2 CFR 200), Section 200.333 – 200.337 – “Record Retention and Access”. Section 200.333, Retention requirements for records, states financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to an award must be retained for a period of three years from the date of submission of the final expenditure report** or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.

Detailed Federal sponsored project expense records that exceed the USG/Institute retention period should be maintained by the home department of the Project/Sub-Project Principle Investigator in accordance with 2 CFR 200 requirements.

**Final Expenditure Reports are typically due 60-90 days after the final expiration date of the sponsored award.

Frequently Asked Questions: [Refer to the G&C website for Frequently Asked Questions related to F&A rates.](#)

Responsibilities:

Contact the Grants and Contracts Accounting Department at gc.ask@business.gatech.edu for additional guidance related to record retention for Federal sponsored projects at Georgia Tech.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at:

https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information: [2 CFR 200.333-337](#)

Policy History:

Revision Date	Author	Description
April 2015	Office of Grants & Contracts Accounting	Update per OMB Requirements

Revision Date	Author	Description
12-30-14	Office of Grants & Contracts Accounting	Align with requirements of 2 CFR 200

Sponsored Project Budget Revisions

Policy No: 3.19

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2014

Review Date: Apr 2021

Contact Name: Rob Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

This procedure describes the process to be used by centers, departments and the Office of Grants and Contracts Accounting (G&C) to prepare and process revisions to existing sponsored project budgets. The Office of Grants and Contracts Accounting is responsible for processing budget revisions for sponsored projects managed by Resident Instruction (RI), Georgia Tech Professional Education (GTPE), Enterprise Innovation Institute (EII), and Plant funds (if applicable).

Procedures:

Departmental/Unit Approval for Budget Revision to Sponsored Projects

Staff with the proper approval and authority may initiate a request for a new sponsored sub-project number using the WEB Grants Management system. Users of the web-based Budget Revision to Sponsored Projects tool have a responsibility to ensure the accuracy and legitimacy of the sub-project requests they initiate. When Budget Revision requests are submitted, the user must read, confirm, and acknowledge the following:

1. I have Departmental/Unit authorization to prepare and approve this request for a new sub-project and/or budget revision.
2. This request for a new sub-project and/or budget revision has been reviewed and approved by the project director.
3. This request for a new sub-project and/or budget revision complies with all terms and conditions of the supporting sponsored agreement.
4. This request for a budget revision has been approved by OSP or does not require OSP approval.

Budget Revision to Sponsored Projects – Process Steps

Requests for sponsored project budget revisions are to be prepared using the Budget Revision to Sponsored Projects feature available on the WEB Grants Management menu. Additional procedures and steps to navigate this feature of the system can be found in the Grants Management for Campus Administrators training manual located on the G&C website. Budget revisions associated with new sub-projects must adhere to the standards outlined in G&C Policy No. 3.18 – Establishing Sponsored Sub-project Numbers.

1. Requests for sponsored project budget revisions are to be prepared using the Budget Revision to Sponsored Projects feature available on the WEB Grants Management menu.
2. Upon submission, the system will send a notification e-mail to the requestor.

3. The revision request is electronically routed to G&C for review and approval except in the following circumstances where budget revision requests are automatically approved:
 - Re-budgeting within the same project, which nets to zero. For example, a one-sided entry re-budgeting between budget categories such as travel, M&S, etc. (Only enter the project number in the Main project field; the sub-project field should remain blank)
 - Re-budgeting between two existing projects within the same fund, which nets to zero. For example, a two-sided entry re-budgeting between the main project and a sub-project within an award. (Enter appropriate project number in both the Main project and Sub-project fields)Please note, initial budgets for new awards and budget revisions associated with modifications are completed by Grants and Contracts Accounting. These revisions are automatically approved.
4. G&C Accounting will proceed as follows for sponsored project budget revisions received in the above format with proper department/unit approval:
 - The revised budget will be established in the G&C accounting system
 - The revision will be reflected in Project Expense and Budget (PEB) the following day
 - Notification will be sent by email

Contact the [Grants and Contracts Accounting Department](#) for specific guidance related to sponsored projects budget revisions.

Unbillable Sponsored Costs - Cost Overruns / Sponsored Project Exceptions

Policy No: 3.5

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Dec 2014

Last Revised: Dec 2014

Review Date: Apr 2021

Policy Owner: Office of Grants and Contracts Accounting

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

Although all expenditures and encumbrances are obligations of the Institute, only those costs to sponsored projects within the project performance period, approved award value, and terms and conditions of the award, are billable costs. Any other costs are unbillable and must be paid from alternative sources of funding. It is the fiscal responsibility of the incurring unit to cover costs obligated.

Untimely resolution of unbillable amounts may cause serious cash flow problems, may result in misstated financial statements, and may also result in unfavorable audit scrutiny.

Policy Statement:

After notification by the Office of Grants and Contracts (G&C) Accounting that unbillable costs have been incurred on an externally funded sponsored project, the unit will be given an opportunity to resolve the problem before the expenditure is moved to the unit's cost overrun project.

Scope:

All employees engaging in sponsored research activity.

Policy Terms:

Advanced Project Number

A project to which expenses may be charged on behalf of an anticipated program prior to receipt of a grant or execution of an agreement, with approval from the Office of Sponsored Programs.

Procedures:

To assist with the identification of sponsored projects that need special attention and corrective action, G&C Accounting prepares a monthly exception report to identify all awards with expenditures in excess of available funds and/or active awards with expired term dates. The monthly exception report is distributed to G&C personnel, unit financial officers and appropriate Deans/Directors; representing formal notification to the incurring unit. Corrective action must be taken to clear unbillable amounts as identified each month in the Sponsored Project Exception Report.

In addition to the monthly reporting procedures, G&C Accountants will initiate additional action to clear unbillable costs on sponsored projects. When the assigned G&C Accountant determines that costs incurred are unbillable to the sponsor, the following steps are taken:

These corrective action procedures do not apply to sponsored projects established with OSP-approved Advance Project Numbers or to current projects pending receipt of official modifications. However, written proof/justification from the sponsor is required under these circumstances.

1. G&C contacts the incurring department to determine if immediate action can be taken to resolve the unbillable costs. If the administrator indicates that action will be taken to clear all unbillable amounts within a reasonable time frame (typically 30-60 days), no additional action is required at that time. The assigned G&C Accountant may also contact the Office of Sponsored Programs (OSP) at this stage to determine if official modifications are pending.
2. If action is not indicated by the department or there is no pending action indicated to resolve the outstanding unbillable costs, the project will be reported to a G&C Accounting Manager. Review and follow-up by G&C Accounting is on a continuing basis until the unbillable costs are resolved in some manner.
3. If appropriate action is not taken by the incurring unit and no additional information is provided to substantiate the unbillable amounts within approximately 60-90 days, all questioned costs will be transferred to the unit's cost overrun project. This cost transfer will typically be processed within 90 days of the reported exception but may occur sooner as required by applicable financial reporting and/or invoicing requirements. It should be noted that costs transferred to a unit's cost overrun project may be redirected to other projects as appropriate and as approved.

Forms

Reports are available in the Web Grants Management (GM) system to assist Principal Investigators, assigned delegates, and unit financial officers in providing proper oversight and management of sponsored projects. Proper project management includes posting all appropriate expenses on a timely basis, ensuring that costs are allowable and allocable to the project, and ensuring that expenses do not exceed the authorized budget. The "90 Days to Expiration Report" and the "Project Status Report" are useful for identifying projects that are at or approaching the unbillable stage. These reports are accessible from the main menu of Web GM.

Additional information related to Web GM, including access requirements and training materials, may be accessed from the Grants and Contracts Accounting web site at www.grants.gatech.edu

Contact the Office of Grants and Contracts Accounting at gc.ask@business.gatech.edu for specific guidance related to managing sponsored projects at Georgia Tech.

Form Links: [Web Grants Management](#)

Responsibilities:

Principal Investigators, assigned delegates, and unit financial officers are responsible for providing proper oversight and management of sponsored projects during the performance and close-out periods.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[OSP Policy 2.7 Advance Project Number](#)

[G&C Policy 3.4 Allowable Expenses](#)

Policy History:

Revision Date	Author	Description
11-05-2014	Office of Grants & Contracts Accounting	Align with 2 CFR 200
04-01-2014	Office of Grants & Contracts Accounting	Administrative review

Undesignated Sponsored Projects

Policy No: 3.3

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2014

Review Date: Apr 2021

Contact Name: Robert Roy

Contact Title: Interim Senior Director

Contact Email: rob.roy@business.gatech.edu

Reason for Policy:

Undesignated Sponsored Instruction (580), Sponsored Research (680) and Sponsored Other (880) projects are used as a means of facilitating the budgeting of personal services only when specific project numbers are not yet known.

Undesignated expenditures must be completely removed from the accounting records before the end of each fiscal year.

Policy Statement:

Undesignated projects should only be used where there exists a high degree of assurance that the awards will be approved or where administrative delays have been encountered in the issuance of award documents and the assignment of project numbers. They were never intended as a budgetary device to cover salaries for which adequate funding had not been made and only hopes exist to cover them in the future. Undesignated projects are not to be used as a means of "balancing" a budget and they should never be used when valid project information is available.

Procedures:

An undesignated sponsored report is produced each month by the Salary Planning and Distribution (SPD) Center for each unit and for the Office of the Executive Vice President for Research (EVPR).

For the first eleven months (July - May) of the fiscal year, any undesignated expenditures over 60 days will require justification in accordance with procedures managed by the Office of the EVPR.

Prior to the end of the fiscal year, any balances in the Undesignated Sponsored Projects must be removed and posted to an appropriate unit project or other allowable funding source.

Contact the Grants and Contracts Accounting Department at gc.ask@business.gatech.edu for specific guidance related to managing sponsored projects at Georgia Tech.

Write-Off Requests

Policy No: 3.7

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Sep 2005

Review Date: Sep 2016

Reason for Policy:

This procedure explains how to write-off cost overruns on sponsored projects.

Policy Statement:

Any budgetary unit incurring a cost overrun on a sponsored project will be solely responsible for its removal.

Procedures:

The budgetary unit must submit a Request for Cost Transfer - Sponsored Projects form in accordance with the procedures established and detailed elsewhere in the Policy Library.

1. It is permissible to transfer an expense to the budgetary unit's current year's State funds or to discretionary sponsored funds if the expense causing the overrun is incurred in the current fiscal year. (Instruction or General Research funds - NEVER to Indirect Research)
2. The expense must be written-off against current year funds for active projects. The budgetary unit must identify the current year's State account which is being used to cover the deficit.

Forms

The Request for Cost Transfer/Encumbrance - Sponsored Projects form may be obtained from the [Office of Grants and Contracts Accounting](#).

Purchasing and Accounts Payable

Accounts Payable

Accounts Payable Processing

Policy No: 5.5

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Accounts Payable is responsible for the processing of all Institute payments, other than student financial aid/awards and employee payments for salary/wages.

Procedures:

Category	Form	Process
Trade Vendor Payment for Goods/Services	Vendor Invoice that references GT PO#	Vendor sends invoice to AP. AP enters invoice directly into BuzzMart.
Recurring Payment for Stipends, Non-GT Fellowship, Rent	AP Recurring Payment Request Form	Department completes form and sends to AP. AP establishes recurring payments based on schedule due dates.
Non-PO payments for Refunds, Reimbursements, Registrations, Memberships, Utilities and Honoraria	AP Check Request Form	Department completes form and sends to AP with supporting documentation. For all first-time payees, a Vendor Profile Form must be completed prior to payment.
Wire transfer payment	Wire Transfer Request Form	All regular procurement policies apply. Wire transfers are restricted to international payees
Nonemployee travel	TES for Nonemployees	See Section 6: Travel Policies

These following sections provide instructions for the processing of each of these payment categories.

Document Management and Archive Retention

Policy No: 5.5.4

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Georgia Tech Business Services retains electronic imaged documents as the official Institute record for invoices, Check Requests, Purchase Orders, vendor documents, and receipt documents for expense reimbursements (T&E and TES forms). In addition to vendor invoices, a rendered e-invoice is created for all invoice data that is received electronically from vendors.

Campus departments and document processing should retain the original documents until they have been scanned and linked into the document imaging system, ImageNow. The original can be destroyed after the document has been digitized. Providing the digitized document reflects the information as originally created and can be accessed electronically for later reference.

Users are required to complete an access form to be granted privileges to view these documents. The form can be found [under ImageNow Access Request Form](#).

Documents will be maintained in the document imaging system for the required retention period. Archive and document retention requirements can be found [here](#)

Fiscal Year-End Encumbrances

Policy No: 5.5.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Beginning with the fiscal year ending June 30, 2001, Georgia Tech adopted a new policy regarding the accounting for open purchase orders at fiscal year end. Both state and non-state orders remain encumbered obligations of the budget year in which the orders are placed. This reserves monies to pay for the orders and at the same time it allows the Institute to account for funding in accordance with state appropriation guidelines (i.e., the funding is an obligation of the year in which the order is placed, not the year the obligation is paid).

(Note that prior to June 30, 2001, the Institute “expensed” open state funded purchase orders to obligate funding. This facilitated state budgetary reporting, but it was a violation of Generally Accepted Accounting Principles (GAAP). This variance from GAAP was noted in the Institute’s annual audit. Under the new practice, this disclaimer to our financial statements will be removed.)

To better understand how the new process works, know that each purchase order placed is associated with two different “year” designations. One of these is the “budget year”. This maps expenses and encumbrances to the state’s/BOR’s approved budget for Georgia Tech. The second designation is “fiscal year”. This indicator tracks expenses for GAAP (as opposed to budget) reporting. Most management reports developed for the campus track to the “budget year” automatically, since the budget is the primary management tool in place to control spending. In most instances, the budget and fiscal years are the same for a procurement transaction; however, for carry forward orders the encumbrance and expense will be reported as obligations of the old budget year, not the current budget year.

Procedures:

For prior budget year orders, units should approve invoices for payment once goods are received and forward the approved invoices to Accounts Payable (AP). AP will make payment to the vendor using the prior year funding. If insufficient funding is available on the prior year order to pay the invoice, a new distribution line using the same accounting information will be added for the overage in the current budget year. If there is a remaining balance of state funds on a prior budget year purchase order after all invoices have been paid, they will be lapsed to the Institute’s unreserved fund balance (surplus). This lapsed funding is not available to the unit. If there are remaining non-state funds available on a prior budget year order after all invoices have been paid, it will be released from the budget year obligated and moved to the current budget year as available funds.

Reports

There are numerous reports available to campus management to review procurement activity and funding availability. The reports recommended for prior budget year procurement management are the “Open Encumbrance Report” (GTPOR262), the “Prior Year Expense Ledger” (Report number 306 from the report menu) and the “Summary Prior Year PO” (Report number 718 from the report menu). If you need assistance running reports, please forward a request for help via [e-mail](#).

Policy for Lapsing

Orders for sponsored sub-agreements and construction contracts may span two years without justification. Other purchase orders should be completed no later than the year following the year in which the order was placed, unless justified.

Request for Stop Payment of AP Checks

Policy No: 5.5.5

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Last Revised: Aug 2017

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

A stop payment is a request by the Institute to our bank to refuse the processing of a check upon presentation. The most frequent reasons for stop payments are a lost, stolen, or damaged check. The associated action is a request to reissue the payment via a new check. A stop payment is made to prevent two checks being presented for payment. If a check was sent in error, a stop payment without a reissue request is requested.

Procedures:

The status of Accounts Payable check payments can be reviewed via the AP/PO Web Payment Inquiry tool on the Procurement website. Checks that have cleared the GT bank account will reference the date in the 'DATE CLEARED' field. Checks that have cleared the Institute's bank cannot have a stop payment request placed.

A stop payment on a check may be requested by either the payee or the campus unit that originally requested the payment. In either case, the request must include the payee name, check#, campus ref/PO#, and amount. The reason for the request must be provided, as well as the request to reissue the check, if appropriate. If a campus unit requests that a check be reissued, it is the responsibility of the campus unit to alert the payee to ensure that the payee does not attempt to cash the check.

Stop payment requests can be requested 10 business days after check date, to allow for check audit and mail delivery. After confirmation of the stop payment from the bank is received, a new check will be reissued, if requested.

Vendor Invoice Submission and Payment Matching

Policy No: 5.5.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

1. Submission of invoices for payment by trade vendors (goods, services)
Vendor invoices for goods and services must be sent directly to Accounts Payable:
711 Marietta Street
Atlanta, GA 30318
 - All invoices must include a 10-digit GT Purchase Order#
 - Payment Terms are net 30 days from date of invoice, receipt of goods, or receipt of correct invoice, whichever is laterIndividual invoices can be scanned and attached via [email](#).
2. Submission of invoice for payment against OSP sub-agreements
Vendor invoice must be sent directly to OSP
3. Vendors may use the web AP Payment Inquiry Tool to review payment status for all Invoices that have been entered for payment. This tool includes the scheduled due date, payment type, amount, remit address for checks, and a remit message. Access to the web tool is through the Accounts Payable web site.
Vendors may contact by [e-mail](#) to make inquiry regarding any past-due invoices.

Check Request Form

Policy No: 5.5.1.6

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Last Revised: Aug 2017

Review Date: Feb 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

This form is used for all non-employee payment requests specifically listed on the form. Payments for office supplies, equipment, service agreements, sub-contracts, and other categories where the vendor provides an invoice should be processed via the BuzzMart requisition/approved invoice process. Employees use the **Travel & Expense System** for reimbursement of travel expenditures and the **Employee Payment Request Form** for non-travel reimbursements, including parking and STRAP reimbursements, program advances, and reimbursements for food/group meal events. The Check Request Form (CRF) is designed to request check payment for the following payment types:

Procedures:

Agency Fund Payments

Agency Funds are funds held by Georgia Tech as an agent for an organization or group affiliated with Georgia Tech. Expenses must be used to support the purpose of the Agency Fund. Projects that are designated as Agency Fund projects will always have a '9' in the 4th digit of the project (for example, 210990724-Lego Camp and 536990110-Residence Hall Activity Fees).

Refunds

Refunds are processed for students and visitors who are due a personal refund for key deposits, study abroad deposit, BUZZ card, or parking refunds. The original Georgia Tech receipt should be included or may be referenced on the form with the receipt # and deposit date in the Business Purpose section. Refunds should be charged to the same account that was used for the original deposit of funds.

Reimbursement

Reimbursements to employees are processed via the **Employee Payment Request Form**. Non-employee reimbursements may be processed via the Check Request Form if the payee is not located on campus or for amounts greater than \$500. Non-employee reimbursements of less than \$500 should be processed as petty cash reimbursement through the Bursar's Office, using the Bursar's Office Reimbursement and Replenishment Form.

Pre-Payment

State regulations do not permit payment prior to receipt of goods/services, with the exception of subscriptions, institutional memberships, or postage/shipping, or where specifically required by the contract/agreement. Consequently, campus units should not use this form for pre-payment of goods/services, unless approved by the Purchasing Director. A subscription form, vendor estimate, or order form must be included to support the payment request. If the Georgia Tech vendor contract specifies that a down-payment or deposit is required, a pro-forma invoice must be attached along with the contract that specifically permits pre-payment.

Utilities / Shipping / Telecommunication Services Paid to Provider

Invoices payable to the service provider can be processed using the Check Request Form. Reimbursements to employees for these types of services are processed via the Employee Payment Request Form. For recurring monthly invoices, ensure that the approved amount is the current monthly charge and does not include a prior month's un-posted payment.

Inter-Agency Transfer / Affiliated Organization Transfer

Transfers to the Georgia Tech Foundation, GTRC, GTAA, and other state agencies. These may be for expenses related to joint-staffing arrangements, co-sponsored events, or authorized transfers between affiliated organizations.

Sponsorship

Sponsorship of events that support Georgia Tech's mission and are specifically permitted by the fund source.

Department of Homeland Security

Processing fees associated with visas and associated expedite fees. The individual's name must be included; however back-up documentation is not required for standard H-1B processing fees.

Honorarium

Payments for short-term, one-time service activities payable to a non-employee individual. The period of service should not exceed 9 days. Associated travel expenses may be reimbursed at the same time if original receipts are provided. The visitor must comply with Institute travel regulations. Use account 751108 for the honorarium payment and provide a Vendor Profile Form. Reimbursable expenses are coded to the appropriate travel expense account.

Professional Education Instructor

Payments to Professional Education instructors as specified in the PE service agreement. Use account 751108 and provide a Vendor Profile Form.

Options/CRC Instructor

Payments to short-term, non-employee instructors. Use account 751108.

Ferst Center Performer

Payments to performers and artists as specified in the Ferst Center performance contract. Use account 751108.

Student Center Performer/Service Provider

Performers and service providers for student events may be processed via the Check Request Form if the vendor agreement is included to support the payment.

Payments to Attorneys

Payments to attorneys must be authorized by the Georgia Tech Office of Legal Affairs via e-mail approval or signature approval on the attorney's invoice.

Catering / Group Meals

Statement of business purpose, list of attendees (if less than 15 participants), and invoice/receipt is required. If sponsored funds are used, the sponsor must specifically authorize use of funds. Approved Georgia Tech caterers must be used for all on-campus events, unless an exception is approved by Auxiliary Services. State of Georgia meal per diem limits must be used for all group meals, other than conferences/workshops or events using agency fund accounts. See "[Procurement of Group Meals for Employees, Students, and Official Visitors](#)" for more information regarding the purchase of group meals and food for official Institute events.

Rentals

Hotel rooms for official guests/visitors and candidates. Rental of meeting room space and transportation rental (taxi, bus, car) for groups.

Non-GT Student Training Stipends/Awards

SURF, REU, SURE, URS training stipends. Only sponsored funds may be used and payments must be approved by the Accounting Services Financial Aid accountant. See "[processing fellowship and stipend payments](#)" for more information regarding these types of payments.

Registration Fees

Registrations can be paid for employees, students, consultants, or official guests/visitors. A registration form must be included and a copy will be sent with the check by Accounts Payable. Registration associated with college courses for credit cannot be processed through AP. STRAP and tuition remission programs are available as employee benefits, but must be pre-approved by the Office of Organizational Development prior to student registration.

Workshops or retreats can be processed as a registration if both an agenda and list of attendees are included and the supporting documentation shows an all-inclusive meeting price per person.

Employee Participants: If individual lodging or meals are charged, daily per diem limits are imposed and each employee participant must be more than 50 miles from home or headquarters. If lodging and meals are billed by person, all employee travel regulations prevail and the payment will be processed as employee travel reimbursement to each employee participant via the Travel & Expense System.

Students and other non-employee participants may have their charges directly billed by the vendor and payment may be processed via the Check Request Form. If meals are charged separately, the per person charge cannot exceed the

State of Georgia meal per diem rates. See "[Meals and Incidental Travel Expenses](#)" for more information.

Non-Resident Alien Payments

Procurements of goods, services, or equipment over \$5000 must be initiated via a BuzzMart requisition (Purchasing Take Action). Payments for awards, services and royalties are generally subject to mandatory IRS tax withholding and the payee must be legally authorized to receive payment for any service performed in the United States. See "[payments nonresident aliens nonemployees](#)" for more information.

Vendor Invoices

Trade vendor invoices for goods and services should be associated with a BuzzMart PO. If the PO was not entered in BuzzMart prior to receipt of the invoice, a Confirming Order Form should be completed in BuzzMart to create a PO# and encumber funds, if the invoice is less than \$5000. For orders over \$5000, use the Non-Contract Form in BuzzMart. The invoice should not be included as an attachment to the Confirming Order or Non-Contract Form. Submit the invoice, including the PO# by [e-mail](#), or, if the invoice is scanned to a WebNow work queue, approve the payment using the payment worksheet.

Availability of Form

The check request form is available from the [Accounts Payable Forms](#). Link on the Accounts Payable website.

Payee Information

Payment requests that require a Vendor Profile Form (services, rents, awards, registrations) will not be processed until the Vendor Profile Form has been approved and processed.

For expedited payment, a vendor ID number should be entered on the form for payment to an existing vendor.

Unit Approval and Signature Authorization

Deans, directors and department heads are authorized to approve payment via the Check Request Form.

Approval Authorization may be delegated to departmental administrators. The Procurement Services Signature Authorization Form is used to document delegated authority. Department heads are responsible for ensuring that a current form is on file for those individuals that are authorized to approve Check Request Forms.

When an employee leaves the Department or is otherwise no longer authorized to approve payments, a revised Procurement Services Signature Authorization Form must be submitted to Procurement Services.

Deans, department heads, and directors (or delegated unit financial officer) are responsible for reconciling all expenses to the Georgia Tech Business Office Tech ledgers to ensure that expenditures have correctly posted to the correct project and expense code for the appropriate amount.

Effective 5/1/12, All payments \$3000 and over must include an additional authorized approval signature.

Employee Payment Requests (Non-Travel Related)

Policy No: 5.5.1.7

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

The [Employee Payment Request Form](#) is designed to request payments to employees for non-travel related activity. Employees include all individuals who are active on payroll. All travel reimbursements are processed via the **Electronic Travel and Expense System in Techworks**.

Procedures:

Refund of Personal Funds for Institute Expenses

Refunds are processed for employees who are due a personal refund for key deposits, study abroad deposit, BUZZ card, parking refunds, payroll STRAP, etc). The original Georgia Tech receipt should be included or may be referenced on the form with the receipt# and deposit date. Refunds should be charged to the same account used for the original deposit of funds.

Reimbursement for Food/Group Meal Expense

A supplemental form, the Food/Group Meal Summary Documentation Form, must be included for reimbursement of any food or group meal expenses, with the exception of reimbursements exclusively using Agency Funds and invoice/receipt is required. If sponsored funds are used, the sponsor must specifically authorize use of funds. Approved Georgia Tech caterers must be used for all on-campus events, unless an exception is approved by Auxiliary Services. State of Georgia per person meal per diems limit the amount that can be spent for each participant. See Food/Group Meal policy for specific policy guidance.

Program Advance/Reimbursement – Participant Research

The program coordinator may request an advance or reimbursement for program expenses when the scope of the project requires small dollar cash disbursement to participants where check payment would be impractical, an administrative burden, or payee identity is confidential. A statement of project scope, budget of proposed advance, and project dates must be included. Any employee participant that receives \$75 or more per year must receive payment via Payroll.

Within 15 business days of project end, a summary of expenses must be submitted that references the original campus ref# and provides original receipts and/or a participant roster that documents receipt of funds. If additional funds are due, they can be requested via the [Employee Payment Request Form](#). If all funds are not used, the program coordinator will return unused funds via a personal check (made payable to Georgia Tech) attached to the post-event summary of expenses. A program advance that is not substantiated with documented receipts and a business purpose that supports Georgia Tech will be classified as a taxable stipend and reported as income on the employee's W-2. Any individual payee/project participant that receives \$600 or more per year will receive a 1099-misc. The campus unit is responsible for notifying Accounts Payable by January 10th for any payments for the prior calendar year that reach this limit. An IRS W-9 form or GT Vendor Profile Form must be submitted.

Program Advance – Study Abroad

The program coordinator may request an advance for group study abroad program expenses. A statement of study abroad program, budget estimate and program dates must be included.

Within 15 business days of program end, a summary of expenses must be submitted that references the original campus ref# and provides original receipts and a reconciliation of the advanced funds. If additional funds are due, they can be requested via the [Employee Payment Request Form](#). If all funds are not used, the program coordinator will return unused funds via a personal check (made payable to Georgia Tech) attached to the post-event summary of expenses. A program advance that is not substantiated with documented receipts and a business purpose that supports Georgia Tech will be classified as a taxable stipend and reported as income on the employee's W-2.

Prepayment of Hotel Expenses

Employees may be reimbursed prepayment of hotel deposits when it is required in order to secure a reservation. A copy of the TA and the hotel receipt or credit card charge should be submitted as supporting documentation for the expense. Per GT travel policy, travelers cannot be reimbursed for airfare prior to the trip, however, they have the option to direct bill their airfare through the Institute's contracted travel agency, Travel Incorporated at (770) 291-5190.

Student Group Expenses

Employees may be reimbursed for payment of student expenses when a student(s) cannot otherwise pay for their own expenses. The employee should submit their personal expenses via the Travel and Expense system; however, additional expenses for students may be submitted on the [Employee Payment Request Form](#). Appropriate supporting documentation (per the GT travel regulations) must be submitted.

Payee Information

Payment requests that may require a Vendor Profile Form will not be processed until the Vendor Profile Form has been approved and processed. The Vendor Look-Up tool (active HTML link is on the current electronic version of the form) provides information regarding the status of the vendor and notation if the Vendor Profile Form is on file in Accounts Payable.

Unit Approval and Signature Authorization

Employees are required to sign the form.

Deans, directors and department heads are authorized to approve payment.

Approval Authorization may be delegated to departmental administrators. The Procurement Services Signature Authorization Form is used to document delegated authority. Department heads are responsible for ensuring that a current form is on file for those individuals that are authorized to approve Employee Payment Request Forms. When an employee leaves the Department or is otherwise no longer authorized to approve payments, a revised Procurement Services Signature Authorization Form must be submitted to Procurement Services.

Deans, department heads, and directors (or delegated unit financial officers) are responsible for reconciling all expenses to the Georgia Tech Business Office Tech

ledgers to ensure that expenditures have correctly posted to the correct project and expense code for the appropriate amount. All payments over \$500 must include an additional authorized approval signature.

Forms: [EmpPayReq05-12.pdf](#)

Form Links: [The Employee Payment Request Form is available from the Procurement Services Forms Bank.](#)

FedEx and UPS Accounts

Policy No: 5.5.1.8

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Apr 2012

Last Revised: Apr 2018

Review Date: May 2019

Contact Name: Jeanette Smith

Contact Title: Procurement Coordinator

Contact Email: Purchasing.ask@business.gatech.edu

Reason for Policy:

This procedure applies to the request for, assignment of, and use of UPS and Federal Express Accounts. UPS is on a mandatory State Contract and should be used as the primary shipping vendor. Fed Ex should only be requested if shipping dangerous chemicals or if required for shipments per sponsors.

Policy Statement:

The authority to make purchases of freight is delegated to the administrative departments. This authority is vested in the Purchasing Department and administrated under the State Purchasing Rules and Regulations.

Procedures:**Establishment of Account**

One or more accounts per delivery address may be established. A UPS Employee Agreement Form or a FedEx Employee Agreement Form should be completed and approved and sent to the Georgia Tech Purchasing Department if an employee is acting as the accountholder. The Purchasing Department will establish the account with UPS and Federal Express, based upon available account numbers. The department should take care in releasing the UPS and FedEx Account number as they will be responsible for charges associated with that account.

Payment of Invoices

All UPS and FedEx accounts can be invoiced to the department or set up with a Pcard for autopay. This set up is the responsibility of the accountholder.

Redistribution of Charges

Departments should the Concur system to redistribute charges if necessary for accounts linked to a Pcard. Multiple lines can be allocated for an ePayment request.

Disputed Charges

It is the cardholder's responsibility to resolve discrepancies and ensure credits are received. When a cardholder discovers an incorrect amount has been charged or a questionable purchase appears on the monthly statement, the cardholder must immediately seek to resolve the problem directly with the vendor by calling UPS Customer Service at 1-877-289-6418 or FedEx Customer Service at 1-800-463-3339. Any communications should be documented on the statement (or attachment) including dates, persons involved, and a brief description of the problem.

Policy History:

Revision Date	Author	Description
May 2015	P-Card Manager	Added UPS to approved charges
April 2018	Procurement Coordinator	Updated payment methods

Invoice Approval

Policy No: 5.5.1.5

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Feb 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Procedures:

Overview

An invoice may be processed with no other supporting documentation, if a valid Georgia Tech BuzzMart Purchase Order is referenced on the invoice and the invoice matches the PO within tolerances.

Vendor invoices that reference a valid BuzzMart PO are entered directly by Accounts Payable and the system auto-matching process will match the invoice to the PO and the receipt (for orders \$3000 and over)>

Invoice Approval Via Departmental WebNow Invoice Work Queue

Vendor invoices that do not reference a valid BuzzMart PO will be scanned into the departmental WebNow invoice queue for approval.

BuzzMart Invoice / PO Tolerances

Match exceptions will be created that prevent invoice payment for the following scenarios:

- Sales tax included on invoice
- Extra quantity on invoice
- Invoice cost is plus or minus 5% based on PO header, not to exceed \$500
- Orders greater than \$3,000 that have not been "received"
- Unit of measure and sku substitutions will not create a match exception

Payment Approval Authorization

Policy No: 5.5.1.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Feb 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

This policy documents the signature approval and authorization requirements necessary to commit Institute funds for the payment of goods, services and other non-payroll expenditures through Accounts Payable.

Procedures:

Delegation of Approval Authority

The Dean, director, or department heads may delegate the authority to approve payments, but not the primary responsibility of the approver. Delegated signers should always sign their own name, rather than sign the name of the

dean, director or department head. Once a signature delegation is provided, it is valid until cancelled by the unit.

Responsibility of Approver

The approver must verify the following prior to approval of payment:

- Receipt of goods or performance / completion of services
- Confirmation of payment and shipping terms
- Purchase is appropriate for fund source
- Purchase matches order including item description, quantity, and unit prices
- Sufficient funds to make payment are in the indicated amount

The approver is responsible for submitting an approved invoice or Check Request Form for payments to Accounts Payable within ten business days of receipt of merchandise / services or receipt of invoice, whichever is later.

Payment Terms

Policy No: 5.5.1.11

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

General trade vendor payment terms for orders will be net 30 days. Days are calculated from date of invoice, date of receipt of goods/services, or date of receipt of accurate invoice, whichever is later. Payment discounts will be taken when earned.

General payment terms for employees, official guests and visitors, and most payments paid via the Check Request Form will be net 00 days. Construction contractors and OSP sub-agreements will be paid as per the payment terms of the contract.

Payment Turnaround

Policy No: 5.5.1.3

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Last Revised: Aug 2017

Review Date: Aug 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Governor's Executive Order - Prompt Payment of Invoices

Georgia Tech is mandated by Executive Order of the Governor of the State of Georgia to pay vendor invoices within 30 days from the latter of:

- Invoice date
- Date the invoice is received by Georgia Tech Accounts Payable
- Date goods and/or services are received by Georgia Tech

Procedures:**Departmental Approval Turnaround**

Invoices are entered by Accounts Payable and processed against the PO reference on the invoice. Invoices that are delivered directly to the department by the vendor must be sent to Accounts Payable immediately to ensure timely record of receipt. Departments are responsible for entering receipts for all POs \$3000 and over and are responsible for managing all invoices that are in match exception status. Delays in approval or receipt entry should be noted in the Comments of the BuzzMart PO; for example, "Goods received damaged 06/30/2011, replacement anticipated 07/05/2011."

Invoices that do not reference a valid PO will be forwarded to the departmental invoice approval

Work queue in WebNow and should be approved using the payment request worksheet linked to the invoice image.

Payment Request Turnaround

Accounts Payable is responsible for completing payment requests within five calendar days of receipt of departmental approval and all other necessary requirements, to ensure prompt payment of invoices. . It may however be necessary in certain instances that additional processing is required. Therefore, departments should submit requests in time to allow at least calendar ten days for processing. Should this not be possible, see "[Rush Payment Requests](#)". If Accounts Payable cannot process the payment due to missing or incorrect information, Accounts Payable is responsible for alerting department within ten calendar days. Department will be informed of problem and provided with instructions regarding what is needed to complete the transaction.

Processing Credit Memos and Refund Checks

Policy No: 5.5.1.10

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Procedures:**Credit Memo Instructions**

Vendors issue credit memos for returned goods as well as pricing discrepancies. If a credit memo is anticipated, for overpayments, exchanges, etc., the department should hold the original or final invoice until it receives the corresponding credit memo. The credit memo and the invoice should be approved and submitted to Accounts Payable for payment. In the event an invoice is processed prior to receipt of the corresponding credit memo, the department can approve the credit, referencing the original campus reference # and account distribution, and submit to Accounts Payable for processing. Future invoice payments from any department will offset credit memos. If the corresponding

invoice has been paid, and the department does not anticipate doing additional business with this vendor, the department is responsible for requesting a refund check in lieu of a credit.

Refund Check Instructions

When a department receives a refund check, the campus reference # and account number must be referenced on the check stub and submitted to Accounts Payable.

Accounts Payable will apply the refund to the appropriate account and deposit it with the Bursar's Office. For state projects, if the refund applies to a current year payment, use the current year account number. If the refund applies to a prior year payment, the surplus account will be credited.

Processing Fellowship and Stipend Payments

Policy No: 5.5.1.9

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Overview of Fellowships, Scholarships, and Trainee Program Payments

The Internal Revenue Service (IRS) [Publication 970: Tax Benefits for Education](#) covers the rules for the taxation of student scholarships and fellowships. The publication states that the part of any grant, scholarship, or fellowship that represents payment for teaching, research or any other service is taxable to the student. Colleges and universities are obligated to withhold taxes on any award that represents compensation for services. Nonresident alien students may have taxes withheld on awards that do not represent compensation for services. Their tax obligations are governed by their visa status, United States (US) tax laws, and/or the tax treaty between the US and their country of residence. The Institute is required by federal law to withhold taxes on fellowships that require the student to perform services (past, present or future) to receive the award. Students that are required to perform a service as part of the fellowship agreement, must be classified as employees and payments are processed through the OHR/Payroll process. The consequences of not properly withholding the taxes may cause the Institute to incur serious financial penalties. The department is responsible for determining if a student's fellowship/trainee award requires that a service be performed. The Office of Human Resources can assist departments that need clarification regarding proper employee classification.

All payments to students for research training grants, participant support, and scholarship/fellowships must be approved by Accounting Services Financial Aid Team prior to payment. The Vendor Profile Form must accompany the payment request. Once approved, the payment request and related documentation will be forwarded to Accounts Payable or Financial Aid for payment processing. For more information regarding graduate fellowships, refer to Accounting procedure [Processing Fellowship Payments](#). Procedures related to undergraduate scholarships and fellowships can be found in Accounting procedure [Processing Undergraduate Training Program Grants](#).

Procedures:**Overview of Stipends for Participant Support**

GT Students: Stipends for Georgia Tech students are processed through Student Financial Planning and payments are posted to the student's account through the Banner system.

Employees: Stipends awarded to employees are processed through Payroll.

Stipends to non-Georgia Tech students who are also not employed by Georgia Tech are processed through

Accounts Payable via the **Check Request Form**. A Vendor Profile Form (or W-8BEN for foreign students) is required for all participant support stipend payments made through Accounts Payable. These payments are reported to the IRS on Form 1099-misc annually (or 1042S for foreign students).

Rush Payment Requests

Policy No: 5.5.1.4

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Mar 2017

Last Revised: Mar 2017

Review Date: Mar 2022

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable and Travel

Contact Email: Ap.ask@business.gatech.edu

Policy Statement:

General Guidelines

Accounts Payable is responsible for processing payment requests within five business days of receipt of request, with the exclusion of peak periods. In order to allow efficient processing of all payments, requests should be submitted in a timely manner to allow adequate time for processing. There will be instances, however, that the campus unit is unable to do this due to circumstances beyond their control. Rush payment requests should only be used in those situations. Additional time and effort goes into providing campus with additional services such as rush payments. Campus units should follow the rush payment request procedures to ensure the payment is processed, and received by the vendor in the necessary time frame. In all cases, a Vendor Profile Form must be on file for payments to trade vendors and all payments for rents, royalties, and services. Same-day checks are not feasible, due to payment processing production schedules. Rush payment requests received by noon, if approved will be processed within 48 hours.

Procedures:

Procedures for Rush Payments

A rush payment request form must be submitted with all rush requests. All fields on the rush payment request form must be completed prior to the submission of a rush payment request form. This includes obtaining all appropriate department approvals. Valid justification must also be provided as to why an exception should be granted outside the standard processing time. Any forms with incomplete information or insufficient supporting documentation will not be processed, and will be returned to the requestor.

The Accounts Payable Manager will initially review to ensure all required fields on the payment request form have been completed and sufficient documentation has been provided.

All rush payment requests must be approved by the Director of Accounts Payable and Travel prior to being processed.

I. Invoice Payments

The invoice must be approved and have an appropriate PO reference and sufficient encumbrance balance to cover the payment. If the PO is \$3000 or greater, a receipt must be entered in BuzzMart to ensure that the 3-way match is not delayed. Submit the invoice with the approved rush payment request form via an email attachment to ap.ask@business.gatech.edu with 'RUSH PAYMENT REQUEST' in the subject line to ensure priority payment processing.

II. Rush AP Payment Forms - AP Payment Requests, Honorarium Requests, Student Payment Requests, e-Payments, Recurring Payments and Wire Transfers.

Submit the approved rush payment request form and the applicable AP payment request via an email attachment to ap.ask@business.gatech.edu. Include 'RUSH PAYMENT REQUEST' in the subject line to ensure priority payment processing. Sufficient supporting documentation must also be included.

III. Rush Travel Forms - T&E Reimbursements, Employee Payment Requests, and Non-Employee Payment Requests.

For T&E reimbursements, ensure that all approvals have been completed and that the receipt images have been scanned and linked to the Expense Report. For TES and Employee Payment Request Forms, please or scan/attach via an email attachment to travel.ask@business.gatech.edu. Include 'RUSH PAYMENT REQUEST' in the subject line to ensure priority payment processing. Sufficient supporting documentation must also be included.

In all cases, an approved rush payment request form must be submitted in addition to the original payment request i.e. invoice, AP payment request form, T & E reimbursement, wire transfer etc.

Types of Payments

Policy No: 5.5.1.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Procedures:

Payments processed by Accounts Payable for goods and services may generally be classified into the following types:

Payment Type	Description
EFT	EFT payments are made for all active employee reimbursements. Establishment of EFT Detail is through TechWorks Employee Self-Service for Payroll payments.
ACH	ACH payments are available for all non-employee payments. Establishment of ACH Is through GT's Bank of America PayMode system. A registration link is available via The Business Services Vendor Information website.
Check	The standard payment process is via paper check mailed to the remit address on the Payment request or invoice.
Wire Transfer	International payees can receive funds in US or foreign currency via departmental Completion of the Wire Transfer Request Form.
Foreign Draft	A foreign draft can be issued to vendors that can not accept a wire transfer or a check In US currency. Use the Check Request Form and provide documentation to support the request for foreign currency payment.

Payment Type	Description
PCard	The PCard can be used for small dollar purchases (less than \$5000, with no single item over \$3000) for non-GT contract catalog items.

- [P Card](#) - P Card is the preferred method of payment for materials, supplies and services equal to or less than \$5,000.

Vendor Registration, Maintenance and Inquiries

Policy No: 5.5.3

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2012

Review Date: Apr 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable/Travel

Contact Email: Vendor.help@business.gatech.edu

Procedures:

New Vendor Registration

A new trade, service, individual, or consultant vendor may be set up upon submission and approval of a Georgia Tech Vendor Profile Form. The Vendor Profile Form includes data required for IRS, State and Federal, and SBA reporting (note: registration vendors must supply FEI/EIN on the registration form, otherwise a Vendor Profile Form will need to be submitted). In rare cases, as italicized below, IRS Form W-9 may be submitted in lieu of a Vendor Profile Form (legal settlements, estate checks and various government entities). Form W-8 and the Foreign Vendor Profile Form must be submitted for all foreign companies, partnerships, organizations, institutions, and individuals. Links to the Vendor Profile Form can be found on the [Vendor/Supplier Information Bank](#). IRS W-9 and W-8 forms and instructions can be accessed via the irs.gov website.

Exceptions for the requirement for submission of a Vendor Profile Form, W-9, or W-8 are listed below:

1. Human Subject Participants with expected annual payments of less than \$600. The department financial administrator or PI will maintain appropriate documentation to determine if \$600 reportable IRS income has been attained in any calendar year and contact Accounts Payable with details.
2. Non employee expense payable vendors based on supporting documentation provided on the Check Request Form or Travel Expense Statement. Examples include student key deposit refunds, expense reimbursements for faculty candidates and other official guests/visitors, and parking refunds.
3. Subscriptions

Vendor Maintenance for Established Vendors

A new Vendor Profile Form or a W-9 is required whenever critical information on the form changes. Critical information includes a change in the vendor name, tax ID, SBA classification, or conflict of interest indicators. A new form is not required to update phone numbers or address information. Please forward notification by [e-mail](#), fax 404-894-8552 or mail to:

Georgia Tech Accounts Payable
711 Marietta Street
Atlanta, GA 30332-0253

Vendor Review and Approval Process

All new vendors are subject to approval prior to establishment in the Business Services vendor database. A vendor must be registered before it can be selected for BuzzMart purchase orders.

Conflict of Interest, Ethics and Unlawful Actions

Georgia Tech subscribes to the State's Code of Ethics for Governmental Service. All procurements are subject to the Georgia Vendor Manual, in particular, Chapter 9, Ethics and Unlawful Actions. Any apparent or potential conflict of interest between the vendor and a Georgia Tech Employee must be defined. If the conflict would not disqualify the vendor for obtaining business under certain conditions or circumstances, an understanding of those conditions or circumstances must be part of the vendor record.

Employee vs Independent Contractor

If the prospective vendor is an individual or a sole proprietor that is performing a service, Procurement Services, with the assistance of the Human Resources Department, will make a determination of the proper classification status. Retired or ex-employees that return to Georgia Tech to perform a service similar to that performed when they were an employee, will be classified as an employee through Payroll. For more information regarding this topic, please see "[consultants individuals and firms](#)".

Foreign Vendor Exclusion List

[The Department of Treasury's Office of Foreign Assets Control \(OFAC\)](#) maintains a list of individuals and organizations that we are prohibited from doing business with. Please refer specific issues regarding vendors that may appear on this list with the Office of Legal Affairs.

Vendor Inquiries

The Accounts Payable department will answer inquiries from vendors regarding the status of delinquent invoices. Accounts Payable will serve as a liaison between the campus department and the vendor. Georgia Tech must strive to maintain and promote a satisfactory credit standing with suppliers. Prompt payment of invoices and responses to inquiries is necessary in order to achieve this goal. Vendor inquiries for invoices over 30 days old will be referred to the campus unit for action. Georgia Tech's Credit Reference Letter, tax exemption forms, and Georgia Tech's IRS W-9 are available on the [Vendor/Supplier Information Bank](#): from Accounts Payable via [e-mail](#) or 404-894-5000.

Contracts

Policy No: 5.4

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Sep 2007

Review Date: May 2019

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

All contracts entered into in the name of the Georgia Institute of Technology are subject to the Policies and Procedures of the State Board of Regents. In addition, many of the University's contracts are subject to State purchasing regulations and to the statutory constraints on contracts entered into by State agencies.

Policy Terms:**contract**

any document that creates an obligation, right, or liability for the Georgia Institute of Technology.

Procedures:**General Guidelines**

Very few people within the Georgia Tech community are authorized to sign contracts on behalf of the University. The Delegation of Presidential Authority Memorandum lists the authorized signatories for each type of contract. This Memorandum can be found on the website of the Office of Legal Affairs. **No member of the Institute, faculty or staff may sign a contract without specific written authorization from the President.** State law provides that persons entering into contracts without complying with all applicable State laws and regulations become personally liable for any amounts due under those contracts.

Responsibilities:

Each Georgia Tech unit requesting a contract shall designate a responsible person to monitor vendor performance and subsequent evaluation of their contract(s). Central Purchasing will provide assistance to units for vendor evaluations when applicable.

Gift Card Policy

Policy No: 5.6

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Mar 2014

Last Revised: Sep 2018

Review Date: Jul 2020

Policy Owner: Business Services

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable and Travel

Contact Email: abbie.coker@business.gatech.edu

Reason for Policy:

This policy addresses gift card usage, as a form of payment to employees and students, for the purpose of incentives, awards, door prizes, gifts for personal accomplishments, and compensation. This policy ensures compliance with IRS tax reporting requirements for employee 'cash equivalent' payments and codifies the Institute practice that prohibits distribution of gift cards to employees.

Policy Statement:

Gift card usage, as a form of payment to employees and students is prohibited for the following purposes:

- Incentives
- Awards
- Door prizes
- Gifts for personal accomplishments, including retirements

- Holiday or graduation gifts
- Compensation

This policy applies to both direct payment for gift cards and reimbursement for the purchase of gift cards, using all funding sources through Georgia Institute of Technology. This policy does not apply to gift cards provided using personal funds. This policy applies to payments made through the Georgia Tech Foundation on behalf of the Institute. Employees that receive allowable extra compensation can be compensated through Payroll through either the *Awards and Prizes Form* payment process (Policy 10.12) or *Special Payment Request Form* process, where appropriate. For further information on this please contact the Office of Human Resources.

Gift card usage is allowable for the following purposes:

- Research participants that participate in sponsored research activities
- Students that participate in student surveys or activities

In all cases, use of an appropriate funding source is required. Gift cards cannot be purchased with state funds. The use of agency, sponsored (if specified in grant), GT Professional Education, GT Foundation and GTRC funds are allowable for the purchase of gift cards for the above purposes only.. The selection of gift cards, as a method of payment, should be used only when the gift card is the most economical and efficient payment method.

Scope:

This policy applies to all Georgia Tech staff, faculty, students and researchers. Use of gift cards for non-employee research participants, survey respondents, and advisory board members are not within the scope of this policy.

Policy Terms:**Gift Card**

A preloaded debit card or certificate that allows the cardholder to use it for the purchase of goods or services at either a specific retailer or anywhere that accepts major credit cards.

Procedures:**5.1****Payment of Gift Cards**

Where allowed by the policy, gift cards can be purchased using established Institute procurement policies from a vendor that accepts a Georgia Tech purchase order.

The Georgia Tech PCard cannot be used for the purchase of gift cards.

Reimbursement for Purchase of Gift Cards

Where allowed by the policy, an employee may purchase gift cards and seek reimbursement through the Employee Payment Request Form process.

5.2**Tax reporting for Georgia Tech employees**

Employee payments related to research or participation are not classified as employee compensation and will be reported through the Accounts Payable 1099-misc form reporting process if the employee receives \$600 or more in any calendar year.

Tax reporting for non-Georgia Tech employees

Payments will be reported through the Accounts Payable 1099-misc form reporting process if the payee receives \$600

or more in any calendar year.

Form Links: [Accounts Payable Payment Request Forms](#)

Responsibilities:

Responsible Party

Accounts Payable will make payments associated with allowable gift card purchases and will report taxable payments to the IRS.

Enforcement:

To report suspected instances of noncompliance with this policy, please visit Georgia Tech's *EthicsPoint*, a secure and confidential reporting system, at: https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Related Information:

[IRS advice on taxability of gift cards as a 'cash equivalent'](#)

[Office of Human Resources policy 10.12 Employee Awards and Prizes](#)

Policy History:

Revision Date	Author	Description
03-2014	Business Services	New policy

Overview and Procurement Authority/Responsibility

Policy No: 5.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Feb 2017

Policy Statement:

1. Business Services under the direction of the Vice President of Campus Services is responsible for supporting all activities related to the procurement and payment of goods and services in support of Georgia Tech's instructional, research and public service programs. Business Services is comprised of Accounts Payable/Travel, Business Systems/Analysis, Insurance/Property Control, Logistics/Surplus Property and Purchasing.
 - Accounts Payable/Travel is responsible for the prompt and accurate payment of the non-salary expenditures of the Institute that are within the regulatory framework established by federal, state and Institute authorities.
 - Business Systems/Analysis is responsible for functional system support of all Business Services applications, user support, data reporting and analysis and application testing and implementation.
 - Insurance/Property Control is responsible for the accurate recording and insuring of the Institute's assets.
 - Logistics/Surplus Property is responsible for the accurate
 - Purchasing is responsible for procuring affordable quality equipment, supplies and services in a timely manner within the guidelines established by federal, state and Institute policies.
2. Guidance for the performance of these functions and responsibilities is provided from several sources. The primary authorities are:
 - The Department of Administrative Services, the agency empowered by the Purchasing Act, State of Georgia annotated Code 50-5
 - State of Georgia Purchasing manual
 - Board of Regents Procedures manual
 - Georgia Institute of Technology Administrative Policies and Procedures

- Federal Acquisitions Regulations/OMB
 - State of Georgia Department of Audits
3. The Sr. Director of Business Services, The Director of Accounts Payable and the Director of Purchasing will establish and maintain policies and procedures to provide for the efficient and responsible conduct of all procurement and disbursement activities.
 4. No employee of the Institute, except as authorized by the President's letter of delegation, is empowered to incur any obligation or make any commitment on behalf of the Institute for the procurement of products, services or equipment unless approved in writing by the Director of Purchasing.
 5. Officers or departments other than Purchasing that have been delegated the responsibility for procurement of certain goods and services must procure those goods and services in accordance with Institute procurement policy.
 6. All procurements must be made for the purpose of Institute-related activities. Purchasing any goods or services for personal use or benefit is prohibited.
 7. Business Services is responsible for maintaining records of all procurement and disbursement transactions. Institute faculty and staff who have been authorized to use the PCard (see ["procurement cards pcard"](#)) are responsible for maintaining records of all procurement credit card transactions.
 8. Business Services Procure-to-Pay Applications
 - BuzzMart is the Georgia Tech electronic procurement system.
 - PeopleSoft is the official financial ERP system.
 - PCard is the state procurement card system.
 - ImageNow/WebNow is the document management system

Procurement of Goods

Procurement of goods

Policy No: 5.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Jul 2012

Last Revised: Jul 2012

Review Date: Jul 2018

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

The official Institute process for the procurement of goods is categorized into four areas:

- BuzzMart non-catalog procurements less than \$10,000, which are delegated to the departments
- BuzzMart catalog procurements less than \$10,000, which are delegated to the departments
- BuzzMart catalog procurements greater than \$10,000 and non-catalog procurements greater than \$10,000, which require review and processing by Purchasing
- Procurements less than \$10,000 that are exempt from review by Purchasing

The following policies and procedures provide instructions for the processing of each of these categories which are

initiated via BuzzMart.

BuzzMart Purchases

BuzzMart Purchases & Departmental Approval Workflow

Policy No: 5.2.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Jul 2012

Last Revised: May 2018

Review Date: May 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

1. The BuzzMart electronic procurement system and the GT PCard are the Institute's approved buying methods for procurements from external suppliers. Use of the appropriate buying tool must be in compliance with Institute policies and procedures.
2. Access to the BuzzMart electronic procurement system is contingent upon training and role responsibility.
3. All construction related procurements are processed solely by the Facilities Department in compliance with BOR policies and procedures.
4. All OSP sub contract related services procurements are processed solely by the departments and are not reviewed by Purchasing.
5. Procurement approval authority for catalog orders <\$10,000 and non catalog orders <\$10,000 has been delegated to authorized faculty and staff. PCard transactions (within card specific transaction limits) have been delegated to authorized faculty and staff (See "procurement cards pcard").
6. The four departmental roles in BuzzMart are Shopper, Requester, Spend Approver and Financial Approver. Carts and requisitions are electronically routed based on established workflow.
7. The Shopper can build a cart but cannot place an order.
8. The Requester can build a cart and assign financial data.
9. The Spend Authority and Financial Approver must approve all requisitions.
10. All catalog orders greater than \$10,000 and all non catalog orders greater than \$2,499 are electronically routed to Purchasing for review and processing.
11. All requisitions which include catalog items flagged as radioactive per CAS number are electronically routed to the Office of Radiological Safety for review and approval prior to issuance of Purchase Order

Policy History:

Revision Date	Author	Description
10-2014	Purchasing and Procurement	Update to verbiage
07-2013	Purchasing and Procurement	Update to policy

Delegated Authority

Policy No: 5.2.1.1

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Jul 2012

Last Revised: Jul 2012

Review Date: Jul 2018

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

The procurement authority of the Institute is delegated by the State of Georgia, Department of Administrative Services. This authority is vested in State Purchasing and administered under the State Purchasing Act.

In all procurement instances, the Order of Precedence should be followed as described in the Georgia Procurement Manual Section 1.3. If the goods or services are not exempt nor procurement requirements waived, then the purchasing decision should be made in the following order:

- Mandatory state contract supplier
- GT contract supplier
- Statutory supplier (mandatory products from Georgia Correctional Industries Administration or Georgia Enterprises for Products and Services)
- Any of the following : convenience state contract supplier, piggyback contract supplier , open market supplier, SPD approved consortia/co-op supplier

Exempt Procurements

Policy No: 5.2.1.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Jul 2012

Last Revised: May 2018

Review Date: May 2019

Policy Statement:

1. Procurement of goods and services less than \$10,000: Delegated authority assigned to departments.
2. The following are exempt from Procurement review at any dollar amount. Any Institute, BOR and State related policies and procedures must be followed.
 - Agency fund purchases
 - Bank Charges
 - Facilities contracts
 - Honorariums
 - Institutional memberships
 - Real estate rental/leases
 - Refunds
 - Registrations
 - Reimbursable expenses
 - Relocation reimbursements
 - Royalties
 - Scholarships/Fellowships/Participant Stipends
 - Subagreements – Office of Sponsored Programs contracts
 - Travel

- Utilities
- 3. The following are exempt, but are reviewed by Procurement for amounts greater than \$2,499 when processed via BuzzMart
 - Exempt goods and services identified by DOAS by NIGP code and posted on their website
 - Registration, advertising, memberships, rentals, etc
 - Exempt goods and services identified in the State Purchasing Act
 - Technical instruments, service, etc
 - Purchasing reserves the right to require competitive bidding or sole source justifications on exempt purchases

Policy History:

Revision Date	Author	Description
07-2013	Policy Library	Update to policy

Gasoline Credit Cards/Fuel Management System**Policy No:** 5.2.1.7**Policy Book:** Business & Finance**Type of Policy:** Administrative**Effective Date:** May 2018**Review Date:** May 2019**Policy Owner:** Purchasing and Procurement**Contact Name:** Ajay Patel**Contact Title:** Director of Purchasing**Contact Email:** ajay.patel@business.gatech.edu**Reason for Policy:**

This procedure applies to the request for, assignment, and use of fuel credit cards for use with Georgia Tech owned or rented vehicles and provides detailed instructions for obtaining and using the cards.

Policy Statement:

The Board of Regents mandated that, effective December 1, 1998, all institutions in the University System would use the fuel management system established by the State of Georgia, Department of Administrative Services, Materials Management Division.

Procedures:

The issuing of fuel credit cards is administered through Facilities. Please contact Facilities for additional information.

Approval for Catalog Purchases less than \$3,000**Policy No:** 5.2.1.4**Policy Book:** Business & Finance**Type of Policy:** Administrative**Effective Date:** Apr 2011**Last Revised:** May 2018**Review Date:** May 2019**Policy Owner:** Purchasing and Procurement**Contact Name:** Ajay Patel**Contact Title:** Director of Purchasing**Contact Email:** ajay.patel@business.gatech.edu

Reason for Policy:

It is a best business practice to order from contract vendors whenever possible. The majority of contract orders are placed via BuzzMart using an on line catalog. Catalog suppliers in BuzzMart are suppliers that Georgia Tech has active contracts with.

Policy Statement:

BuzzMart catalogs should be used for purchases where a catalog is available. Only users with the Requester role are permitted to generate a requisition to a BuzzMart catalog vendor under \$3000. Departmental users with the Financial Approver role must approve the requisition prior to generating the Purchase Order.

Procedures:

Georgia Tech's standard workflow approval process for requisitions will be used for catalog purchases.

Procurement of Group Meals for Employees, Students, and Official Visitors

Policy No: 5.2.1.9

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Jul 2010

Last Revised: Jul 2017

Review Date: Jul 2020

Policy Owner: Accounts Payable

Policy Owners: Accounting Services

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:**Allowable Funding Sources for Purchase of Food and Meals**

Institutional funds include all funds to which the Institute holds title, such as student fees, auxiliary revenues, state appropriated funds and departmental sales/service, revenue. The funding source should match the supported program and participants. For example, student activity funds might be used to purchase water for a volunteer event sponsored by a student group. Sponsored funds may be used where specifically permitted in the sponsored agreement. Institutional funds cannot be used to purchase alcohol. Funds collected by the sponsoring institution for intra-institutional events are normally collected in and expended from an agency account created for that purpose.

Employees with responsibility for administering institutional funds and employees requesting reimbursement from institutional funds should ensure that funds are spent only for legitimate business purposes and not for the personal benefit of the employee or other individuals. The misuse of institutional funds may result in both employment termination and various civil and criminal penalties.

Food purchases and reimbursements for group meals/food should be charged to the 727700-expenditure account, "Special Group Meals." Payments made to caterers should be charged to 751106- Catering, to ensure compliance with 1099-misc reporting. These accounts will be subject to special audit scrutiny, to ensure that such expenditures are infrequent, rather than routine.

Procedures:**I. Georgia Tech Employee Business and Training Meetings using Institutional Funding**

Under certain infrequent circumstances, employees may be required to remain at the work site during mealtime. Such

circumstances include emergency situations such as natural disasters or significant public safety events, but may also include intra-departmental meetings or training sessions, where the meeting or training session continues during the meal and the employees are not permitted to leave the premises of the meeting site. The following standards will be used when deciding whether a meal may be purchased under this policy:

Group meals should be held only to facilitate the effective and efficient operations of the departments involved. For example, it may be that scheduling an intra-departmental meeting or training session is the most effective and efficient use of employees' time given teaching schedules, other meeting commitments, etc. In this instance, requiring employees to participate in a meeting over lunch may be the best means available to get the required participants in the same place for the period of time required.

Group meals should only be provided in those instances where the meeting lasts for at least four (4) hours. A meeting less than four hours could generally be scheduled prior to or after a normal meal without significantly impacting employees on different work schedules.

Group meals held at the start and/or finish of a meeting are not eligible for payment under this policy. Purchase of a group meal is authorized solely as a convenience to the employer and in those instances where employees may not leave for a normal meal due to the time constraints associated with the meeting or training session. Those events not starting until the normal meal time should be delayed until after the normal meal time, or employees may bring employee-purchased food ("brown-bag") to the meeting.

Authorized group meal expenditures are limited to the purchase of meals only and do not include snacks. Purchase of group meals are to be approved by the Director, Department Head, or his/her designee, prior to the date of the event (for non-emergency situations). [The Food / Group Meal Event Documentation Form](#) will be used to document event details and ensure compliance with this policy. All of the documents that were a part of the approval process should be submitted with the payment request, or retained with Pcard documentation.

Meal limits outlined in Georgia Tech Travel Policy "[Meals and Incidental Travel Expenses](#)", must be followed. Meal limits apply to the actual food and drink purchased for the meal. Set-up and delivery costs associated with the group meal are allowable and shall not be included in the meal limit calculation.

II. Food and Group Meals for Students, Volunteers, Visitors, and Participants Using Institutional Funding

The purpose of this section is to clarify those instances when food may be purchased for consumption by students, potential students, volunteers and employees using institutional funds. Food includes meals, beverages, snacks, etc., but specifically excludes alcohol as an allowable food expense.

An individual may be subject to different rules depending on the capacity in which they are participating in an event. For example, volunteers might include employees or students if the individual is operating in a capacity separate from their employee or student role. An employee or volunteer attending a student event in the capacity of a student would be considered a student. A student worker participating in an event while being paid as an employee would be considered an employee.

Note: Employees working additional hours in their own area, using work time to provide volunteer service, or otherwise participating in activities expected of employees, are not volunteers for the purposes of this policy.

III. Business Entertainment Meals and Alcohol Purchases using Agency Fund, Foundation or GTRC funding

Institute related entertainment charges and meals purchased for business development include business related breakfast, lunch or dinner, catered meeting, fund-raising or alumni event, etc. Entertainment, individual professional

achievement/milestone receptions, holiday and end-of-year receptions, retirement events, faculty recruitment entertainment and extraordinary development activities must be processed directly through the GT Foundation or GTRC.

Business related entertainment charges may only be processed using the funding sources listed below:

- Agency fund accounts (Non-Study Abroad source)
- Routine development activity using Foundation or GTRC funds

Employee business and training meetings are not restricted by the meal per diem limits (see the Promotional Funding for Meals and Entertainment section for additional guidelines) or the 4 hour minimum meeting length that is required for use of Institutional Funds. The Food/Group Meal Documentation Form is required for all Pcard and payment requests processed through the Institute's Accounts Payable. Alcohol is an allowable expense only if specifically permitted by the funding source or for conference programs that specify receptions in the conference agenda and are funded by participant registration fees, such as the GT Executive Masters program and DLPE conferences.

Link to [GT Foundation policy](#)

GTRC policy requires a copy of the invitation or agenda and the number of guests.

Promotional Funding for Meals and Entertainment

Meals and entertainment to conduct official Institute business with external person(s) or for Institute functions with a clear business purpose should be reasonable and appropriate to the occasion. The selection of meal sites and/or catering vendors should be consistent with the image of Georgia Tech and not excessive regardless of funding source. While situations vary for business meals, a guideline maximum for meals involving external parties is \$90 per person (includes beverage, tax, and tip). A guideline maximum for a required business meal involving only Institute personnel is \$75 per person (includes beverage, tax, and tip). For meal expenses that may exceed the aforementioned guidelines, please discuss the appropriateness of the anticipated cost with your supervisor prior to the event. If GTF funds will be used, request approval by submitting the Foundation Expenditure Exception Request Form outlining the reasons for exceeding the per person threshold. The form can be found at [http://www.policylibrary.gatech.edu/files/exception form draft 3 5 14.doc](http://www.policylibrary.gatech.edu/files/exception%20form%20draft%203%205%2014.doc). If GTRC funds will be used, send an e-mail to the Controller of GTRC with an explanation. The GT Alcohol Policy should be followed when alcohol is provided.

IV. Food and Group Meals Using Sponsored Grant/Contract Funding

Sponsored funding will be treated the same as Institutional funding for the purpose of food and group meal purchases.

As the Institute must comply with federal cost accounting standards, which require consistency in the treatment of costs, the Institute typically cannot use sponsored funds for business related entertainment since Institute state accounts do not specifically allow the purchase of business related entertainment. Therefore, discretion must be exercised when charging such expenses to sponsored restricted accounts. As such, the cost of purchased meals or food within 50 miles of the Georgia Tech headquarters will normally not be allowed as a direct charge to a sponsored restricted project because the Georgia Tech employee or trainee is not "traveling" and the cost is normally considered a personal expense. See below for special circumstances.

In special situations such as all day seminars or meetings when a food, beverage, or meal cost meets the three criteria of allowable, allocable and reasonable to the specified sponsored project, the PI may provide written justification of the business purpose of the expenditures and how they relate to the specific sponsored project including purpose of the meeting, list of attendees, a formal written agenda, and the beginning and end times of the meeting. To be allowable:

1. Meal or food expenses must be included in the budget and approved by the sponsor.

2. An agenda must be provided with the request
3. Must specify each participant on the Food/Group Meal Documentation form
4. Must be attended by non-Georgia Tech personnel. Meetings comprised of all Georgia Tech personnel are more often designated as an employee business meeting (See section I of policy).
5. Meal per diem limits are imposed, unless sponsor provides an exception in writing.

Examples of **allowable** food charges:

Lunch and refreshments provided for periodic all-day meeting of collaborators on a program project (with formal agenda and participants from different locations).

A post-doc being recruited to fill an open position on a research grant. His/Her meal may be charged to the grant since they are on official travel status.

Sponsored projects which specifically allow for business related entertainment

Examples of **unallowable** food charges:

(While these expenses may not be allowable on sponsored restricted accounts, they may be reimbursed from discretionary type restricted accounts or directly from the Georgia Tech Foundation.)

Lab personnel meet weekly to discuss progress on the grant

PI has lunch/dinner with a colleague and discusses research

V. Meals and Receptions Provided in Conjunction with Professional Education Conferences and Institute-sponsored Conferences and Camps

Meals and receptions provided for participants of conferences, workshops, and campus events that are funded by registration fees can be paid through the Institute using participant revenue funds if the meals are specifically noted on the conference agenda and/or registration material. Meal per diem limits are not imposed. The source of funds must be primarily external to the Institute. Campus training designed primarily for Georgia Tech employees must comply with the employee business and training meeting policy, section I.

VI. Meals for Employees, Students, and Guests on Official Travel

Employees who are on official overnight business travel, are eligible for meal reimbursement, according to Institute travel regulations. See Travel policy 6.4 Meal Allowances for detailed policy and procedures.

VII. Purchase of Bottled water, Coffee/beverage Service, and Office Snacks

Water and other beverages purchased as part of a group meal are allowable, but the cost of the beverage is rolled into the meal per diem limit. Beverage service and office snacks are not classified as group meals. Institute funds cannot be used the purchase of water and beverage service or snacks purchased for general departmental use. An allowable exception is water/hydration products that are used in compliance with OSHA or for safety related to environmental or workplace conditions. If Foundation funds are used, payment can be processed through Accounts Payable and the Food/Group Meal Documentation Form is not required.

Documentation Requirements and Compliance with Per Diem Limits at Group Events

The [Food / Group Meal Event Documentation Form](#) is used to provide documentation for all group meal purchases funded with institutional, sponsored, and Foundation funds processed through Accounts Payable or via the PCard. This form serves to document details of the event, participants, and the approval signature of the department head that is required for employee business meetings using Institutional funds. The original receipt or invoice must accompany all payment requests and/or PCard documentation.

While the meal per diem limits also apply to group events where food is purchased on a group basis of more than 15 participants (pizza parties, buffets, etc), departments are not required to document the actual numbers or names of participants; However, an estimate of the number of participants should be noted to certify that the appropriate per diem limits were followed.

In the event that an employee expends funds in excess of the authorized State of Georgia per diem (see "[Meals and Incidental Travel Expenses](#)"), then the amount spent in excess is considered a personal expense and is not reimbursable to the employee or payable to the catering vendor.

Meal per diem limits apply only to food purchased with institutional funds. Food purchased by outside organizations does not fall under the scope of this policy. However, employees must comply with the provisions of BOR Policy 8.2.18.4: Gratuities as it pertains to receiving gifts.

Payment Process

- T&E System reimbursement for employees (claim expense under 'Other Expenses')
- AP Payment Request Form for payments to caterers (less than \$2500)
- P-Card (only for group meal expenses that comply with meal per diem limits and employee meeting length restrictions. No bottled water, coffee/beverage service or snacks). Review PCard policy 5.2.1.8 for specific requirements.
- Buzzmart PO/Approved vendor invoice
- Employee Payment Request Form: (Only when the vendor is unable to invoice Georgia Tech, e.g. grocery store or bagel shop, and the event host purchases directly)

Regardless of payment method, documentation of the purchase must be submitted as outlined above in support of the payment. Itemized, original receipts are required.

Payment for entertainment and extraordinary development activities, including the purchase of alcohol will be via the Foundation or GTRC Check Request process processed directly through the Foundation or GTRC. Original, itemized receipts are required in addition to the other documentation (invitation, agenda, etc) to support the request.

Payments made directly through Georgia Tech Accounts Payable or via the Pcard are exempt from sales tax. Payments made through the GT Foundation and GTRC are subject to sales tax.

Authorized Caterers for Events on Georgia Tech Campus

University System of Georgia policies grant exclusive rights to provide food services on campuses to Auxiliary Services. See Catering Service Policy (Student Center web site) for details regarding [authorized caterers and policy details](#).

Additional Resource: Food/Group Meal Procurement Grid

The Food/Group Meal Procurement Grid outlines specific categories of food/group meal purchases with allowable funding sources, payment processes, and required documentation.

Forms: All forms, including the Food/Group Meal Procurement Grid, and links to related policies are available via the Business Services Web Site: <http://www.procurement.gatech.edu/payables/food-policy>

Form Links:[Accounts Payable Forms](#)[Foundation Expenditure Exception Request Form](#)**Policy History:**

Revision Date	Author	Description
09-2013	Accounts Payable	Update to policy
08-2013	Policy Library	Updated link to Procurement Forms

Reimbursements for Purchases Made Using Personal Funds**Policy No:** 5.2.1.5**Policy Book:** Business & Finance**Type of Policy:** Administrative**Effective Date:** Sep 2017**Last Revised:** Apr 2014**Review Date:** Apr 2019**Contact Name:** Ajay Patel**Contact Title:** Director of Purchasing**Contact Email:** ajay.patel@business.gatech.edu**Policy Statement:**

This policy outlines the expectation that individuals that have a procurement need will utilize the Institute's procurement tools and processes to ensure compliance with state, federal and institute purchasing policies and minimize institutional risk. Convenience and/or a lack of proper planning are not legitimate reasons to circumvent standard institute procurement processes. Use of personal funds, up to \$500 per day or event, is allowed **only** when logistical or extenuating circumstances occur that preclude use of the BuzzMart procurement process or PCard. All reimbursements should be submitted within 45 days of incurring the expense and must be allowable by the funding source being charged. Allowable exceptions to this policy are noted below. Any other exception must be approved by the Director of Purchasing in advance. Any requests for reimbursements that do not meet the criteria specified in this policy may not be reimbursed.

Reimbursement for Purchase of Supplies, Equipment

Use of personal funds for the purchase of goods incurs additional cost due to sales tax and non-contract pricing, in addition to the loss of procurement data metrics necessary for strategic sourcing activities. Reimbursements for goods and supplies should only be made for small dollar items less than \$500 where it is not practical or possible to make the purchase using standard institute procurement processes. Purchases over \$500 that have not been approved by the Director of Purchasing may be classified as personal purchases and may not be reimbursed.

Reimbursement for Payments Related to Personal Services, Rentals, and Royalties Payments for personal services (consultants, temps, awards and prizes, rentals, royalties, and honoraria) must be processed through the Institute via the Procurement and Business Services' procurement process, regardless of dollar amount, to ensure compliance with IRS and other federal regulations.

Allowable Exceptions

- Travel expenses for individuals
- Conference and meeting registration fees
- Cell phone/internet expenses (mobile and home use)

- Agency fund (as defined in the chart of accounts) purchases
- Study abroad expenses incurred during overseas activity
- Small dollar research participant payments (< \$75/person) where check payment is not practical or possible
- Allowable restaurant meal purchase associated with an official GT conference/event/meeting
- STRAP tuition reimbursements
- CRC/ORGT reimbursements for trip leaders (Alaska, National Parks, etc)
- Allowable food/beverage supplies purchased at retail store
- Business center supplies/printing/shipping incurred while on travel status
- Supplies required for student projects/competitions and official GT student events

Procedures:**Reimbursement to Employees**

Employees may be reimbursed via the T&E System for supplies and allowable expenses up to \$500. Reimbursement requests for the allowable exceptions, referenced previously, are allowable for amounts over \$500, if approved by the unit financial approver. Reimbursements associated with program and participant research advances are processed via the ***Employee Payment Request Form***.

Reimbursements for employees that pay for meal expenses for official guests/visitors, or seek reimbursement for food/group meals, may also be reimbursed via the Employee Payment Request Form. In that case, documentation requirements include the ***Food Group Meal Documentation Form***, list of attendees (if less than 15), an agenda and an itemized receipt. Employees should not pay for travel-related expenses on behalf of other GT employees, due to state reporting requirements. In all cases, the receipt is to be the vendor's normal and customary receipt. The receipt must reflect the vendor's name, date of purchase, quantity, description, price of items purchased and the total amount paid.

Reimbursement to Non-Employees

Non-employees (including Students) will be reimbursed through Accounts Payable via the ***AP Payment Request Form*** for approved reimbursements up to \$500. Allowable exceptions outlined above apply to non-employees. Reimbursements for students, up to \$250, may also be made through the Bursar's Office petty cash process by using the ***Petty Cash Replenishment/Reimbursement Request Form*** (see Bursar's Office form bank on web). All travel-related reimbursement to non-employees is processed via the ***Travel Expense Statement***.

Sales/Use Tax

Policy No: 5.2.1.6

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Procedures:**Georgia Sales and Use Tax**

As a unit of the State of Georgia, Georgia Institute of Technology is exempt from the payment of Georgia Sales and Use Tax.

Taxes of Other States

Generally, the Institute is not liable for sales taxes of other states if the transaction, or delivery of goods takes place in the State of Georgia. If title passes in the other state, the Institute may be liable to pay taxes if a specific tax exemption

is not obtained. Georgia Tech is exempt from sales and use tax for the states of Ohio, Tennessee, Florida for goods delivered to units within those states.

Obtaining Exemption Certificates

Copies of the exemption certificates are available on the Business Services form bank.

Invoices Charging Sales Tax

Invoices charging sales tax should be approved for the amount less the sales tax if the goods are shipped to a state that allows tax exemption.

Petty Cash and Travel

Individual payments for petty cash purchases and travel are not exempt from sales tax as the transaction was with an individual, not Georgia Tech.

Hotel/Motel Excise Tax Policy

Employees traveling within the state of Georgia on official business are exempt from local, county and municipal excise tax on lodging in accordance with Act No. 621.

The "[State of Georgia Exemption of the Local Hotel/Motel Excise Tax Form](#)" should be utilized to obtain an exemption. The form should be submitted when the traveler initially checks in to the hotel

Unallowed Procurements or Sensitive Procurements

Policy No: 5.2.1.3

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: May 2018

Review Date: May 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

1. Procurements for personal use using state funds
 - It is unlawful to make procurements for the personal use of an employee. While it is difficult to define specifically all such goods and services, the following list includes examples of items which have been denied (by State Purchasing, other state agencies and Georgia Tech) on the grounds that the apparent end-use is primarily personal in nature:
 - Holiday decorations and cards
 - Cut flowers/plants
 - Entertainment and recreational activities
 - Alcoholic beverages
 - Bottled water, coffee and beverage service, snacks
 - Watches, groundbreaking shovels and other items to be granted as a donation or gratuity in favor of a person, corporation or association
 - Dues to a Chamber of Commerce
 - Clothing, such as tuxedos, used for commencement services or other personal use
 - Personal moving expenses, other than authorized relocation expenses
 - Airline club memberships
 - Gifts and gift cards
2. Procurements by employees
 - The Board of Regents Policy Manual, Statement 707.02 states the following:
 - Employee Purchasing: Employees of the University System shall not purchase goods or services through channels used in the procurement of goods and services for the operation of

the University System.

- An employee cannot use the Institute's buying power for personal procurements.

3. Memberships

- The Attorney General's Opinion 68-110 states the following concerning memberships.
Payment of dues and fees are permitted as follows:
 - Membership is in the name of the state department, institution or agency or
 - Membership is in the name of an individual, but the individual is required by his state department, institution or agency to be a member of the organization as part of his employment.
- No dues or fees are approved, in any instance, unless the organization is related to the functions of and assimilates information for the benefit of the state agency involved and the organization also performs other services beneficial to that state agency. Further, no membership dues or fees are approved to any individual except where he is required by his employment to be a member of the organization.

4. Allowances

- If an organization allows institutional memberships, any membership must be in the Institute's name. If the organization does not allow institutional memberships, individual memberships may be allowed if there is a cost justification for such membership. These include:
 - The savings on the cost of registration is more than the cost of membership. For example, membership fees are \$100. The cost of a workshop to members is \$150 and to nonmembers is \$300. The registration fee and membership combined is less than the nonmember registration. By joining, there is a cost savings to Georgia Tech.
 - The savings on the cost of required publications is more than the cost of membership. For example, the department is ordering some publications. Without membership the cost would be \$450. The cost of membership is \$50 and includes a discount on publication that would reduce the above order to \$300. So, by joining, there is a cost savings to Georgia Tech.

5. Printing for Charitable Campaign

- In September 1992, the Chancellor's Office of the Board of Regents made a ruling to allow the printing of the Charitable Campaign material from state funds.

6. Animals for Research

- Animals procurements for research must have prior approval by the Georgia Tech Institutional Animal Care and Use Committee (IACUC)

7. Radioactive Materials

- All procurements of radioactive materials/isotopes and any X-Ray generating devices are governed by the GT Radiation Safety Committee (GTRSC) and the license granted by the Georgia Department of Natural Resources. All procurements of radioactive material/isotopes and any X-Ray generating devices must be approved by the GT Office of Radiological Safety. The Office of Radiological Safety procedures and forms can be found at www.ors.gatech.edu

Inter-Departmental Sales and Services

Policy No: 5.2.4

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Jun 2016

Last Revised: Jun 2016

Review Date: May 2019

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Procedures:

1. Each unit that is able to provide services and collect revenue by expensing and Institute project account is required to adhere to the policy herein. Purchases between or within departments of the Institute must be executed using one of the following Institute approved purchasing methods:
 - Interdepartmental Sales and Services Authorization form
 - Email
 - Telephone
 - Internet

An approved Interdepartmental Sales and Services Authorization Form is the accepted Institute standards for walk up business.
2. For transactions, the service provider will always require a departmental Document ID number and PeopleSoft Project number. If this information is not available, the requester will be advised that he/she must obtain this information from his/her unit business officer prior to any provision of service. In addition to the purchases made in person at the seller's location, departments are permitted to order by telephone, email or the Internet. To utilize these latter purchasing methods, the buyer must provide an authorized departmental Document ID number and the PeopleSoft Project Account number to the seller in addition to the goods or services desired.
3. Departmental Operations
 - Individual departments are to establish departmental operating procedures and practices, however, the requester of goods or services must secure departmental approval before placing any order. A department Document ID number will be provided to the requester after approval from the respective business officer has been granted. The Document ID number shall be ten digits, the first three digits will denote the unit. This number, along with the Project Account number will be the order number as well as the tracking mechanism for each individual business unit for all interdepartmental transactions. Departmental procedures should address document preparation, approval, retention and the receiving of goods or services.
4. Recording of Expenditures
 - Interdepartmental purchases will not be encumbered as the transaction will be posted as a journal entry. The journal entry is to be processed by the service provider, as soon as possible following the rendering of the service, but is required to be processed within thirty (30) days. The journal entry must include the department Document ID number as this order number will be reported on the ledger statements. The services provider is to retain documentation to support the journal entry. All communications regarding the journal entry are to be between the service provider and buying unit personnel.
5. Description of the Interdepartmental Sales and Services Authorization Form
 - The Interdepartmental Sales and Services Authorization Form is used to detail all purchases between or within departments of the Institute. Each number below refers to the corresponding area depicted on the example figure. The form is available on the [Business Services form bank](#).
6. Completion of the Interdepartmental Sales and Services Authorization Form

Section A-Authorizing Department Use

To be completed by the Authorizing Department, REQUIRED

Section B – Requester to Complete

To be completed by the individual in the unit that is requesting the purchase, REQUIRED

1. Date - The calendar date that coincides with the date that the form is completed
2. Unit – The requester's employing unit.
3. Doc ID # - A ten digit number that will be given to the requester by his/her business officer once the approval for the purchase has been given.
4. PeopleSoft project # - [Financial project number](#).
5. Account # - [Financial account \(object\) code](#).
6. Estimated amount – Total estimated cost for the transaction
7. Departmental Approval – Signature of the business officer approving the purchase

8. Name/Ext – Printed name and telephone extension of the business officer approving the transaction
 1. Requester – Printed First and Last name of employee requesting the purchase
 2. Phone # - Campus phone number of requester
 3. Project # - - [Financial project number](#)
 4. Service Provider – Institute unit that will provide the products or services
Product Description/Work Requester – Description of the goods or services requested.
 5. Quantity – The exact number of products/services being requested
 6. Unit Price – The price per individual unit of each product or service being requested.
 7. Extension – The total dollar amount for the products or services being requested
 8. Supervisor Approval – The supervisor of the requester must sign in this area, if required by the business officer. Each department/unit will have the authority to determine when a supervisor signature is required.
 9. Estimated cost – The total estimated cost of the products/services being requested. This will be the sum of all extension amounts in Section B.
10. **Section C – Service Provider User This section is optional if other receiving documentation is provided by the service provider**
11. Service Provider Name or Item Name – The actual unit on campus that will provide the service (i.e. Bookstore, PCS, Facilities) or the name of the specific service or time being requested (i.e. 2000 copies of a manual printed by PCS)
12. Qty (hrs/ea) – The exact number of hours it will take to perform the service being requested
13. Rate/Unit Price – Cost per unit of the service or product being provided.
14. Extension – The total dollar amount for the service for each service/product being provided
15. Description of Services – Brief description of services/products being provided
16. Internal Ref # - A unique internal department number. Optional.
17. Actual Cost – The total actual cost for all services/products being provided. This is the total of all the extension amounts in Section C.

Procurement Cards (PCard)

Policy No: 5.2.1.8

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Apr 2017

Last Revised: May 2018

Review Date: May 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

The Georgia Tech Procurement Card (PCard) is a Visa purchasing card that may be used by Institute employees for authorized business purchases within the delegated authority limit. The Pcard is a tool for purchases of non-equipment, business related items under the cardholder's single transaction limit in the approved PCard Plan (for vendors who are not currently setup in BuzzMart or for vendors with whom we expect to only make one purchase). Effective, April 1, 2017, the State of Georgia PCard Policy changed which requires all State Agencies participating in the Card Program to have an approved PCard Plan. This PCard Plan was signed off by the University President and the University Chief Financial Officer (Chief Business Officer) and approved by the Department of Administrative Services in conjunction with the Office of Planning and Budgeting at the State level. Cardholders must follow State of Georgia (DOAS), Board

of Regents (BOR), and Georgia Tech purchasing policies and strive to obtain the maximum ultimate value for each dollar of expenditure. Additionally, Institute employees and officials assigned PCard responsibilities should familiarize themselves with the provisions of public law governing PCards to include Title 50, Chapter 5, Article 3 of the O.C.G.A. at:

<http://www.lexis-nexis.com/hottopics/gacode/default.asp>

Enter 50-5-83 in the search box and click Search

To view the text click on: [§ 50-5-83. Definitions; requirements for state purchasing card program](#)

The use of the card is beneficial to the individual purchaser, the purchaser's department, the Institute, and the suppliers. It simplifies the purchasing and payment process and expedites receipt of goods. The PCard provides significant cost savings to Georgia Tech while providing electronic control and accountability. Any vendor that accepts Visa will accept the PCard.

Procedures:

General Guidelines

The purpose of this PCard Policy Manual is to provide Institute guidelines for the issuance and use of the PCard along with instructions for reconciliation and review of transactions. The Manual will be reviewed for adequacy by the Institute's PCard Program Manager at least annually.

General Information & Definitions

Approver - The non-subordinate employee designated by the unit to review and verify cardholder transactions.

Billing Address - The campus billing address of the individual cardholder. Address should include mail code. The Billing Address may be requested by vendors for order verification.

Procurement and Business Services – The Georgia Tech organization responsible for the overall administration of the PCard Program.

Billing Date (Bank Posted Date) – The date the vendor transmits your purchase information to the bank for posting to your PCard account (Not necessarily the date you made the purchase). Visa's vendor contract requires account billing upon shipment of an order.

Billing Phone Number - The campus phone number of cardholder. May be requested by vendors for order verification.

Cardholder - Employee who has been issued a PCard.

Card Issuer - Bank of America, the bank issuing Georgia Tech's PCard.

Concur – Web based software that contains the online monthly company billed statement. Statements are approved via automated approval workflows. Project redistributions and account itemizations are completed in Concur and documentation is uploaded to each transaction that posts.

Cycle Cutoff - The date the monthly statement is issued, the 27th of each month

Department Head - For purposes of these instructions refers to the VP, Dean, Director, or Department Head with budget authority for unit. This authority cannot be delegated.

Director of Purchasing – Responsible for the acquisition of goods and services at Georgia Tech. Serves as the Institute's primary liaison with the Georgia Department of Administrative Services (DOAS).

Employee Agreement Form - The written agreement between Georgia Tech and the cardholder.

Forms and Manuals – Forms and user manuals are available online at the Procurement and Business Services website at www.procurement.gatech.edu . Revisions to the forms and manuals may be frequent. All employees should check the website often for current versions.

The Manual - Refers to this instruction booklet.

PCard Administration – Procurement and Business Services unit that manages the day-to-day operations of the Institute's PCard Program.

PCard Program Manager - Procurement and Business Services representative responsible for PCard program. Serves as the Institute's official liaison with State Cards Program Manager.

PCard Administrator – Procurement and Business Services representative that assists PCard Program Manager administer PCard program.

PCard Coordinators - Department representatives responsible for facilitating the Procurement Card Program within their departments.

PCard Helpdesk – PCard Administration point of contact to assist with questions/concerns, available via phone at 404-385-5578 or e-mail at pcard.ask@business.gatech.edu.

Safeguarding of the Institute's Assets

- Rebates or refunds from vendors shall be the property of the Institute and shall be paid promptly into the Institute's accounts.
- Criminal and consumer credit checks will be performed in accordance with BOR and DOAS policy. The Institute will ensure that the results of background checks are provided the privacy protections required by law.
 - New cardholders, are required to have criminal and consumer credit checks prior to being issued a PCard. Additionally, credit checks must be done again at the time of card renewal.
- Cardholders will be required to personally reimburse the Institute for purchases made that are not appropriately documented. Approving officials may be required to reimburse the Institute if the approving official approved the purchase.
- Habitual loss of receipts/documentation may require personal reimbursement by the cardholder and/or approver and may also result in termination of the PCard.
- Items of value purchased for distribution to students are allowed only in support of the educational objectives of the Institute. Additionally, the cardholder must maintain sufficient documentation to identify the individual receiving an item. The requirement to track individual recipients does not apply to items of de minimis value.
- Departments must ensure that PCards are promptly cancelled upon employee transfer or termination.
- PCard purchases can only be shipping to GT addresses. Items shipped to non-GT locations must have written approval from the cardholder's supervisor and the PCard Administrator.

Card Issuance

- PCards may be issued to “**permanent, regular-status**” employees only. No student employees, affiliates or Tech Temps may be issued cards. Only **one** card is allowed per employee.
- **Authorization** - A PCard Request Form is completed by/for the employee and then signed by Department Head to indicate authorization, cardholder spending limits, and cost allocation information. Spending limits should be determined based on the cardholder’s job responsibilities, anticipated card usage levels, historical spending patterns, and budget limitations. The completed form with the required signatures is submitted to PCard Administration by the PCard Coordinator. After all background checks have been verified, the request will then be reviewed and approved by the CFO. Upon approval by the CFO, the PCard Administrator will order the card from the bank and maintain the form in a cardholder file.
- **Distribution** – PCard Administration will notify the cardholder and appropriate PCard Coordinator when the card has been received. Cards will be distributed to employees after completion of appropriate background checks, cardholder training and submission of the signed Employee Agreement Form.
- PCard Administration will review cardholder accounts annually to identify and close unused or low-usage cards for which there is no longer a business need.

Card Limits

- Since Georgia Tech, not the individual employee, will pay for the purchases made with the card, additional controls have been added to the card accounts. These limits are imposed at the point of sale when the card is swiped.
- **Institute Limits** – The PCard may be used for purchases not to exceed the cardholder’s single transaction or cycle limit in the PCard Plan. The cardholder’s Department Head working with the PCard Coordinator may identify additional limits based on card usage and budget limitations. These limits should be noted on the approved Request Form and kept in the cardholder’s file.
 - **Increased Limit** PCards may be used by department buyers and other specifically designated and pre-approved cardholders for purchases requiring increased limits on an as needed basis. Requests for transaction increased limits must be approved by the Department Head and submitted to the PCard Program Administrator for review and approval. The PCard Program Administrator will coordinate with the State Cards Program Manager when an exception to State PCard Policy is required. Increased Limit cards may **not** be used to circumvent the State’s no-bid limit.
- **Cardholder Spending Limits** – Adjustable limits per card are:
 - Dollar amount limit per transaction
 - Dollar amount limit per cycle (month)
- **Changes to Limits** - Requests for changes to card limits should be submitted on the “Limit Change Request” form by the Department Head or PCard Coordinator via email to PCard Administration. Change requests will be kept in the cardholder’s file. Additional information can be found at the link to PCard Requisition Instructions and Exceptions for the requisition process and limit increases. The form is available online in the **Forms** section of the Business Services website at:

<http://www.procurement.gatech.edu>

- **Merchant Activity Type Limits** - Specific types of businesses identified by a Merchant Category Code (MCC) are restricted on the card. If you have difficulty using your card with any particular vendor, please contact your department PCard Coordinator or the PCard Help Desk.
- **Policy** - In addition to the limits that are controlled at the point of sale by the card, Georgia Tech limits the use of the card through policy. The card may be used only for purchases that are made under delegated authority or items exempt from review and approval by the Purchasing Department.

Authorized Uses of PCards

All purchases made with a PCard must be for official Institute business. Cardholders and approving officials are designated as Institute purchasing agents and are subject to the provisions of O.C.G.A. § 45-10-1 et.seq. (State Employee Code of Ethics, Conflicts of Interest, etc.).

The PCard may be used for:

- **Equipment:** Single units under the cardholder's single transaction limit Equipment over \$3000 (single unit) is considered a capital asset and should be purchased via Buzzmart.
- **Supplies, Materials, and Services** may be purchased for less than the cardholder's single transaction limit. The Institute will monitor activity for purchases for the same supplies, materials, or services from the same vendor so as not to exceed \$9,999.99 per year unless competitively procured as detailed in Georgia Tech, DOAS regulations and BOR policies and procedures. Supplies and materials purchased may also include items purchased for resale.
- **Purchases from Statewide and Agency Contracts** are permitted.
- **Conference Registration Fees** for Institute personnel on official Institute business with the requirement that employees not request reimbursement for meals paid with the conference registration fees.
- **Departments must ensure that conference registration fees for employees paid pursuant to this section are recorded as required by Institute Travel Regulations.** Departments should require employees to capture the aforementioned registration expenses on the employee's travel expense statement. Care should be taken to ensure that the employee clearly identifies those items paid with the PCard versus those items requiring reimbursement.
- **Student food, student travel, and food for instructional uses** is permitted as outlined in the Institute Business and Finance Manual (BFM) Sections 5.2.1.9 and 6.16 subject to the documentation requirements outlined in this policy. Additionally, food purchased for sponsored research use as approved by an Institutional Review Board (IRB) is permitted.
- **Employee food** may be purchased with a PCard only when an employee is participating in a Group Meal or an on-campus academic program/on-campus sanctioned event as described in BFM Section 5.2.1.9. Employees participating in off-campus events or in a travel status must request reimbursement.
- **Repairs and maintenance** are authorized for Institute vehicles. All costs associated with vehicle repair and maintenance must be reported in accordance with DOAS fleet management regulations using the Maximo system.

Note: Exceptions may be granted by the PCard Manager.

Prohibited Uses of PCards

The PCard may **not** be used for:

- Personal items. The use of the PCard for personal expenditures is strictly prohibited. Cardholders who violate this rule must reimburse these funds and, if the violation is determined to be intentional, may be subject to both losses of employment and criminal penalties.
- Employee Travel expenses (lodging, transportation, meals).
- Entertainment expenses (must be done as a reimbursement through the Foundation or GTRC).
- Alcoholic beverages or tobacco products.
- Motor vehicle fuel (except for authorized rental vehicles for official student program group travel).
- Professional services as listed in BOR Business Procedures Manual (BPM) Section 3.1.2 including certified public accountancy, architecture, professional engineering, doctors & registered nurses, lawyers, and veterinary medicine.
- Gift cards, funding the BuzzCard, stored value cards, prepaid cards, calling cards, gift certificates, or other cash equivalent items.
- Food except as authorized under BFM Section 5.2.1.9.(PCard cannot be used for purchases of bottled water, beverage/coffee service, snacks, or entertainment)
- Cash advances, cash refunds, or "store credit."
- Memberships and/or fees to wholesale shopping clubs or "warehouse type" retailers.(e.g. Sam's, Costco, Amazon Prime)
- Agency (funds held on deposit) or affiliated organization expenditures except as permitted for Study Abroad Programs as detailed in BPM Section 21.4.
- Purchases made from units of the Institute. No internal Institute charges are allowed on the PCard - this includes, but is not limited to, OIT printing services, Library, and Parking. **Please note:** The PCard may be used for official Institute business at outsourced businesses including the GT Bookstore, VWR, and Sodexo.
- Split purchases. Dividing one purchase into two or more to circumvent the single transaction limits and procurement requirements previously enumerated is not allowed.(more than one transaction to the same vendor on the same day which exceeds the single transaction limit of the cardholder)
- Sales tax. Sales tax should not be paid for purchases made from vendors within the State of Georgia using institutional funds. Institutional funds used to further institutional business purposes are not subject to sales tax as outlined in O.C.G.A. § 48-8-3 (8). Sales tax may be paid when required for vendors out of state.

- Please reference the Georgia Tech Reference Guide for PCard allowable and unallowable purchases found on the PCard page of the Procurement and Business Services website.

Limitations on Vendors (including high risk vendors)

- **Georgia Tech does not encourage the use of high risk vendors such as PayPal. If no other form of payment is accepted by the vendor, then the PCard High Risk Vendor Purchase Authorization Form (high risk vendors are listed on the form) must be completed, signed, and approved prior to each purchase and appended with the receipt as part of the accountable documentation for the PCard Statement. Violations of policy will be evaluated as noted in the Violations of Policy section of this policy (p.15).**
- Cardholder must not make PCard purchases from vendors where the cardholder has a financial interest.
- Cardholder must not accept any gift or gratuity from any source when it is offered, or appears to be offered, to influence your decision-making regarding PCard purchases.

Cost Allocation

Each card will be assigned a default project ID, as identified on the PCard Request Form, to which transactions will be automatically charged. Charges must be redistributed to the appropriate general ledger expense account, as well as the appropriate Project ID if necessary, through the Institute's web based PCard approval system, Concur. PCard transactions are loaded to Concur daily by the bank and remain available for review and redistribution for **10 calendar days** before being posted to the General Ledger (GL). Changes identified after the transactions are initially posted to the GL may be accomplished by completing a CPC (Campus PCard) journal entry in the General Ledger, effective June 28, 2017.

Training

- Department PCard Coordinators are required to complete the annual PCard Training and Certification online training tutorial. Cardholders are required to complete the "PCard Cardholder Training & Certification" online training tutorial prior to receiving a card.
- Cardholders are required to re-certify annually. Failure to re-certify will result in card suspension until the re-certification is completed.
- Departments must ensure that Approvers complete the "PCard Cardholder Training & Certification" online training tutorial initially and annually thereafter.
- Departments are responsible for ensuring Cardholders and Approvers are trained in internal departmental PCard policies and procedures.
- Departments should ensure that non-procurement personnel are acquainted with small value purchase procedures.
- Concur Company Billed Statements and the redistribution system training are available online.

Employee Agreement Form

Before being issued a PCard, a completed Employee Agreement Form, signed by the employee and Department Head must be submitted to Business Services. By signing the form, the employee acknowledges:

- Receipt of training and understanding of the regulations for use and protection of card.
- Understanding of responsibilities in reconciliation process and billing disputes.
- Understanding and acceptance of consequences for PCard violations.

Department Responsibilities

- Ultimate responsibility for a department's program resides with the Department Head.
- Department Head may delegate operational responsibility to a PCard Coordinator, but delegation does not relieve the Department Head of program responsibility. This delegation of responsibility does not include the approval of new card requests.
- Designate unit program officials: Coordinators, Approvers, Cardholders
- Ensure internal procedures are in accordance with established Institute policy. Your department procedures may be more restrictive than Georgia Tech Policy but not less restrictive.
- Monitor department program for compliance – identify and address policy violations.
- Maintain written list of Approvers that identifies the Cardholders assigned to each.
- Establish coordination procedures between Cardholders, Approvers, and Coordinators to ensure timely reconciliation and submission of bank statements and accountable documentation.
- Establish redistribution procedures to ensure expenses are charged to the appropriate fund.
- Develop procedures to ensure the responsible budget holder is required to verify charges to sponsored accounts are appropriate.
- Ensure documentation is retained in accordance with Institute policy.(A paper copy of the receipts is required to be kept for 1 year per DOAS Policy)
- Re-evaluate transaction and monthly (cycle) spending limits periodically.
- Review the ongoing business need for cards issued within the department annually.

Approver Responsibilities

There are two types of approvers for PCard Transactions

1. Requisition Approvers:

- Requisition approvers review and sign off on requisitions prior to the purchase being made. Two approvers are required for the PCard requisition. Both signatures must be obtained prior to the purchase being made unless the purchase is made under and using the terms prescribed in an exemption approved by DOAS. Instructions and Exceptions can be found at the Procurement and Business Services website.

2. Concur Approvers:

- Review and verify assigned cardholder PCard purchases.
- Validate and attest that the report and the purchase receipts have been reviewed and are in compliance with Georgia Tech Policy.

- Verify completeness of PCard documentation including business purpose and detailed receipts.
- Ensure the requisition forms have been reviewed and are in compliance with Georgia Tech Policy.
- Complete the review by approving the report.

Cardholder Responsibilities

Georgia Tech follows the doctrine that the use of and responsibility for PCard procurements rest with the cardholder (employee). The cardholder is accountable for all transactions on their card. To reinforce the doctrine of cardholder accountability with departmental oversight of the PCard:

- The card is to be under the control of the cardholder.
- Card-sharing is prohibited. Cardholders may not lend their card or card number to anyone.
- Use of the card as a “departmental” or “checkout” card is prohibited.
- All cardholders are required to have training in the use of a PCard. Training deals with both card use and with delegated procurement responsibilities.
- PCard training specifically reiterates the cardholder’s responsibility and consequences of card misuse.
- PCard Coordinators are required to attend training on program specifics and requirements of departmental oversight on cardholder’s PCard procurements.
- Georgia Tech has implemented a web based interface, Concur, that:
 - Allows cardholders or delegates the ability to review PCard charges and reallocate project numbers and general ledger expense account numbers in near real time.
 - Allows cardholders and delegates to receive an email notification when a charge has been posted to their PCard account.
 - Provides online management reporting capability on all PCard activity. Purchases may be tracked by unit, cardholder, merchant, project ID, and account number.

Card Security

The cardholder should use basic security measures, as outlined below, to prevent unauthorized use and limit the potential for fraud.

- Sign the card as soon as you receive it.
- Always keep PCards and account numbers in a secure place.
- Safeguard the PCard as you would your personal credit card.
- Be aware of your surroundings when using the card.
- Monitor card activity in Concur
- Reconcile and submit monthly statements in a timely manner.

Lost or Stolen Cards

- Lost, stolen, or fraudulently used PCards must be reported to the Bank of America at 1-888-449-2273 as soon as possible after of discovering the loss, theft, or fraudulent use. The cardholder’s approving official and the

PCard Coordinator must also be notified. Evidence of fraudulent use may be requested to include transaction detail. Lost or stolen cards require card cancellation. Failure to report the loss, theft, or fraudulent use of the PCard may result in increased financial loss to the institution.

- The PCard Coordinator has the responsibility for communicating the information to PCard Administration.

Surrendering the PCard

- The card is the property of State of Georgia. The cardholder is to surrender the card to the PCard Coordinator upon request, retirement, termination, or transfer to another department.
- The PCard Coordinator should destroy (cut up) the card and notify PCard Administration via email to cancel the card.

Documentation Requirements

Unless covered by an approved exception, every purchase requires two prior approvals prior to purchase. These prior approvals must be documented via a requisition form designated by Procurement and Business Services. If the purchase is approved, the cardholder may make the purchase. The signed requisition form must be appended to the receipt image prior to the submission of the statement for approval.

For each transaction, accountable documentation (i.e. a sales draft or receipt) must be obtained as proof of purchase. This documentation will later be used to verify the purchases shown on the cardholder online statement in Concur. The documentation must contain line item description and line item pricing for the purchase. The documentation should include:

- Vendor name
- Transaction amount
- Date of the purchase
- Itemized list of items purchased
- Other information as required by the department

If a sales draft or receipt does not provide a description, the cardholder should write the description on the document. For items such as subscriptions and registrations, where a receipt is not normally generated by the merchant, a copy of the ordering document may be used so long as it contains a description and price. Copies or facsimiles of the original receipt may be acceptable if the original is not available.

If the documentation for a transaction has been lost, it is the cardholder's responsibility to obtain a duplicate from the vendor. If a duplicate cannot be obtained, the cardholder should complete the PCard Receipt Replacement Form for to serve as the receipt. The PCard Receipt Replacement Form should contain the itemized information for the transaction, as listed above, and describe the cardholder's attempt to obtain a duplicate from the vendor. PCard Receipt Replacement Forms may only be used on an exception basis. Excessive use of the form (defined as more than three times in one fiscal year), may result in suspension of card privileges.

Receipts are attached to each transaction in Concur by uploading the receipt into Concur and attaching to the transaction. If the Cardholder has the Concur Mobile App installed on their phone, they can take a picture of the receipt and it will be available in the receipt store to attach to each transaction.

Maintaining PCard Documentation

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Documentation will be retained in accordance with records retention and fund requirements. For transactions posted on or after October 28th, 2017, this documentation will be housed in Concur and/or in Georgia Tech's Imaging system. For transactions prior to 28th October 2016, statements with documentation must be kept by the Department.

- Original receipts must be kept by the cardholder or department for 1 year per DOAS Policy (rolling 12 months).
- The documentation must be made readily available for review/audit if requested.

Using the PCard - Making the Purchase

The PCard can be used to make purchases over the counter, by mail, by fax, by telephone, or by Internet at any vendor that accepts Visa. The following procedures should be followed for PCard purchases.

Obtain Best Value

When accepting a PCard, the cardholder becomes an authorized purchaser for the Institute with specific responsibilities for expending public funds. The cardholder should ensure the purchase is appropriate and in accordance with all Institute and State rules and regulations. Additionally, PCard purchases must comply with requirements of the Georgia Procurement Manual concerning Order of Precedence and Competitive Bidding. When purchasing goods or services, the order of precedence that should be followed in selecting the appropriate vendor is: (1) Statewide Mandatory Contracts, (2) GT Agency Contracts, (3) Georgia Correctional or Georgia Enterprises, and then (4) Statewide Convenience Contracts and the open market.

After verifying the item is not available on a Statewide or Agency contract, the cardholder must utilize lowest cost based on requirements, quality, and availability to obtain the maximum value of each dollar expended.

Vary the suppliers to give fair treatment to all suppliers and to assure that the price obtained is reasonable. Transactions you make may be on behalf of Federal sponsors. Purchasing on behalf of government clients requires special sensitivity on the part of the purchaser to obtaining fair and reasonable prices, spreading purchases among many suppliers including small, small-disadvantaged, and women-owned businesses, and adhering to strict ethical conduct.

Sales Tax

When using the PCard, the cardholder should inform the vendor that the purchase is for official State of Georgia purposes, and therefore, may not be subject to Georgia state or local sales tax. If requested by the vendor, cardholders must present an **"AP - Sales & Use Tax Certificate of Exemption / Georgia Form"**. The form is available online in the **Forms** section of the Business Services website at: <http://www.procurement.gatech.edu>

If sales tax is erroneously charged by the vendor, cardholders should make every effort to obtain a credit directly from the vendor. Documentation of attempts to obtain credits should be maintained with the transaction receipt by appending to the receipt. **Please note: Sales tax may not be Disputed through the bank.**

Making the Purchase - Over the Counter

- Verify that supplier accepts the Visa. (Note: If not and it is a supplier you will need for future purchases, notify PCard Administration.)
- Provide the PCard for payment.

- Inform the clerk that the purchase is for official State of Georgia purposes, and therefore, exempt from state and local sales tax. The PCard indicates sales tax exemption, but cardholder should verify that clerk does not charge sales tax.
- Verify the dollar amount is correct and no sales tax has been included, then sign the sales draft.
- Retain your copy of the sales draft and receipt. If the copy does not provide a description of item(s) being purchased, the cardholder should write the description on sales draft or receipt.
- Follow PCard transaction/documentation process established by the department.

Making Purchase - Mail, Fax, Telephone, or Internet Orders

- Provide supplier with requested card information.
- Inform supplier that the purchase is for official State of Georgia purposes, and therefore, exempt from state and local sales tax.
- Give supplier detailed shipping instructions. It is recommended that you have the goods shipped directly to your campus address (this would normally be the cardholder's Billing Address). **Please note:** Goods should be shipped to official Georgia Tech business addresses only. Occasionally, researchers will be in the field at a sponsor's site and will need the goods shipped to that location or the location specified, (never a home address). Shipments to an address other than a campus Georgia Tech address must be approved by PCard administration via email from the PCard Coordinator, with the cardholder's supervisor's approval included. This documentation should be appended to the receipt as accountable documentation.
- Retain documentation for purchase. Acceptable documentation includes: a copy of order form, copy of catalog page showing cost, or email/faxed order confirmation showing price along with packing slip, print out of the online order form, print out of the online order confirmation, or a print out of the e-mail confirmation.

Returning Purchases Made With PCard

If you determine that the material is defective or incorrect, notify the supplier that the item needs to be returned and request an address to ship to, and a Return Authorization Number. Request that the supplier process a credit transaction through the Card. Document that goods have been returned for credit and communicate information through proper channels within unit. Ensure that the credit appears on the next monthly statement. If not, process the charge as a Disputed Transaction.

It is a good practice to keep original boxes, containers, and special packaging until you are certain you are going to keep the goods. Some items must be returned in the original packaging.

Disputed Transactions

It is the cardholder's responsibility to resolve discrepancies and ensure credits are received. When a cardholder discovers an incorrect amount has been charged for goods or services received, or a questionable purchase or transaction appears on a cardholder's monthly statement, the cardholder must immediately seek to resolve the problem with the vendor. Any communications should be documented and the documentation including dates, persons involved, and a brief description of the problem should be either appended to the receipt or appended to the PCard Dispute Form.

If the cardholder is unable to resolve the problem with the vendor, a PCard Dispute Form should be completed and faxed directly to Bank of America at the fax number on the form. The PCard Coordinator should be notified of the dispute and a copy of the dispute form should be appended to the monthly statement. The cardholder should check the following month's statement to ensure that credit was received. **Please note: Disputes must be submitted within 60**

days of the statement date.

Reconciling PCard Monthly Statement

A monthly online statement will be generated by Concur once transactions have occurred on the PCard. As transactions post to the online statement, the cardholder should review the transactions and attach receipts to the transactions. If the cardholder believes a transaction listed on the statement is incorrect, then procedures outlined in the Disputed Transactions section should be followed.

The online statement can be submitted 3 full days after the 27th of the month, once all transactions have the business purpose included, all receipts are attached and any unassigned transactions have been assigned to a GL account. In no instance can the cardholder and approver be the same person. Concur will move the statement in the automated workflow to the designated approver for the Cardholder.

Cardholders should submit the monthly PCard statement, to their Approver by the 10th of the month following the statement close month (i.e. The statement that closed on March 27th must be submitted by the 10th of April). The Approvers' verification process and report submission should be completed 15 days after the cardholder submits. Online Statement processing should be completed within 30 days (by the time a new statement cycle begins). In no instance should a cardholder be allowed to approve for their own card.

Cardholder's cards whose online statements have not been submitted and approved within the 30 day time-frame may be suspended. Repeated non-compliance will result in card cancellation. Cards will be suspended/cancelled as follows:

- First Offense - PCard(s) suspended 7 days or until written notification (email is acceptable) is received that the reconciliation package is complete and the cardholder is in compliance, whichever is greater. PCard Coordinator notified of suspension.
- Second Offense - PCard(s) suspended 30 days or until written notification (email is acceptable) is received that the reconciliation package is complete and the cardholder is in compliance, whichever is greater. Cardholder must re-certify by completing the on-line "PCard Cardholder Training & Certification" tutorial. PCard Coordinator and Department Head notified of suspension.
- Third Offense - PCard(s) cancelled. Department Head may request cardholder be re-instated after 90 days provided written notification (email is acceptable) is received that all reconciliation packages are complete. Cardholder must re-certify by completing the on-line "PCard Cardholder Training & Certification" tutorial. PCard Coordinator, Department Head, and OHR notified of cancellation.

Please note: In extenuating circumstances (such as extended travel, on leave, etc), departments may request that specific cards be exempted from suspension for a brief period.

Violations of Policy

Violations of rules governing use of PCards can be classified as minor or major. Violations are evaluated on an individual basis and any action taken is dependent upon the nature and frequency of the violation.

Minor Violations include honest mistakes, such as inadvertently using the wrong card; allowable purchases from Institute funds, but those which are not allowed on the P Card. Minor violations should be addressed as follows:

- First Offense - The department is to address the violation with the cardholder and provide additional guidance as needed. Actions taken should be documented in writing with a copy sent to the PCard Program Manager.
- Second Offense - PCard(s) may be suspended for 30 days. Cardholder must re-certify by completing the on-

line “PCard Cardholder Training & Certification” tutorial. Department is to ensure that the PCard Program Manager and Department Head are notified.

- Third Offense - PCard(s) may be cancelled. Department Head may request cardholder be re-instated after 90 days. Cardholder must re-certify by completing the on-line “PCard Cardholder Training & Certification” tutorial. Department is to ensure that the PCard Program Manager and Department Head are notified.

Major Violations are those violations that indicate a willful intent to disregard rules that results in cardholder misuse (i.e. would include knowingly making personal purchases). The circumstances of the violations will determine the appropriate action, which could include termination of employment and criminal penalties. When cardholder misuse is suspected, the department is to **immediately** notify the PCard Program Manager and the Director of Internal Auditing.

- The PCard is to be suspended pending further review and investigation by Internal Auditing.

Georgia Tech employees can confidentially and anonymously report suspected PCard misuse to the Department of Internal Auditing Hotline at:

https://secure.ethicspoint.com/domain/en/report_custom.asp?clientid=7508

Reviews/Approvals

Monthly review and approval of PCard transactions is required at the department level. The Department Head/PCard Coordinator will determine who the approvers will be for their departments.

Departments are responsible for reviewing all transactions to:

- Ensure the appropriateness of purchases and funds being utilized.
- Verify the completeness of documentation (detailed receipts, disputed transactions, approved requisition forms).
- Identify any policy violations and take appropriate action.

Payment

Business Services will receive a consolidated monthly billing statement from Bank of America for all Institute cardholders. The statement will be reconciled and processed for payment, in accordance with a plan on file in Business Services.

Compliance Reviews

Transactions will be reviewed online in accordance with plans on file in Business Services and Internal Auditing. Cardholder files will be reviewed in accordance with a plan on file in Business Services. Internal Auditing periodically conducts on-site compliance reviews in each department. These visits will be designed to:

- Review departmental records and record keeping practices
- Monitor adherence to policy guidelines
- Identify opportunities for process enhancements
- Offer “best practice” procedures

Results of these reviews will be used to enhance Georgia Tech’s PCard processes and will be shared with the Department Heads.

Related Information: [PCard Quick Reference Guide](#)

Policy History:

Revision Date	Author	Description
May 2017	Purchasing and Procurement	State policy updates
July 2016	Purchasing and Procurement	Update to policy changes
March 2015	Purchasing and Procurement	Added additional compliance measures
July 2013	Purchasing and Procurement	Update to policy

Purchases Requiring Approval by the Purchasing Department

Policy No: 5.2.2

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Jul 2013

Review Date: Jul 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

In general, purchases that are \$2,500 or greater may require review and approval by the Purchasing Department. The following sections describe the processing of these purchase requests.

Policy History:

Revision Date	Author	Description
07-2013	Purchasing and Procurement	Update to policy

Capital Equipment Procurements

Policy No: 5.2.2.2

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: May 2018

Review Date: May 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

1. The GT BuzzMart electronic procurement system is used to purchase equipment.
2. Items are classified as "Equipment" if the value is between \$3,000.00- \$4,999.99. These items are listed in the department's inventory but are not considered capital equipment. Items are classified as "Capital Equipment" if the value is \$5,000.00 and above. These items are listed in the department's inventory and are considered capital equipment.
3. The End User/Spend Authority is the individual using the capital equipment and, therefore, becomes the

- Custodian, accountable to Capital Assets Accounting for physical location and condition
4. The funding sources can be a sponsored project or state funds.
 5. Title is the ownership of the equipment when purchased. Title establishment is mandatory when creating a requisition. A sponsor may retain title or transfer the title of the equipment to Georgia Tech. Georgia Tech retains title on all equipment purchased partially or totally with state funds.
 6. Proper classification of the purchase is important for budgetary, reporting and property control purposes. Appropriate classification and account codes should be indicated on the requisition.
 7. The department is required to complete and attach in BuzzMart the Used Equipment Justification form found on the Purchasing forms bank. By completing and attaching this form, the End User/Spend Authority affirms "Department personnel have personally examined this used equipment and do state that the condition of the equipment is as represented and that they will accept full responsibility and that the best interest of the State of Georgia and Georgia Tech will be served by the purchase of this used equipment". If purchased with sponsored funds, sponsor approval may be required prior to purchase.
 8. If the equipment is to be added to existing Georgia Tech equipment and will increase the value, the GT Decal Number, if available, should be included on the requisition. This may also change the classification from equipment to capital equipment if the new combined value exceeds \$5,000.00.
 9. Sponsored Deliverable Equipment as specified in the contract is defined as capital property.

Federal Sponsored Grants and Contract Procurements

Policy No: 5.2.2.3

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Jul 2012

Last Revised: Jul 2017

Review Date: Jul 2018

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

1. Catalog purchases \$10,000 and over and non catalog purchases \$10,000 and over that are processed by Purchasing shall contain FAR or Federal Prime Grant clauses, whichever is applicable, on all Purchase Orders using federal funds.
2. For Federal Awards, Georgia Tech will continue to follow the procurement standards outlined in OMB circular A-110 until June 30, 2018. Effective July 1, 2018, Georgia Tech will follow the procurement standards specified in the OMB Uniform Guidance 2 CFR 200.
3. The Purchasing Department shall insure the following certifications at the appropriate dollar threshold are incorporated into the Purchase Order.

For Contract purchases:

- Under \$30,000 – Appropriate Commercial or Non Commercial FAR paragraph and DOD statement if applicable
- Over \$30,000 – Certification Regarding Debarment(FAR 52.209-5)
- Over \$100,000 –Certification Regarding Small Disadvantaged Business, Verified through SBA Website,
- Over \$150,000 –Certification Regarding Lobbying (FAR 52.203-11),
- Over \$650,000 –Small Business Subcontracting Plan (FAR 52.219-9),
- Over \$700,000 – Cost and Accounting Standards (FAR 52.230-2)

For Grant purchases:

- Under \$30,000 – Appropriate Grant Statement
- Over \$30,000 – Certification Regarding Debarment (FAR 52.209-5)
- Over \$100,000 – Certification Regarding Small Disadvantaged Business, Verified through SBA Website,
- Over \$150,000 – Certification Regarding Lobbying (FAR 52.203-11),

Policy History:

Revision Date	Author	Description
August 2017	Purchasing and Procurement	Updated dates
May 2015	Purchasing and Procurement	Policy Statement Update
07-2013	Purchasing and Procurement	Update to policy

Purchase Order Changes and Open Encumbrances**Policy No:** 5.2.2.4**Policy Book:** Business & Finance**Type of Policy:** Administrative**Effective Date:** May 2018**Review Date:** May 2019**Policy Owner:** Purchasing and Procurement**Policy Owners:** Accounting Services**Contact Name:** Ajay Patel**Contact Title:** Director of Purchasing**Contact Email:** ajay.patel@business.gatech.edu**Procedures:**

1. Non Catalog Purchase Orders in BuzzMart can be changed in any of the following ways:
 - Change in accounting distribution, such as account code and project number
 - Change in line item details, such as quantity, unit price, item description or scope of work
 - Closing of remaining encumbrance
 - Adding a new item
 - Cancel partial or entire order
2. Purchase Order changes are initiated by the campus department by submitting a BuzzMart Purchasing Change Request form
 - The Purchasing Order Change Request form can only be submitted for non catalog orders
 - Workflow routes the request to department finance approvers
 - The Change Request should indicate if the vendor requires a revised Purchase Order
3. Campus departments will need to submit a journal entry for project or account changes to catalog orders
 - Campus departments are responsible for contacting the catalog vendor, if necessary
4. Purchase Order Change Requests are processed by the Business Services staff
5. Changes to Purchase Orders processed in Purchasing must be approved by the contract officer if they effect line item details
6. No change request is required if the increase is less than \$500 over the encumbered amount.
7. Decisions may be made by senior Financial and/or Business Services staff to close low dollar encumbrances. When made, these decisions will be communicated to the campus. This is especially true with prior year encumbrances at fiscal year-end

8. Departments are encouraged to run and review the online PeopleSoft Open Encumbrance Report and to close unused balances in a timely fashion. This process can be completed in lieu of the Purchase Order Change Request Form when appropriate.
- Closures on the Open Encumbrance report should be [emailed](#)
 - Or sent via campus mail to Business Services at Mail Code 0300

Purchase Requests

Policy No: 5.2.2.1

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: May 2018

Review Date: May 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Reason for Policy:

This procedure provides guidelines for requisitions submitted in BuzzMart.

Policy Statement:

The purchasing authority of Georgia Tech is delegated by the State of Georgia, Department of Administrative Services, Materials Management Division. This authority is vested in Procurement and Business Services and administered under the State Purchasing Rules and Regulations.

Procedures:

BuzzMart is used to request the purchase of materials, equipment, and services, including consultants and independent contractors. A quotation from the supplier/vendor should be attached to the requisition for all non catalog purchases. For low dollar purchases of items found on vendors/ suppliers websites, the Purchasing Department may accept alternate documentation in lieu of a formal quote. Please contact the Purchasing Department in these cases for acceptable alternative documentation.

On all procurements \$10,000.00 and over that are sole source or single response to bid a price reasonableness or cost analysis shall be addressed by the Purchasing Department. A copy of the price reasonableness or cost analysis shall be maintained in the purchase order file, if applicable.

Emergency procurements have special requirements. Examples of emergency situations include:

Academic, research or technical personnel being idle and unable to perform their mission due to the lack of materials and/or services.

Equipment or hardware is inoperable leaving personnel idle. A situation exists that is detrimental to the operation of the Institute and/or State business.

Any situation that may seriously endanger the health, safety or welfare of any person where direct action will alleviate the situation.

Certain classes of campus technology request (CTR) goods and services require pre-approval by the Board of Regents and OIT. Contact the Purchasing Department for details or specific questions.

Certain categories of materials, equipment and services are exempt from Purchasing Department review and approval. These categories, which are listed below, can be processed via BuzzMart and/or check request.

- Freight and Express Charges
- Registration Fees

- Utilities (gas, power, water, telephone)
- Bank Charges
- Purchases for Resale
- Royalties
- Fellowships and Scholarships
- Travel (see travel section)
- Student Activity Funds
- Relocation
- Real Estate Rentals (requires Board of Regents approval)
- Refunds
- Agency Funds
- Advertising
- Honorariums
- Facilities Construction
- OSP Sub-agreements Not Processed Through Purchasing Department

Attachments and forms are required when applicable. Attachments and forms are required when applicable. Attach the applicable attachments to the requisition in BuzzMart. Examples of attachments/forms:

- Quotation
- CTR approval
- Sole source/sole brand justification
- Vendor order forms
- Specifications
- Memo outlining emergency procurement requirements

Policy History:

Revision Date	Author	Description
07-2016	Purchasing and Procurement	Update to policy

Procurement of Services

Procurement of Services

Policy No: 5.3

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: May 2018

Review Date: May 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

Payments for services to non-employee individuals and firms will fall into one of the following categories: honoraria, non-faculty instructors or lecturers, consultants, repairs and maintenance, temporary employment agencies, OSP subcontracts, stipends/awards and freelance service providers.

All payments (including expense only reimbursements) to individuals who are not US citizens or residents (green card holders) must comply with the Internal Revenue Service and Homeland Security regulations and requirements outlined in [payments nonresident aliens non employees](#).

Employees may not receive payment for services through Accounts Payable. Consult OHR policies for supplemental pay options and Tech Temp employment options. Employees who have retired from the University System of Georgia may continue to work for Georgia Tech through the OHR Retired but Working program and compensation is through Payroll.

Counterfeit Electronic Part Detection and Avoidance

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Sep 2018

Last Revised: Apr 2020

Review Date: Sep 2023

Policy Owner: Georgia Tech Research Institute (GTRI)

Contact Name: Margaret Quiggle

Contact Title: PMSO

Contact Email: margaret.quiggle@gtri.gatech.edu

Reason for Policy:

A counterfeit electronic part is an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer. The standard SAE AS6171 further classifies counterfeit parts as components that have been recycled, remarked, overproduced, out-of-specification/defective, received with forged documentation, or cloned. The United States (U.S.) Congress has directed that the Department of Defense (DoD) take specific actions to “prevent, detect, remediate and investigate counterfeiting in the DoD supply chain.”

The intent of the policy is to satisfy U.S. Government requirements (DFARS 246.870 and DFARS 252.246-7007) to prevent the proliferation of counterfeit parts while allowing researchers to fulfill their contractual obligations with minimal additional impediment. The policy was developed considering the requirements of the appropriate DFARS clause(s), Defense Logistics Agency standards, industry standards published by SAE, and conference with industry and government representatives.

Refer to Section 9 for reference documents and links as related to this policy.

Policy Statement: For some time, the DoD has been addressing the proliferation of counterfeit parts worldwide and their infiltration into the defense supply chain. With the continued increase in counterfeiting, the DoD has issued directives and promulgated regulations for contractors to implement systems to detect, avoid, and report counterfeit parts. The Georgia Institute of Technology (GIT) must develop policy, procedures, and provide training to prevent the introduction of counterfeit parts used in DoD Weapon Systems, Information Systems, and prototypes. Counterfeit parts pose a threat to DoD system operations. Furthermore, the lack of an effective Counterfeit Detection and Avoidance System (CDAS) will negatively affect GIT research programs.

The CDAS will be audited by the government. Failure to maintain acceptable counterfeit electronic part detection and avoidance policies and procedures may result in disapproval of the Institute’s purchasing system by the government’s

contracting officer (CO) and/or withholding of payments. With limited exceptions, GIT will not be able to recover the costs of the counterfeit part or any rework or corrective action taken to remedy the inclusion of counterfeit parts in delivered hardware.

It is essential that GIT maintain an acceptable Counterfeit Electronic Part Detection and Avoidance Policy (CEPDAP) adhered to by all individuals involved in the acquisition of electronic parts for work on DoD sponsored awards to comply with DoD mandatory requirements, minimize risk to DoD operations, and maintain an effective and efficient purchasing system. This policy describes the set of controls designed to eliminate or mitigate the risk of utilizing counterfeit electronic components in GIT delivered hardware. DoD contracts that are subject to DFARS 252.246-7007 are required to adhere to this policy. In the event of a conflict with other GIT policies or procedures, this policy shall take precedence.

Scope: This process applies to electronic components utilized by, or incorporated into, the fabrication, assembly, or test of prototype hardware that is to be provided for evaluation or service to U.S. Government sponsors. This process is also provided as a recommended practice for all programs. This includes electronic assemblies or subsystems that are designed and built to project requirements by third party original design manufacturers (ODMs), as well as hardware that is designed by GIT but then outsourced to a contract manufacturer (CM) for assembly.

Excluded from these requirements are electronic components procured for use in equipment intended for internal purposes (e.g. research, development, problem resolution, testing theories, trying new ideas, etc.), and which are not planned to be provided to sponsors. However, GIT still encourages the procurement of parts through approved vendors as identified in this policy.

Also excluded are unmodified commercial off-the-shelf (COTS) assemblies or subsystems, procured from original equipment manufacturers (OEMs), unless otherwise specified in the project plan or mission assurance plan.

Implementation is the responsibility of any individual or organization, internal or external to GIT, which is involved in sourcing such parts in support of program hardware provided to sponsors that is not excluded as called out above. It is important that unit procedures (e.g. college, school, or GTRI laboratory) reflect the requirements outlined in this policy.

Definitions:

Acronym, Abbreviation, or Term	Definition
Authorized Aftermarket Manufacturer (AAM)	An organization that fabricates a part under a contract with, or with the express written authority of, the original component manufacturer based on the original component manufacturer's designs, formulas, and/or specifications.
Authorized Supplier	Supplier, distributor, or an aftermarket manufacturer with a contractual arrangement with, or the express written authority of, the original manufacturer or current design activity to buy, stock, repackage, sell, or distribute the part.
C of O	Certificate of origin
Contractor-approved supplier (CAS)	A supplier that does not have a contractual agreement with the original component manufacturer for a transaction, but has been identified as trustworthy by a contractor or subcontractor.

Acronym, Abbreviation, or Term	Definition
CASL	Contractor Approved Supplier List
CDAS	Counterfeit Detection and Avoidance System
Contract manufacturer (CM)	A company that produces goods under contract for another company under the label or brand name of that company.
CO	Contracting Officer
COTS	Commercial Off-The-Shelf
Counterfeit electronic part	An unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer, or a source with the express written authority of the original manufacturer or current design activity, including an authorized aftermarket manufacturer. Unlawful or unauthorized substitution includes used electronic parts represented as new, or the false identification of grade, serial number, lot number, date code, or performance characteristics.
DFARS	Defense Federal Acquisition Regulations Supplement
DoD	Department of Defense
ECIA	The Electronic Components Industry Association (ECIA) maintains a database of verified authorized suppliers. The ECIA database is an alternative source for verifying authorized suppliers and shall be archived with purchase documentation.
EEE	Electrical, Electronic, and Electromechanical
Electronic part	An integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), or a circuit
ERAI	ERAI, Inc. is a global information services organization that monitors, investigates, and reports issues affecting the global electronics supply chain.
GIDEP	Government-Industry Data Exchange Program is a cooperative activity between government and industry participants seeking to reduce or eliminate expenditures of resources by sharing technical information essential during research, design, development, production and operational phases of the life cycle of systems, facilities and equipment.
GIT	Georgia Institute of Technology
GTRI	Georgia Tech Research Institute
Mission Assurance	A process to protect or ensure the continued function and resilience of capabilities and assets – including personnel, equipment, facilities, networks, information and information

Acronym, Abbreviation, or Term	Definition
	systems, infrastructure, and supply chains – critical to the performance of DoD MEFs (Mission Essential Functions) in any operating environment of condition.
NRE	Non-recurring engineering
Obsolete electronic part	An electronic part that is no longer available from the original manufacturer or an authorized aftermarket manufacturer.
ODM	Original Design Manufacturer
Original component manufacturer (OCM)	An organization that designs and/or engineers a part and is entitled to any intellectual property rights to that part.
Original equipment manufacturer (OEM)	A company that manufactures products that it has designed from purchased components and sells those products under the company's brand name.
Original manufacturer	The original component manufacturer, the original equipment manufacturer, or the contract manufacturer.
OSP	Office of Sponsored Programs
PD	Project Director
PI	Principal Investigators
PM	Project Manager
PMSO	Project Management Support Office
PO	Purchase Order
SAE	Society of Automotive Engineers
Subcontractor	Any supplier, distributor, vendor, or firm that furnishes supplies or services to or for GIT
Suspect counterfeit electronic part	An electronic part for which credible evidence (including, but not limited to, visual inspection or testing) provides reasonable doubt that the electronic part is authentic.
Traceability	The capability to track the chain of custody of a procured item(s) through its specific supply chain.
Unit	College, School, GTRI laboratory
U.S.	United States

Procedures:

5.1 Employee Training

	<p>To support this process, the following training requirement shall be imposed upon indicated personnel:</p> <p>This policy will be the basis for a Counterfeit Electronic Component Awareness Training program to be developed and administered by GTRI, in conjunction with the Office of Sponsored Programs (OSP).</p> <p>Project Directors (PDs) and Principal Investigator (PIs) are required to determine who within the project team should</p>
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	<p>complete the training.</p> <p>Personnel responsible for the specification and/or procurement of purchased components for prototypes, as well as personnel who physically handle electronic components or assemblies containing electronic components, are recommended to complete Counterfeit Electronic Component Awareness Training.</p> <p>The GIT training for this policy can be found here.</p>
5.2 Inspection and Testing	
	<p>It is the responsibility of all personnel who handle electronic components or assemblies containing electronic components at any point in the inspection, assembly, and test flow to be aware of and to report any attribute, feature, or performance parameter that may indicate that the part is not genuine.</p> <p>GIT procurement sourcing controls are designed to minimize risk of receipt of counterfeit electronic parts. However, there is a possibility that such parts may make their way into department or laboratory storage spaces. To support this policy, GIT will adhere to the following:</p> <ol style="list-style-type: none">1. Assembly or test personnel shall report any visual or functional anomaly to the PD or PI for counterfeit assessment at any point during receipt of parts. Cosmetic anomalies may or may not be indicative of counterfeit production, but must be investigated as such.2. GIT PDs, PIs, and Program Managers (PMs) shall work with the supplier to verify counterfeit determination and shall issue a Government-Industry Data Exchange Program (GIDEP) Advisory (suspect counterfeit part, but confirmed genuine) or GIDEP Alert (confirmed as counterfeit). Such reports are to be issued within 30 days of the initial escalation. For access to GIDEP, please direct any inquiries to the PMSO. <p>Upon receiving an item, a visual inspection must be conducted. If an item is purchased from Category 1 or Category 2, a visual inspection and acceptance will need to be completed. If an item is purchased from Category 3, it will need to be sent to a testing facility as identified on the CASL.</p> <p>The physical/environmental/electrical/inspection test sequences required for Category 3 electronic parts is dependent on a risk assessment to determine the</p>

	<p>recommended level of testing to mitigate risk associated with obtaining the parts from an unauthorized supplier. SAE-AS6171 provides a method for establishing risk and appropriate test sequences, and shall be utilized and documented for GT and GTRI for procured Category 3 electronic parts.</p> <p>Refer to Section 5.5 for supplier category and CASL information.</p> <p>Refer to Section 5.6 for quarantine procedures if a suspected counterfeit part is identified.</p>
5.3 PROCESSES TO ABOLISH COUNTERFEIT PARTS PROLIFERATION	
	<p>All GIT orders for electronic components from any supplier shall request that the total quantity of any individual part be from a single manufacturing lot or date code. In addition to minimizing variation in performance, it is less likely that a single manufacturing lot or date code across the total quantity represents parts from an unauthorized market source.</p> <p>This policy shall be imposed on GIT subcontractors as described in Section 5.9.</p>
5.4 PROCESSES FOR MAINTAINING ELECTRONIC PART TRACEABILITY	
	<p>GIT PDs, Pls, and PMs are required to add traceability documentation provided by vendors into the document repository of the PD's choice (Box, Sharepoint, etc) upon receipt of components to maintain supply chain traceability. PDs, Pls, and PMs must be aware that the selection of non-approved suppliers are subject to review and audit by the appropriate U.S. Government representative.</p> <p>When sourcing an electronic part from a supplier, the following requirements apply:</p> <ol style="list-style-type: none"> 1. Any order for electronic components from any supplier requires a certificate of origin (C of O), attesting that the supplier acquired those parts directly from the original manufacturer, and that those parts are not returns, nor were they sourced from a non-Category 1, 2, or 3 supplier. This requirement for a C of O must be included on the original PO. 2. Any order for electronic components from any supplier shall request that the total quantity of any individual part be from a single manufacturing lot or date code.
5.5 USE OF SUPPLIERS	
	<p>GIT is not certified to test suspected counterfeit parts;</p>

therefore, GIT shall follow the following guidelines in order to avoid the receipt of counterfeit parts.

GIT will be in compliance with DFARS 252.246 by obtaining electronic parts from one of three categories listed below in sequential order:

1. Category 1: GIT PDs, Pls, and PMs will obtain electronic parts that are in production by the original component manufacturer (OCM) or an authorized aftermarket manufacturer (AAM). If parts are not in production, obtain from currently available stock in the following order:

- a. OCM of the parts;
- b. OCM-authorized suppliers of the parts; or
- c. Suppliers that obtain such parts exclusively from the OCM of the parts or their authorized suppliers.

OCM authorized suppliers shall be verified using one of these methods:

- a. Verification of OCM authorized supplier legitimacy prior to purchase shall be documented. OCM websites include the suppliers that are authorized to distribute their components. A screenshot from the OCM website designating authorized suppliers or an email from an OCM verifying an authorized supplier is acceptable verification.
- b. The Electronic Components Industry Association (ECIA) maintains a database (<https://www.eciaauthorized.com/en>) of verified authorized suppliers. The ECIA database is an alternative source for verifying authorized suppliers and shall be archived with purchase documentation.

A supplier's website should never be solely relied on as a source for OCM authorization to distribute.

1. Category 2: If electronic parts are not available as provided in Category 1, GIT will obtain electronic parts that are not in production by the OCM or an AAM from suppliers identified by the CASL. The CASL is derived from the DLA certified vendor list, which is included in the workflow attached to this policy. The following three conditions apply to this source of electronic parts:

- a. GIT will comply with GT Procurement processes to identify and approve CASs who adhere to established

	<p>counterfeit prevention industry standards as mentioned in Section 10;</p> <p>b. CAS assumes responsibility for the authenticity of parts provided to GIT; and</p> <p>c. CASL is subject to review and audit by the government CO.</p> <p>1. Category 3: If GIT (i) obtains an electronic part from a source other than those identified in Categories 1 and 2 because of nonavailability or from a subcontractor other than the OCM that refuses to accept the flow down of DFARS clause 252.246-7008; or (ii) cannot confirm that an electronic part is new or previously unused and that it has not been comingled in supplier new production or stock with used, refurbished, reclaimed, or returned parts, then the contractor must adhere to the following:</p> <p>a. Promptly notify the sponsor CO in writing;</p> <p>b. Be responsible for inspection, testing, and authentication by selecting a test resource from the CASL; and</p> <p>c. Log documentation of inspection, testing, and authentication to make available to the government upon request.</p>
5.6 REPORTING AND QUARANTINING OF COUNTERFEIT ELECTRONIC PARTS	
	<p>When one becomes aware of, or has reason to suspect that any electronic part, component, or assembly containing electronic parts purchased contains counterfeit electronic parts or suspect counterfeit electronic parts, reporting is required to the Government CO and to the GIDEP.</p> <p>Per standard AS5553C, control suspect counterfeit EEE parts to preclude their use or reentry in to the supply chain by physically identifying and segregating the suspect counterfeit EEE parts from acceptable non-suspect EEE parts and placing in quarantine until dispositioned. Quarantine shall consist of a controlled access space.</p> <p>PMSO can provide guidance about any of these processes in this policy. Please direct any inquiries to PMSO.</p>
5.7 METHODOLOGIES TO IDENTIFY SUSPECT COUNTERFEIT ELECTRONIC PARTS	
	<p>Electronic parts purchased from Category 1 or Category 2</p>

	<p>suppliers do not require individual component testing. However, when purchasing parts from a Category 3 supplier, GIT will rely on the identification of suspect counterfeit electronic parts through the use of CASL Testers for inspection and counterfeit testing.</p> <p>Refer to the policy workflow attachment for the CASL.</p>
5.8 DETECTION AND AVOIDANCE	
	<p>GIT is committed to the detection and avoidance of counterfeit electronic components in the government supply chain. GIT supports the procurement of electronic components through Categories 1 and 2, and to follow a thorough selection process when vetting Category 3 suppliers.</p>
5.9 POLICY FLOW DOWN	
	<p>All GIT orders for electronic components from any supplier shall request that the total quantity of any individual part be from a single manufacturing lot or date code. In addition to minimizing variation in performance, it is less likely that a single manufacturing lot or date code across the total quantity represents parts from an unauthorized market source.</p>
Subcontractor Flow Down	<p>A subcontractor is defined as any supplier, distributor, vendor, or firm that furnishes supplies or services to or for GIT.</p> <p>Subcontractors participating in GIT projects at all levels in the supply chain that are responsible for buying and selling electronic parts or assemblies containing electronic parts, or that perform authentication testing are required to comply with the notification, inspection, testing, and authentication requirements as listed in this policy. GIT shall be responsible for ensuring that these requirements are flowed down to subcontractors.</p> <p>The subcontractor is required to meet one of the two options listed below:</p> <ol style="list-style-type: none"> 1. Independent verification of electronic parts used in a subcontracted assembly will consist of a GIT review of the parts list and part sources to confirm that the latter are purchased from Category 1, 2, or 3 suppliers. In a competitive bid situation, an estimate of the cost to GIT of such a review may be applied to the bids of those subcontractors that lack such a system for source selection purposes. 1. Confirmation of a subcontractor counterfeit

	<p>electronic parts control plan that satisfies the requirements of this policy will consist of a review of said plan at the subcontractor's location, including evidence of its implementation. The subcontractor is to be provided a copy of this policy prior to the review meeting.</p> <p>In all cases, GIT will work proactively with the subcontractor to ensure a smooth and expeditious resolution that is in the interests of both parties.</p>
Purchase Order Flow Down	<p>For COTS products and non-recurring engineering (NRE) initiated through a purchase order (PO), GIT will flow down this policy to ensure counterfeit avoidance compliance.</p> <p>When sourcing an electronic part from a supplier, the following requirements apply:</p> <ol style="list-style-type: none"> 1. Any order for electronic components from any supplier requires a CO, attesting that the supplier acquired those parts directly from the original manufacturer, and that those parts are not returns, nor were they sourced from a non-Category 1, 2, or 3 supplier. This requirement for a C of O must be included on the original PO. 1. Any order for electronic components from any supplier shall request that the total quantity of any individual part be from a single manufacturing lot or date code.
5.10 CONTINUING EDUCATION ON COUNTERFEIT PARTS	
	<p>GIT will require periodic training of counterfeit parts avoidance trends for applicable employees via online training and conferences.</p>
5.11 MONITORING POLICY UPDATES	
	<p>GIT has access to the GIDEP and other credible sources for information pertaining to updated counterfeit parts advisories.</p> <p>For access to these reports, please direct any inquiries to PMSO.</p>
5.12 CONTROL OF OBSOLETE ELECTRONIC PARTS	
	<p>GIT shall avoid the use of obsolete parts on new designs. All parts lacking traceability shall be considered as obsolete parts.</p>

Frequently Asked Questions

Question: What is an electronic part?

Answer: An integrated circuit, a discrete electronic component (including, but not limited to, a transistor, capacitor, resistor, or diode), or a circuit assembly. The term “electronic part” includes any embedded software or firmware.

Question: What is an electronic counterfeit part?

Answer: A counterfeit electronic part is an unlawful or unauthorized reproduction, substitution, or alteration that has been knowingly mismarked, misidentified, or otherwise misrepresented to be an authentic, unmodified electronic part from the original manufacturer. The United States (U.S.) Congress has directed that the Department of Defense (DoD) take specific actions to “prevent, detect, investigate, and remediate counterfeiting in the DoD supply chain.”

Question: How does this policy pertain to GIT?

Answer: DoD contracts that are subject to DFARS 252.246-7007 are required to develop and execute a counterfeit parts policy in order to prevent counterfeit parts from entering the government supply chain. This policy describes the set of controls designed to eliminate or mitigate the risk of utilizing counterfeit electronic components in GIT's delivered hardware.

Question: To whom does this policy apply?

Answer: The Counterfeit Electronic Part Detection and Avoidance Policy applies to all GIT Personnel who purchase or specify the purchase of electronic components for use in DoD delivered hardware on contracts that are subject to DFARS 252.246-7007.

This process applies to electronic components utilized by, or incorporated into, the fabrication, assembly, or test of prototype hardware that is to be provided for evaluation or service to U.S. Government sponsors. This process is also provided as a recommended practice for all programs. This includes electronic assemblies or subsystems that are designed and built to project requirements by third party original design manufacturers (ODMs), as well as hardware that is designed by GIT but then outsourced to a contract manufacturer (CM) for assembly.

Excluded from these requirements are electronic components procured for use in equipment intended for internal purposes (e.g. research, development, problem resolution, testing theories, trying new ideas, etc.), and which are not planned to be provided to sponsors. However, GIT still encourages the procurement of parts through approved vendors as identified in this policy.

Also excluded are unmodified commercial off-the-shelf (COTS) assemblies or subsystems, procured from original equipment manufacturers (OEMs), unless otherwise specified in the project plan or mission assurance plan.

Question: Who is responsible for the implementation of this policy?

Answer: Implementation is the responsibility of any individual or organization, internal or external to GIT, which is involved in sourcing such parts in support of program hardware provided to U.S. Government sponsors.

Question: What types of counterfeits are there?

Answer: Counterfeit parts may consist of recycled, remarked, overproduced, out-of-specification/defective, cloned, received forged documentation, cloned, or tampered parts.

Question: Are parts other than electronic parts to be covered by this policy?

Answer: This policy currently addresses only counterfeit electronic parts. As future DFARS pronouncements expand the scope of the required Counterfeit Detection and Avoidance System (CDAS) to additional parts categories, the scope of this policy will expand accordingly.

Question: How does this policy affect parts purchased for internal projects or use (IRAD, Testing, RI needs, etc.)?

Answer: Although not subject to DFARS 252.246-7007, the purchase of any electronic parts for internal use can also introduce counterfeit parts into GIT supply and affect the safety and/or quality of assemblies and products. It is advisable to mitigate this risk by following the purchasing guidelines outlined within this policy.

Question: What is the process for reporting suspected counterfeit parts to GIDEP?

Answer: GIT PDs, Pls, and Program Managers (PMs) shall work with the supplier to verify counterfeit determination and shall issue a Government-Industry Data Exchange Program (GIDEP) Advisory (suspect counterfeit part, but confirmed genuine) or GIDEP Alert (confirmed as counterfeit). Such reports are to be issued within 30 days of the initial escalation. For access to GIDEP, please direct any inquiries to PMSO.

Refer to Section 5.6 for quarantine procedures if a suspected counterfeit part is identified and notify PMSO.

Question: Is the supplier's certification, listed on their website that considered reliable?

Answer: No. GIT Personnel may, however, rely on the original manufacturer's list of authorized suppliers to gain comfort that electronic parts purchased from that supplier are genuine. However, any certification must come from the Original Component Manufacturer (OCM), not the reseller.

Question: What is the importance of visual inspections?

Answer: Visual inspection on electronic parts and packaging is important to detect nonconforming and suspect counterfeit characteristics ahead of time, to prevent, investigate, and remediate counterfeiting into the government supply chain.

Visual Inspection is required on projects that purchase electronic components for use in DoD delivered hardware on contracts that are subject to DFARS 252.246-7007. PMSO has PM Professionals who are certified component inspectors. Please direct any inquiries to PMSO.

Question: What if traceability cannot be established?

Answer: Contact PMSO if traceability of parts cannot be obtained.

Question: What should a Risk Matrix for Counterfeit Parts look like?

Answer: The sponsor may have specific requirements of what the Risk Matrix should contain. If no specifics are required, a template is attached to this policy.

Question: Who can help determine the level of risk and associated tests needed if purchasing Category 3 electronic parts?

Answer: Contact PMSO for assistance with establishing a risk assessment and test sequence program as prescribed in SAE-AS6171.

Question: How often is the Counterfeit Electronic Part Detection and Avoidance Policy updated?

Answer: This policy is reviewed and updated on a yearly basis.

Question: Who should be contacted for questions or assistance?

Answer: Contact PMSO or unit management with any questions or requests for assistance.

Forms: [counterfeit parts avoidance process.pdf](#)

Form Links: [Help Request – General PMSO Help Request](#)

Responsibilities:

It is the responsibility of all personnel who handle electronic components or assemblies containing electronic components at any point in the inspection, assembly, and test flow to be aware of and to report any attribute, feature, or performance parameters that may indicate that the part is not genuine. The unit is responsible for establishing internal requirements for approval and delegation of authority to purchasing electronic parts.

Project Management Support Office

The Project Management Support Office (PMSO-GTRI) is responsible for the implementation of the policy.

Georgia Tech organizational unit management

- Project Directors (PDs)
- Principal Investigators (PIs)
- Program Managers (PMs)

Enforcement:

It is the responsibility of the purchase requestor to be sure that the policy is adhered to during the acquisition of electronic parts.

Related Information

Government Number	
Document Number	Document Title, Revision, and Date
Industry Documents	
Document Number	Document Title, Revision, and Date
DFARS 246.870	SubPart 246.8 – Contractor Liability for Loss of or Damage to Property of the Government, Revised October 21, 2016
DFARS 252.246-7007	Contractor Counterfeit Electronic Part Detection and Avoidance System, August 2016
DFARS 252.246-7008	Sources of Electronic Parts
DFARS 231.205-71	SubPart 231.2 - Contracts With Commercial Organizations
Government Number	
Document Number	Document Title, Revision, and Date
Industry Documents	
Document Number	Document Title, Revision, and Date
IDEA-STD-1010B	Acceptability of Electronic Components Distributed in the Open Market
JEDEC JESD-243	Counterfeit Electronic Parts: Non-Proliferation for Manufacturers

Government Number	
Document Number	Document Title, Revision, and Date
Industry Documents	
Document Number	Document Title, Revision, and Date
SAE AS5553B	Counterfeit Electrical, Electronic, and Electromechanical Parts; Avoidance, Detection, Mitigation, and Disposition
SAE AS6081	Fraudulent/Counterfeit Parts: Avoidance, Detection, Mitigation, and Disposition - Distributors
SAE AS6171	Test Methods Standard; General Requirements, Suspect/Counterfeit Electrical, Electronic, and Electromechanical Parts
Other Reference Items	
CASL	Category 2 List of Suppliers Category 3 List of Testers
ECIA	ECIA maintains a database (https://www.eciaauthorized.com/en) of verified authorized suppliers. The ECIA database is an alternative source for verifying authorized suppliers and shall be archived with purchase documentation.
ERAI	ERAI , Inc. is a global information services organization that monitors, investigates, and reports issues affecting the global electronics supply chain.
GIDEP	GIDEP is a cooperative activity between government and industry participants seeking to reduce or eliminate expenditures of resources by sharing technical information essential during research, design, development, production and operational phases of the life cycle of systems, facilities and equipment.
PMSO Help Request and Email	Help Request Link Email: pmso@gtri.gatech.edu

Related Documents: [cpp_workflow_final.pdf](#)

Policy History:

Revision Date	Author	Description
09/15/2017	GTRI PMSO	Transitioned to a GTRI internal memorandum for record
TBD	GTRI PMSO	New Policy

Employee Contractor Policy

Policy No: 5.3.3

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Last Revised: May 2018

Review Date: May 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Policy Statement:

A consultant or independent contractor is a firm or an individual offering professional or specialized services for a fixed rate or fee. The Institute only controls the direction of the consultant's work with respect to work objectives and desired results and not the methodology for achieving the results.

This policy provides guidelines for contracting with individuals (non-employees) and firms. Firms and corporations that are clearly in the business to offer and sell their services to the public are independent contractors.

When the Institute is required to make payments to individuals, the rules and regulations of a number of governmental regulatory bodies must be considered. A determination must be made to ensure that payments to individuals for services (instructors or consultants) clearly meet the Internal Revenue Service (IRS) definition of Independent Contractor and that the regulations of the IRS and Immigration and Naturalization Service/US Department of State with respect to non-US citizens/resident aliens have been followed. Any individual who performs services for the Institute is presumed to be an employee unless the relationship satisfies the IRS standards for Independent Contractor (see Classification of Independent Contractors versus Employees below). A consultant should be used only when the services are not readily available from existing employees or where the services cannot be performed more economically or satisfactorily through the Institute employment process.

Procedures:

Classification of Independent Contractors Versus Employees

The department/unit makes the initial determination whether an individual is an employee or independent contractor because of the familiarity of the relationship. The Checklist for Determining Independent Contractor or Employee has been developed to aid the department in making the determination on whether the individual is an employee or a contractor. The checklist is based on standard guidance that the IRS has provided on this subject and is available on the Georgia Tech Purchasing Website. Prior to engaging any individual for services as an independent contractor, an assessment must be made by the unit/ department and documented using the checklist. This checklist must be also be approved by the department's human resources representative. If the determination is that the individual is an employee, the department must work with Human Resources to determine the appropriate next steps. If the determination is that the individual is a consultant, the completed form must be sent to Purchasing for final approval.

If approved by Purchasing or Human Resources, the completed checklist must be attached to a requisition in BuzzMart for processing. If the consultant is a teaming partner and will be paid from sponsored funds, the agreement must be executed through the Office of Sponsored Programs on a "Request for Sub-Agreement Form".

A retiree or ex-employee that returns to Georgia Tech to perform the same type of service that was performed while employed by the Institute will be classified as an employee and all payments will be processed through Payroll.

Travel Expenses

The method for reimbursements made directly to the service provider (consultant, etc.) must be specified in the consultant's contract for services. Travel reimbursements may be made based on state travel regulations. The administrative unit is responsible for determining if charges for reimbursable expenses are proper and reasonable and the amount agreed to cover those travel expenses should be entered as a separate line item on the requisition. Specific requirements for documenting and itemizing those travel expenses will be detailed in the service agreement, but original receipts are not required. All payments to the consultant or firm will be reported on IRS Form 1099-misc or 1042-S, as appropriate. Tax withholding, where required, will apply at time of payment. . Direct billing of airfare or hotel is not permitted.

Policy History:

Revision Date	Author	Description
10-2014	Purchasing and Procurement	Updates to verbiage

Honorarium Payments**Policy No:** 5.3.1**Policy Book:** Business & Finance**Type of Policy:** Administrative**Effective Date:** Feb 2011**Last Revised:** Feb 2019**Review Date:** Feb 2020**Policy Owner:** Accounts Payable**Contact Name:** Abbie Coker**Contact Title:** Director of Accounts Payable & Travel**Contact Email:** abbie.coker@business.gatech.edu**Policy Statement:**

An honorarium is a one-time payment for short-term services, as outlined in this procedure, where the Institute does not expect a particular deliverable and the recipient will not invoice the Institute for services rendered.. Nonresident Alien individuals may receive honorarium payments with a J-1, B-1, or B-2 visa. Most other Visas do not permit honoraria payment.

- Honorariums are to be paid to individuals, rather than companies or organizations. Services provided by companies or organizations must be contracted.
- Honorariums are not be paid to Georgia Tech employees including student employees.
- State law limits those State of Georgia employees who are eligible to sell their services to other State agencies on a per diem/honorarium basis. Payment is allowed only if the individual is classified in one of the following categories:
 - chaplain
 - fireman
 - any person holding a doctoral or master's degree from an accredited college or university
 - physician
 - dentist
 - psychologist
 - registered nurse or licensed practical nurse

See documentation requirements below for when payee is State of Georgia employee.

Procedures:**When to Use**

- An honorarium must be paid for services provided and cannot be used as a form of payment for an award.
- The service provided is one where Georgia Tech does not expect a particular deliverable.
- Examples include:
 - presentation of research results
 - reading of papers
 - participation or leading of colloquiums, workshops, and seminars
 - presentation of lectures

- The services provided must be short-term in length. Short-term is defined as 9 business days or less. Services over a longer period of time must be contracted.

Approval Responsibility

- Approval by an administrative unit indicates that payment is allowable from funding source. [If state funds, the service should be instruction, research or public service. If sponsored funds, service must be instruction, research, public service or is specifically authorized by grantor.]
- Approval by an administrative unit indicates that payment is within policy guidelines for honorariums.

Amount Limitations

- Each honorarium activity should typically not be greater than \$5,000 unless a special exception has been granted by the Purchasing Department. Honorarium payments are processed as a direct expense and are not initiated through the BuzzMart requisition process.
- Amount of honorarium may include payment for services along with amount intended to cover travel expenses.
- Amount for services (honorarium) may be paid and expenses reimbursed with appropriate receipts and documentation. Payment of honorarium and expenses must be requested at same time on the [Honorarium Request Form](#)

IRS Reporting

In accordance with Internal Revenue Service regulations, payments to US tax residents, which total \$600 or more in aggregate to payee, will be reported as income on a 1099-Miscellaneous Income form.

If recipient is Nonresident Alien, reporting on IRS Form 1042-S will be in accordance with guidelines outlined in separate procedures for payments to [Nonresident Aliens](#).

Documentation Requirements

- An official announcement, invitation letter, flyer, etc. that outlines the need of the service provided must accompany the request for payment of honorarium.
- In all cases, requests must be accompanied by a Georgia Tech Vendor Profile Form completed by the recipient of the honorarium.
- If payee is Nonresident Alien, see separate procedures for restrictions and requirements may apply.
- Receipts for travel expenses if claimed as a separate expense line.
- If payee is State of Georgia employee, the following must be provided:
 - certification from requesting department of the need for services and why the best interest of the State will be served by obtaining such services from a person not presently employed by the State,
 - certification by department, agency, etc. employing employee that the performance of such services will not detract or have a detrimental effect on the performance of employee's full-time employment .

Procedure Guidelines Forms

Requests for payment of honorariums should be submitted on the [Honorarium Request Form](#).

Expense Account Classification

751108 – Honorarium/Speakers

Use the appropriate expense codes for any associated travel expenses. Although the Travel Expense Statement is not required for honoraria recipients, expenses must be reported by day and travelers must comply with Institute travel

policies. Travel expenses that are not supported by receipts, or otherwise do not comply with Institute travel policies will have all expenses classified as honoraria income.

Payments to International (Overseas?) Vendors and Nonresident Alien Foreign National Consultants, Scholars, and Official Visitors

Policy No: 5.3.5

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Oct 2012

Last Revised: Oct 2017

Review Date: Oct 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Reason for Policy:

The following procedures will provide guidelines for retaining the services of nonemployee foreign nationals, including international vendors, consultants, scholars, and official visitors. Policies are made to ensure that contracts and payments are made in compliance with Internal Revenue Service and Department of Homeland Security laws and regulations.

Policy Statement:

Eligibility for Payments

The U.S. Citizenship and Immigration Services laws and regulations are very specific about what types of payments may be made to each visa type, who may make the payments, and what type(s) of employment verification documents are required for the foreign nationals to receive payments.

An abbreviated list of common visa types, restrictions, and documentation is provided below:

- B-1 or *VWB or WB (Visitor/Business) - May receive reimbursement for reasonable travel expenses and, under limited circumstances, payments for compensation and honoraria.**
- B-2 or VWT or WT (Visitor for Pleasure) - Under limited circumstances, may receive payments for compensation, honoraria, and reimbursement of reasonable travel expenses.**
- F-1 & J-1 Students may receive compensation as well as an award, prize, research participant stipend or scholarship.
- J-1 (Exchange Visitor - Short term Scholar, Professor, Researcher or Specialist) is eligible to receive compensation and reimbursement payments from the organization and for the period stated on the DS-2019. Visitor must have a Social Security or Tax ID Number for compensation payments.
- Canadians who enter the United States and are not issued a Form I-94 are considered to be in B status (compensation and reasonable travel expense reimbursement) with permission to remain in the US for up to six months.

*VWB/WB or Visa Waiver for Business is an agreement between the US and certain countries in which the visitor is not required to have a visa. Participants in the program must be present in the United States fewer than 90 days with a valid passport and a nontransferable, nonrefundable round trip ticket.

**The American Competitiveness Workforce Act of 1998 allows payment of honoraria and associated incidental expenses to B-1, B-2, WB, and WT visa holders for "usual academic activity," if paid by a United States institution of higher education, a nonprofit organization affiliated with an institution of higher education, or a nonprofit or a

governmental research organization. Under the Act, an academic activity may not exceed nine days at a single institution. In addition, such visa holders cannot accept honoraria and/or incidental expenses from more than five such institutions or organizations in the previous six months.

Federal Tax Treatment

Georgia Tech will withhold taxes in compliance with IRS tax law for all applicable foreign national payments, including honoraria, compensation, consulting fees, fellowships, stipends, awards, participant payments, sub-agreements, services/maintenance, royalties, rents, as well as some reimbursements for travel. Detailed descriptions regarding tax issues for non-US tax residents can be found in IRS Publication 519: US Tax Guide for Aliens.

Tax treaty benefits may be available to the payee, if there is an income tax treaty between the home country and the US. The individual's US tax residency status, the business purpose of the payment, and payment amount determine whether a particular tax treaty benefit applies. In addition, All claims for tax treaty benefits must include the individuals social security number or an ITIN (Individual Taxpayer Identification Number). See IRS Publication 901: U.S. Tax Treaties.

Policy Terms:

A foreign national is an individual who is not a citizen or a permanent resident (holder of a "green card") of the United States. (U.S. permanent residents are foreign nationals, but by definition are treated the same as U.S. citizens for tax purposes.) A foreign national is admitted to the United States for a temporary stay and for a specific purpose (identified by visa type).

Procedures:

Georgia Tech utilizes the GLACIER Nonresident Alien Tax Compliance System to collect immigration and tax related information from foreign nationals receiving funds from the Georgia Institute of Technology. All foreign nationals receiving funds from the Institute must have a GLACIER record. GLACIER determines tax residency status and tax treaty eligibility for the foreign national. The system creates all forms required prior to payment, as well as the IRS form 1042-S for annual tax reporting.

The [Accounts Payable Website](#) includes payment request checklists to assist the campus administrator with the collection of required documentation for each category of international payment (How to pay an honorarium, How to make a fellowship payment, etc).

Please contact apaccounting.ask@business.gatech.edu for additional guidance regarding payment processing for international payees.

Form Links: [Accounts Payable Forms Bank](#)

Reimbursable Expenses for Official Guests and Visitors

Policy No: 5.3.2

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Expense-Only reimbursements are for the travel of non-employees who do not have a contract for services, such as guest lecturers, student candidates, or interviewees for employment. In general, official guests and visitors must comply with the same travel regulations as employees.

See "[Non-Employee Travel](#)"

Short-term Instructors or Lecturers (Non-Faculty)

Policy No: 5.3.4

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Feb 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Procedures:

Individuals providing a service to the Institute as Continuing Education speakers, OPTIONS instructors, CRC instructors, and other short-term instructors may be handled as independent contractors OR employees depending upon the number of payments involved and the "Classification of Independent Contractors Versus Employees" determination. For speakers and instructors employed through independent business firms, refer to the Consultants—(Individuals and Firms) section of the "Procurement of Service" procedures.

If the review of the questions under "Classification of Independent Contractors Versus Employees" (see procedure Purchase of Services -- Consultants --(Individuals and Firms)) indicates that the individual should not be classified as an employee, the payments may be processed through Accounts Payable on a Check Request Form. The individual will receive a Form 1099 at year end. If the instructor is a not a U.S. citizen or resident, refer to the "Payments to Nonresident Aliens (Non-employees)" procedure.

If the review of the questions under "Classification of Independent Contractors Versus Employees" (see [consultants individuals and firms](#)) indicates that the individual should be classified as an employee. Refer to Office of Human Resources Procedures for employment through the Tech Temp Program.

Subcontract Processing

Policy No: 5.3.6

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Jul 2016

Last Revised: Jul 2016

Review Date: Jul 2019

Policy Owner: Purchasing and Procurement

Contact Name: Ajay Patel

Contact Title: Director of Purchasing

Contact Email: ajay.patel@business.gatech.edu

Reason for Policy:

Process to Request a Sub recipient Online-

Principle Investigator or Unit Financial Officers (Departmental Administrators)

1. Visit OSP Contract System - <https://webwise.gtri.gatech.edu/osp/sub/sitemap>. Use your GT Kerberos Password or GTRI credentials to access the system.
2. Under the OSP Contract Information System tab you will find a section for Sub- agreement Management. Click

- on "make a request for new sub-agreement."
3. To complete the "Request for a Sub-agreement" process you will want to have the following information ready:
 - Detailed budget
 - [Statement of work](#) (including any deliverables/reports)
 - [Short narrative](#) as to why you selected the subcontractor
 - [Cost price analysis](#)
 4. Query on the fund number you wish to issue the subcontract/consulting agreement under.
 5. After completing the required fields, click on "Submit to OSP."
 6. Print a copy of the request; complete accounting section of the form and route for signatures.
 - Route to PI for signature
 - Route to xGRANTS@x.gatech.edu for department signature.

Sub recipient Monitoring- Principle Investigator or Unit Financial Officers (Departmental Administrators)

Unit Financial Officers (UFO's) should assist PI's in carrying out their sub recipient monitoring responsibilities. This includes:

- Reviewing invoices from sub recipients to ensure invoices are within the parameters of the sub-award budget, and questioning expenditures if necessary.
- Ensure that invoices are approved by the PI or his/her designee and submitted to Accounts Payable in a timely basis.
- Maintain copies of all invoices that provide evidence of the regular review of invoices by the PI. "Evidence" can be in the form of authorized signature by the PI or his/her designee, PI's initials, e-mail communications, or notes of meeting between the PI with the department administrator.
- Maintaining documentation of monitoring efforts (copies of e-mail, phone log, etc.).

Process to encumbering Sub recipient in Buzz mart- Unit Financial Officers (Departmental Administrators)

Create "CONFIRMING ORDER/SUBCONTRACT" requisition cart:

1. Select Vendor and choose appropriate address.
 - Enter Descriptions details: Fund Number/Agreement number; PI name; Budget Dates
 - Expense Codes: 753160- 1st \$25K - 753180- over \$25K
 - NIGP Code: 95675- Scientific Research Services
2. Release cart **after** ICOL notice has been received that sub agreement is complete. Procurement services cannot release encumbrance until agreement is active.
3. Enter confirming order request annually for each funding year.

Subcontract Invoice Payments:

1. Review invoices from sub recipients to ensure invoices are within the parameters of the sub-award budget, and questioning expenditures if necessary.
2. Code invoices with purchase order number and expense code and send to GaTech PI for compliance verification.
3. Sub recipient invoices must be sent to ospinvoices@osp.gatech.edu for upload into Web Now queue for approval.
4. Complete the Invoice Payment Approval Form (Worksheet) within the image in Web Now and route the invoice forward to the 'Sub award Pay' queue for processing. Subcontract payments are processed directly in PeopleSoft, rather than BuzzMart, so voucher detail will not be available in BuzzMart. Your electronic signature approval on the Web Now approval form certifies that the goods were received and/or services performed, so no additional 'Receipt' is required in BuzzMart and vouchers should not create a match exception.

5. File all invoices with contract packet.

Subcontract Closeout Process:

1. Audit invoices payment to verify that cumulative expenses submitted by subcontract matches total invoice payments.
2. Ensure that final invoice is paid/submitted to OSP so that closeout procedures are initiated.
3. Verify open encumbrance report and close out any remaining encumbrance if necessary.

Mark subcontract package “complete” and retain packet per file retention guidelines.

Travel

General Information and Definitions

Policy No: 6.1

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Reason for Policy:

This statement sets forth the authority, policies, regulations and procedures governing official travel for Georgia Tech employees.

Policy Statement:

The Board of Regents of the University System of Georgia is responsible for travel policies for the University System. Policies and procedures are contained in the Board of Regents Business Procedures Manual. In addition the State of Georgia State Accounting Office is authorized to adopt rules and regulations governing travel policies that promote economy and efficiency in state government and which treat employees fairly and equitably.

The policies and procedures set forth in the travel statements apply to reimbursements from state funds, foundation funds and sponsored funds, unless the sponsored agreement specifically states otherwise.

Authorization to travel must be obtained prior to travel from the unit head or their authorized designee.

Travel is for official Georgia Tech business and is contingent upon the availability of funds.

Employees required to travel are entitled to reimbursement for reasonable, necessary and allowable incurred expenses. Additional expenses incurred for personal preferences or convenience are the responsibility of the traveler. Questions regarding travel policies and procedures should be directed to the Travel Team in Accounts Payable by phone at 404-894-5000 or by [e-mail](#).

In the case of dispute of reimbursable expenses, the Senior Vice President for Administration & Finance will make the final decision regarding the allowability of expenses.

Policy Terms:

State Employee

Any Georgia Tech employee, whether temporary or permanent, who is paid through Georgia Tech payroll.

In-State Travel

Travel within the borders of Georgia.

Out-of-state Travel

Includes any travel outside the state of Georgia, including foreign travel.

Procedures:**IRS Accountable Plan Rule for Official Institute Travel**

Expense reimbursements to employees by the Institute are not taxable to an employee if the reimbursements are made under an accountable plan. The accountable plan for IRS purposes is Georgia Tech's travel policy. Employee reimbursements that comply with our travel reimbursement policy are not reportable as income. Reimbursements that exceed our travel reimbursement policy may be reportable as income and reported on the employee's annual W-2 or 1042-s form. Information regarding the IRS policy for reimbursements that do not comply with our accountable plan rules can be found in IRS Publication 15-B: Employer's Tax Guide to Fringe Benefits Publication 463: Travel, Entertainment, Gift, and Car Expenses provides information regarding the tax issues related to these topics.

Foreign Travel and Special Export Control Policies

International travel regulations include special export control compliance policies. Review "[travel authorization procedures](#)" for detailed information.

TechWorks Employee Travel & Expense System

Effective April 2011, Georgia Tech uses an on-line travel authorization and expense reimbursement system in TechWorks for all employee travel. This system includes travel policy compliance edits and electronic workflow approval.

Each campus department is responsible for assigning a T&E Administrator to manage the set-up of supervisors, preparers, delegates and financial approvers for their unit.

Form Links: [Links to forms, currency exchange rates and other tools related to travel can be found in the Travel Section](#)

Air Transportation

Policy No: 6.6

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Oct 2017

Review Date: Oct 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Employees traveling on official business should obtain airfares that result in the lowest cost to the Institute consistent with their scheduling requirements.

Procedures:**Airline Contracts**

GT has special contract rates with Delta and AirTran/Southwest Airlines. These special rates can only be accessed via the web booking tool, Concur, or by contacting Travel Incorporated at 770-291-5190. The special contract rates may be

used by employees traveling on official state business. Independent contractors and non-employee students, guests, and visitors may use the contract if they are traveling on Institute business.

Restrictions on Class

Business Class airfare using state funds or other fund types (unless specifically restricted), is only permissible (in accordance with state policy) for international and U.S. routes of 10 hours or more, and with appropriate travel authority approvals. First Class travel is only permitted, if approved, in the following circumstances:

1. There is no other space available on the needed flight (supporting documentation from a travel agency must be included with the travel reimbursement request).
2. A licensed medical practitioner certifies that because of a person's mental or physical condition, specific air travel arrangements are required. ***It is the responsibility of institution officials to obtain necessary medical certifications for any employee that requires special air travel arrangements due to a medical condition. Information should also be obtained specifying the expected length of time such condition would have an impact on travel needs. Supporting documentation must be retained within the department.***
3. The Commissioner of Public Safety certifies that specific air travel arrangements are necessary for security reasons.
4. Overseas foreign travel- with appropriate approval and funding; see First/Business Class- Foreign Travel section below.

These exceptions should be approved in advance on the TA and noted in the "comments" section of the expense report in the TechWorks Employee Travel and Expense System.

If free upgrades/frequent flier miles are used for an upgrade, this should be noted in the "comments" section of the expense report in the TechWorks Employee Travel & Expense System.

Airline Frequent Flyer Programs

Traveling employees may retain frequent flyer program benefits. However, participation in these programs must not influence flight selection which would result in incremental cost to the Institute beyond the lowest available airfare, as defined in this policy.

First / Business Class Airfare - Foreign Travel

In certain circumstances, Georgia Tech Foundation funds, Georgia Tech Research Corporation funds or sponsored funds may permit reimbursement or direct payment of business class airfare for International travel that does not meet the 10-hour requirement for State funds.

Georgia Tech will allow the use of state funds for international flights where the portion of the flight that is non-stop exceeds 10 hours.

- Pre-trip approval for the additional expense is required via the Travel Authority.
- This does not include any time spent between flights during a connection.

GTRI is required to adhere to Federal Travel Regulations which prohibit Business class airfares for trips less than 14 hrs, Please consult your unit Business Officer to determine if your project or funds source will allow business class travel.

Detail regarding the anticipated flight length should be included in the detailed description field on the TA. Written approval from the sponsor should be included when submitting the expense report.

GT Foundation

Business class airfare for international flights that are pre-approved by the appropriate unit officer in accordance with Georgia Tech travel authorization policy may be processed through the Institute (Accounts Payable) from Foundation funds available to the school or department. The expense report in the TechWorks Employee Travel & Expense System is used for reimbursement with appropriate receipts and approvals. Direct billing is available through Travel Incorporated.

Direct reimbursement from GTF funds through the GT Foundation will only be allowed and approved in exceptional circumstances, and must be approved by the President, Executive Vice President for Administration and Finance, or Provost and Executive Vice President for Academic Affairs.

GTRC

Business class airfare for international flights that are pre-approved by the appropriate unit officer in accordance with Georgia Tech travel authorization policy may be processed directly through the Institute (Accounts Payable) using GTRC sponsored projects that specially permit the use of business class airfare for international travel. Awards sponsored by federal or state entities or pass through funds from these entities rarely permit travel expenses that are not in accordance with institutional policy and therefore cannot be used to support this type of expense. The expense report should be used for reimbursement with appropriate receipts and signed approvals. Direct billing is available through Travel Incorporated.

Payment of Airfare

Travel expenses are reimbursed upon completion of the trip and submittal of properly documented and approved expense report in the TechWorks Employee Travel & Expense System. Airfare can be direct billed to the Institute through the existing program with Travel Incorporated. In either case, an itinerary showing the dates of travel, seat assignment and form of payment, including purchase price must be presented when submitting an expense report in the TechWorks Employee Travel & Expense System.

Airfare reimbursements involving study abroad, student group travel and extended research/employment assignments may be reimbursed prior to the trip under certain circumstances. Requests to be reimbursed prior to the trip must include the following documentation:

- Explanation for using a travel agency other than Travel Incorporated; and/or
- Price quotes from Travel Incorporated and the travel agency from which the tickets were purchased.

Direct Billing of Airfare for Employees

The Institute has entered into an agreement with Travel Incorporated to arrange for the prepayment of air travel for faculty and staff. Contact the Travel Incorporated team assigned to GT traveler's at (770) 291-5190. Travelers may also utilize the web booking tool, Concur, to direct bill airfare.

Approval to direct bill must be obtained prior to ordering any airline ticket, either through Travel Incorporated or Concur.

A copy of the **Approval for Direct Billing Form** should be faxed to Accounts Payable at 404-385-3305. The **Approval for Direct Billing Form** may be found on the Business Services Travel Forms bank at:

http://www.procurement.gatech.edu/travel_forms.php

The following information must be provided at the time the ticket is ordered:

- Ten digit campus reference number
- PeopleSoft project account to charge

- Employee ID number
- Business purpose of trip

Direct Billing of Airfare for Students / Visitors

The Institute has entered into an agreement with Travel Incorporated for the prepayment of air travel for official guests, visitors, students, and independent contractors. Contact Travel Incorporated by phone at (770) 291-5190 or by fax at (770) 291-5175.

Approval to travel must be obtained prior to ordering any airline ticket.

Refunds

Refunds for airline tickets must not be accepted by employees unless they have personally paid for the tickets. Refunds for tickets issued by Travel Incorporated and charged to the Institute must be refunded directly to Georgia Tech by Travel Incorporated via the direct bill. A credit will be applied to the original project used to purchase the ticket. If a sponsor reimburses the traveler for an airline ticket, after the traveler has been reimbursed by GT, the traveler must write a personal check (made payable to GT) in the amount of the ticket reimbursement and send it along with a copy of the expense report summary sheet in the TechWorks Employee Travel & Expense System to Accounts Payable, Mail Code 0253. AP will deposit the funds back into the appropriate project.

Private Aircraft

The use of aircraft owned, rented, or operated by a traveler on Institute business is strongly discouraged. If it is determined that the use of this type of aircraft is advantageous to the Institute, an explanation must be noted in the comments section of the expense report. The use of private aircraft is subject to prior approval by the Dean, Director, or Department Head and must be specifically noted on the Travel Authorization Form. In the comments section of the Employee Travel Expense Report the employee should add the following comment "traveled by private aircraft; registration number NXXXX; mileage calculated from the official highway map".

Transportation expenses for the use of private aircraft will be at the mileage reimbursement rate determined by the U. S General Services Administration (GSA). Mileage rates are only changed upon notification from the State Accounting Office/Office of Planning and Budgets. New rates are not applied based solely on GSA updates.

Lodging and meal expenses en route will not be reimbursed if the expenses are a direct result of the decision to take a personal aircraft, rather than commercial aircraft.

If a traveler opts to use a personal aircraft when use of commercial aircraft would be the most economical and advantageous for the Institute, the traveler will be reimbursed up to the value of the commercial airfare (lowest coach fare) as quoted by Georgia Tech's contracted travel agency, Travel Incorporated.

Transaction Fees / Service Fees

The transaction or service fees associated with booking airfare are authorized items for travel reimbursement. Additionally, baggage fees, change fees, etc. associated with official business are reimbursable.

Fly America Act

All federally funded travel must comply with the U.S. "Fly America Act" (49 U.S.C. 40118). The Fly America Act mandates the use of U.S. flag carriers for federally funded international travel to / from the United States. This includes United States federal employees, their dependents, consultant, contractors, and others. See [Section 6.17 Foreign Travel](#) for additional information regarding the Fly America Act.

Form Links: [Business Services Travel Forms Bank](#)

Conference Registration

Policy No: 6.11

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Jul 2017

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Procedures:

Registration Fees

Registration fees are reimbursable when required for participation in a workshop, seminar, convention or conference, which an employee is authorized to attend as an official representative of the Institute.

Fees for activities such as sight-seeing, field trip, or banquets are not reimbursable. Any fees representing official activities must be justified in writing as to the business purpose of the event/activity.

Registration Payment

Payment for registration fees will be made in one of three ways:

1. Procurement Card (PCard) - the preferred method of payment and a best practice;
2. Reimbursement to the traveler via the TechWorks Employee Travel & Expense System or
3. Prepaid using the BuzzMart e-payment Request Form or
4. Check Request Form

Reimbursement requests should be made via the TechWorks Employee Travel & Expense System and must be supported by a paid receipt or copy of the check, or a bank statement showing check date and amount. A registration form/brochure indicating the conference name, dates and cost must accompany the request. Any part of a registration fee applicable to meals will be reported as a meal expense, if the cost can be identified. Otherwise, if meals are included as part of the registration fee, those meals should not be claimed as per diem meal allowances.

Prepayment using the BuzzMart e-Payment Request, Check Request Form or the P Card should be supported by a copy of the completed registration form and a copy of the e-receipt if using the PCard.

Employee Direct Deposit

Policy No: 6.18

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Travel reimbursement for employees will be via EFT direct deposit for all employees that have direct deposit set up through Payroll / TechWorks.

The direct deposit of employee travel will be made to the primary bank/credit union account as designated in the PeopleSoft Human Resources System.

Bank account information can be maintained via TechWorks.

Employees that are not enrolled in direct deposit for payroll, including affiliate employees that do not receive payroll, will receive a check. Employees that make a change to their direct deposit may receive a check during the pre-note period until account information is verified by their financial institution.

Employee Payment Request Form

Policy No: 6.12

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Sep 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Employees should utilize the Employee Payment Request Form to request reimbursement for the specific expense types listed on the form: Refund of personal Funds Paid to GT, Reimbursement for Group Meals, Program Advance (both study participants and study abroad), Student Group Travel. All other employee travel and non travel related reimbursements must be processed using the Travel And Expense System in Tech Works.

Detailed policies for use of the Employee Payment Request Form can be found in "[Employee Payment Requests \(Non-Travel Related\)](#)" of the Business Finance Manual

Foreign Travel

Policy No: 6.17

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Aug 2012

Last Revised: Oct 2017

Review Date: Oct 2019

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

See "[travel authorization procedures](#)" for the complete policy regarding export control review and TA approval for international trips.

Procedures:

International Airfare

GT has contract rates with Delta Airlines. These contract rates can only be accessed via the web booking tool, Concur, or by contacting Travel Incorporated at 770-291-5190. The contract rates with Delta may be used by employees traveling on official state business. Independent contractors and non-employee students, guests, and visitors may use the contract if they are traveling on official Institute business.

Restrictions on class

Business Class airfare using state funds or other fund types (unless specifically restricted), is only permissible (in accordance with state policy) for international and U.S. routes of 10 hours or more, and with appropriate travel authority approvals. First Class travel is only permitted, if approved, in the following circumstances:

1. There is no other space available on the needed flight (supporting documentation from the travel agency must be included with the travel reimbursement request).
2. A licensed medical practitioner certifies that because of a person's mental or physical condition, specific air travel arrangements are required. ***It is the responsibility of institution officials to obtain necessary medical certifications for any employee that requires special air travel arrangements due to a medical condition. Information should also be obtained specifying the expected length of time such condition would have an impact on travel needs. Supporting documentation must be retained within the department.***
3. The Commissioner of Public Safety certifies that specific air travel arrangements are necessary for security reasons.

These exceptions should be approved in advance on the TA and noted on the reimbursement request. If free upgrades/frequent flier miles are used for an upgrade, this should be noted on the reimbursement request.

In certain circumstances, Georgia Tech Foundation funds, Georgia Tech Research Corporation funds or sponsored funds may permit reimbursement or direct payment of business class airfare for International travel that does not meet the 10-hour requirement for State funds. Please see [Policy 6.6 Air Transportation](#) for a detailed explanation on the use of GTRC and Foundation funds for business class travel.

Georgia Tech will allow the use of state funds for international flights where the portion of the flight that is non-stop exceeds 10 hours.

- Pre-trip approval for the additional expense is required via the Travel Authority.
- This does not include any time spent between flights during a connection.

GTRI is required to adhere to Federal Travel Regulations which prohibit Business class airfares for trips less than 14 hrs. Please consult your unit Business Officer to determine if your project or funds source will allow business class travel.

Detail regarding the anticipated flight length should be included in the detailed description field on the TA.

The Fly America Act

Use of U.S. Flag Air Carriers

a. The General Services Administration issued an amendment to the Federal Travel Regulations in the November 13, 1998 edition of the Federal Register (Vol. 63, No. 219). The amendment relates to the use of U.S. flag air carriers under the provisions of 49 U.S.C. 40118, which is commonly referred to as the Fly America Act.

b. Any air transportation to, from, between or within a country other than the U.S. of persons or property, the expense of which will be assisted by federal funding, must be performed by, or under a code-sharing arrangement with, a U.S. flag air carrier if service provided by such a carrier is "available" (see Comp. Gen. Decision B-240956, dated September 25, 1991). Tickets must identify the U.S. flag air carrier's designator code and flight number.

c. For the purposes of this requirement, U.S. flag air carrier service is considered "available" even though:

1. comparable or a different kind of service can be provided at less cost by a foreign-flag air carrier;
2. foreign-flag air carrier service is preferred by or is more convenient for federal funding or traveler; or
3. service by a foreign-flag air carrier can be paid for in excess foreign currency.

d. The following rules apply unless their application would result in the first or last leg of travel from or to the U.S. being performed by a foreign-flag air carrier:

1. a U.S. flag air carrier shall be used to destination or, in the absence of direct or through service, to the farthest interchange point on a usually traveled route;
2. if a U.S. flag air carrier does not serve an origin or interchange point, a foreign-flag air carrier shall be used only to the nearest interchange point on a usually traveled route to connect with a U.S. flag air carrier; or
3. if a U.S. flag air carrier involuntarily reroutes the traveler via a foreign-flag carrier, the foreign-flag air carrier may be used notwithstanding the availability of alternative U.S. flag air carrier service.

Use of Foreign-Flag Air Carriers

a. Travel To and From the U.S. - Use of a foreign-flag air carrier is permissible if the airport abroad is:

1. the traveler's origin or destination airport, and use of U.S. flag air carrier service would extend the time in a travel status by at least 24 hours more than travel by a foreign-flag carrier; or
2. an interchange point, and use of U.S. flag air carrier service would increase the number of aircraft changes the traveler must make outside of the U.S. by 2 or more, would require the traveler to wait four hours or more to make connections at that point, or would extend the time in a travel status by at least six hours more than travel by a foreign-flag air carrier.

b. Travel Between Points Outside the U.S. - Use of a foreign-flag air carrier is permissible if travel by a:

1. Foreign-flag air carrier would eliminate two or more aircraft changes en route;
2. U.S. flag air carrier would extend the time in a travel status by at least four hours more than travel by a foreign-flag air carrier and the travel is not part of the trip to or from the U.S.; or
3. U.S. flag air carrier would require a connecting time of four hours or more at an overseas interchange point.

c. Short Distance Travel. For all short distance travel, regardless of origin and destination, use of a foreign-flag air carrier is permissible if the elapsed travel time on a scheduled flight from origin to destination airport by a foreign-flag air carrier is three hours or less and service by a U.S. flag air carrier would double the travel time.

Rental Cars

The State of Georgia rental car contract with National includes international rental rates. Employees should always request all available insurance for foreign rentals, as standard CDW and LDW coverage may not be included. Insurance on foreign rentals is fully reimbursable.

Foreign Meal Allowances

Meal expenses will be reimbursed according to the federal per diem rate (minus the incidentals) established for the travel destination. Reimbursement for alcoholic beverages is not permitted.

Conversion Rates

When requesting reimbursement, all amounts claimed should be in U.S. Dollars. Each receipt should have the conversion to U.S. dollars clearly noted next to the foreign charge. Conversion rates can vary, the rate used should be included with the backup documentation. Travelers may submit documentation for currency exchange centers, web currency conversion rates (oanda.com, xe.com, etc), or may calculate the conversion used by credit card providers on the traveler's statement.

State Department Travel Advisories

Information regarding travel warnings, consular information sheets and public announcements can be found at the U.S. State Department web site <http://travel.state.gov/>.

Value Added Tax (VAT) Recovery

Georgia Tech has contracted with a primary agent for recovery of VAT tax related to international travel and study abroad activities.

All net recovered funds are posted to an institutional account, unless a VAT stamp is used on the original invoice with a valid GT project account number. Refunds can take up to 9 months to receive via the foreign revenue agents and a collection fee is deducted from all refunds.

Ground Transportation (Mileage, Parking, Taxi and Rail)

Policy No: 6.7

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Authorized travel should be made via the most economical mode of transportation, consistent with the purpose of the travel. A careful analysis of the distance, timeliness, and overall cost factors of a trip should be considered.

Procedures:**Reimbursement**

Only reasonable amounts of actual expenses incurred may be reimbursed.

If receipts are not available, a point-to-point explanation must be given for each such item requested for reimbursement.

Private Vehicles**Use of Private Vehicle for Campus Travel**

Mileage reimbursement for on-campus travel is unallowable. Employees are expected to use transportation systems (Stinger and Trolley) or a Georgia Tech vehicle for transportation on the main Georgia Tech campus.

Use of Private Vehicle for Out-of-state Travel

Travel outside of Georgia will be reimbursed on the basis of: (1) the lower of the lowest available coach airfare, or (2) the actual mileage rate.

Meals and lodging en route to the destination may not be claimed for reimbursement during the period when the traveler would not be en route if he/she were traveling by common air carrier.

Use of Private Vehicle for Travel to Airport

Reimbursement for the use of a personal car to travel to/from the home airport may be made for mileage reimbursement for one round-trip to and from airport and parking. Mileage is calculated from home or headquarters (whichever is closer) on regular workdays. If the employee is dropped off at the airport, only a one-way mileage reimbursement (from home or headquarters) may be claimed on day of departure and day of return.

On weekends and holidays mileage may be reimbursed from the actual point of departure.

Mileage Rate

Transportation expenses incurred for use of personally owned automobiles will be reimbursed at the rate per mile as provided by the U.S. General Services Administration (GSA). Reimbursement will only be allowed for actual miles traveled in the performance of official duties.

The official State of Georgia rate is tied to the [U.S. General Services Administration](#) (GSA). The current mileage reimbursement rate for personally owned automobiles can be found in the [State Accounting Office Mileage Policy](#).

Mileage Reporting

Employees may be reimbursed for the mileage incurred from one point of departure to travel destinations as listed below:

- If an employee departs from headquarters, mileage is calculated from headquarters to the destination point.
- If an employee departs from his/her residence, mileage is calculated from the residence to the destination point, **with a reduction** for normal one-way commuting miles. For the return trip, if an employee returns to headquarters, mileage is calculated based on the distance to such headquarters.
- If an employee returns to his/her residence, mileage is calculated based on the distance to the residence, **with a reduction** for normal one-way commuting miles.

Claims for mileage in excess of the most direct route from the point of departure to destination (due to field visits, picking up passengers, etc.) must be explained in the comments section of the expense report.

Point of Departure

If the date of departure is a weekend or holiday, the initial departure point will be the employee's actual point of departure.

If the date of departure is during an employee's normal work week (regardless of time of day), the initial point of departure shall be the individual's residence or headquarters, whichever is nearer the destination.

Shuttle / Taxi / Other Public Transportation

Shuttle service, taxi or trolley fares may be reimbursed when actually incurred in connection with common carrier transportation to and from railroad, plane, bus terminals or meeting places if necessary.

Taxi expenses related to personal business and travel are not reimbursable.

Although receipts are recommended, employees are not required to submit receipts for travel by mass transportation, taxi, or airport vans. **However, a point-to-point explanation is required for each item reimbursed.** All transportation

expenses should be itemized in the expense report in the TechWorks Employee Travel & Expense System.

Travel by Railroad

State agencies may reimburse employees for the actual cost of rail transportation, provided the appropriate personnel authorized the travel expense in advance. Employees traveling by rail are to obtain the lowest possible fare.

Other Expenses

In addition to the mileage reimbursement, an employee may be reimbursed for costs associated with official use of the vehicle. These costs include:

Tolls - Actual toll expenses may be reimbursed. A receipt should be provided when possible; if not, a written explanation should be in the comments section of the expense report for these items.

Parking - Actual parking fees may be reimbursed. A receipt should be provided when possible; if not, a written explanation should be included in the comments section of the expense report for these items.

Forms: [166426025Mileage Reimbursement Rates Policy 2011.pdf](#)

Lodging

Policy No: 6.5

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Sep 2018

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Procedures:

Accommodations

Reimbursement is limited to the actual cost of lodging expense supported by itemized receipts. Reimbursement for lodging within a 50 mile radius of a person's home office, residence, or headquarters is not allowable. For exceptions, see "[retreats and campus workshops faculty and staff](#)". Employees traveling overnight are responsible for ensuring the most reasonable lodging rates are obtained. To accomplish this, employees should:

- Make reservations in advance, whenever practical,
- Utilize minimum rate accommodations,
- Avoid "deluxe" hotels; and
- Obtain corporate/government rates, whenever possible.

The State Accounting Office prohibits the use of domestic lodging in any private residence including AirBNB and/or VRBO (or similar services) as a lodging option even when it presents cost savings, and regardless of the funding source. Only employees who are on international travel status are exempt from this policy.

Employees who stay at a hotel that is holding a scheduled meeting or seminar may incur lodging expenses that exceed the rates generally considered reasonable. The higher cost may be justified in order to avoid excessive transportation costs between a lower cost hotel and the location of the meeting.

When a room is shared with other state employees on travel status, and there is an incremental cost related to the extra traveler, reimbursement will be calculated on a pro rata share of the total cost and must be claimed separately by each employee. Each traveler's (if both are GT employees) Expense Report in the TechWorks Employee Travel & Expense System should indicate the name of the traveler with whom the room was shared and the project number of the other traveler's TES. If the incremental cost for additional persons is not significant, one employee can claim the entire room expense.

Hotel Excise Tax Exemption

Employees traveling within the State of Georgia on official business are exempt from county or municipal excise tax on lodging in accordance with Section 48-13-51(a)(1)(C)(ii) of the Official Code of Georgia.

This excise tax, which may be referred to as the "Occupancy Tax," may range from 5% to as much as 8%. This tax is not applicable to state employees when lodging is paid directly by the employees through a personal credit card, cash, or check, as well as when the lodging is paid directly by the state or local government through direct-bill or a state credit card.

Employees are required to submit a copy of the tax-exempt form when they register at a hotel: [State of Georgia Hotel Tax Exempt Form](#). This exemption does not apply to employees staying at an out-of-state hotel/motel. Employees should be able to provide proper identification to document their employment as a state or local government employee.

Employees should be sure to present the tax-exempt form to the hotel at check-in. If the hotel refuses to accept the tax-exempt form at check-in, the employee should attempt to resolve the issue with hotel management before checking out at the end of their stay. If the matter is not resolved by the time the employee checks out, the employee should pay the tax. The employee should explain the payment of the tax as an unusual expense on their travel expense statement.

Georgia Tech is authorized to reimburse the employee for the hotel tax if the employee provides the Institution with the following information: employee name; date(s) of lodging; name, address, and telephone number of hotel, and documentation from the hotel of their refusal to omit the appropriate excise tax. Accounts Payable will forward this information to the [State Accounting Office](#) or by regular mail to 200 Piedmont Avenue, Suite 1604 West Tower, Atlanta, GA 30334.

Georgia's "Green Hotels" Program

The Georgia Department of Natural Resources has developed a program to identify and certify lodging properties that are taking significant steps to reduce their demands on Georgia's natural resources and to act as good corporate citizens. These certified "Green Hotels" meet a stringent standard for environmental stewardship and operational efficiency. By using less toxic cleaning and maintenance chemicals, these hotels provide healthier conditions for guests and employees.

When traveling on state business and hosting meetings, state employees are encouraged to explore opportunities to support these properties where cost-competitive. The current list of certified properties is available [here](#).

Payment

Payment for hotel accommodations will be made after the trip in the form of reimbursement to the traveler as requested on an expense report in the TechWorks Employee Travel & Expense System.

Claims for reimbursement should be reported by date, hotel name and amount for each day of lodging claimed. Lodging cannot be lumped together for a date range.

Claims for reimbursement must be documented by a "paid" copy of the bill. Credit card receipts or canceled checks are not acceptable receipts. A travel advance can be obtained through GTRC for all lodging pre-paid by an employee.

Related Information:

[Ground Transportation \(Mileage, Parking, Taxi and Rail\)](#)

[Meals and Incidental Travel Expenses](#)

Meals and Incidental Travel Expenses

Policy No: 6.4

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Aug 2012

Last Revised: Jul 2018

Review Date: Nov 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Procedures:

I. General Meal Per Diem Guidelines

Meals are reimbursable on a per diem basis (not actual expenses) for overnight official business travel outside the traveler's Primary Work Station. The T&E System will provide the proper per diem amounts based on travel to specific cities. Daily meal allowances include taxes/meal tips and are divided into breakfast/lunch/dinner amounts to allow travelers to deduct specific meals, where required. Per diem expenses do not require receipts to be provided.

Meal per diem rates outside the State of Georgia are based on Department of Defense per diem rates (GSA for the Continental US, U.S. Department of State (DOS) for foreign overseas locations, and Defense Travel Management Office (DTMO) for Alaska, Hawaii, Puerto Rico) and are automatically updated and loaded into Georgia Tech's T&E system. Meal rates for the State of Georgia are restricted to the meal per diem allowances provided by the State Accounting Office. These are currently fixed at \$36 for designated high cost areas and \$28 for all other locations in Georgia.

Reimbursement for meals within a 50-mile radius of an employee's headquarters or residence is generally not allowable, unless in conjunction with a Georgia Tech sponsored event (see section 6.14 - Retreats and Campus Workshops for Faculty and Staff) or approved to provide support during a campus emergency.

Actual incidental expenses are reimbursed separately and include: fees and tips given to porters, baggage carriers, bellhops, hotel housekeeping, and hotel staff.

II. Required Meal Claim Deductions

Employees who are provided meals during the course of travel as part of a conference fee, or when hosting or being hosted by another party while on travel status, must deduct the corresponding applicable meal claim from their per diem reimbursement for each meal provided. Meal deductions include those provided by hotels, meetings, conferences, or any other source. If a breakfast, lunch, dinner, or reception is offered as part of the travel event and the quantity of food and event timing is sufficient to serve as a meal, the traveler must reduce the per diem by the appropriate allowance amount. If a meal is offered as part of a conference and the traveler has medical restrictions,

dietary, or religious convictions that restrict or prohibit consumption, the traveler should make every effort to have the conference facilitate his/her needs by the deadline specified by the conference. If the conference does not honor the request, the traveler is not required to deduct the applicable meal allowance from the per diem. However, the traveler must include a note or other documentation with the T&E Expense Report or paper TES (non-employees) to document this information.

III. Meal Expenses Associated with Overnight Travel (Non-High Cost Areas in Georgia)

Employees traveling overnight will be paid a per diem amount designed to cover the cost of three meals per day for all days of travel other than the day of departure and return. The maximum per diem for three meals is \$28.00 per day for travel within non-high cost areas of Georgia. Employees traveling overnight within the State of Georgia non-high cost areas will receive 100% reimbursement on the first and last day of travel, less any provided meal(s).

Employees whose headquarters are out of state and are visiting a non-high cost Georgia location will be reimbursed for 75% of the per diem amount on first and last day.

In all cases, deductions must also be made for any meals that have been provided.

IV. Meal Expenses Associated with Overnight Travel within High Cost Areas in Georgia

The State Accounting Office defines 'High Cost' areas as those locations limited to the following counties: Chatham (Savannah), Cobb, Dekalb, Fulton (Atlanta), Glynn (Brunswick) and Richmond (Augusta).

Employees are considered traveling in high cost areas of Georgia when their official responsibilities must be performed at a location in the high cost area. The maximum per diem for three meals per day is \$36 for these areas. Employees traveling overnight within the State of Georgia high cost areas will receive 100% reimbursement on the first and last day of travel, less any provided meal(s).

Employees whose headquarters are out of state of Georgia and are visiting a high cost Georgia location will be reimbursed for 75% of the per diem amount on the first and last day.

Deductions must also be made for any meals that have been provided (as described in section II above).

V. Meal Expenses Associated with Overnight Travel outside Georgia (Domestic U.S. and International Travel)

Meal expenses will be paid for the federal per diem (less the federal "incidentals" allowance) rate established for the travel destination. The TechWorks Employee T&E System will pull rates effective at the time of travel for the travel location where the employee spends the night.

Travelers are eligible for 75% of the total per diem rate on the first and last day of travel, and deductions must be made for any meals that have been provided (as described in section II above).

VI. Meal Per Diem During Non-Overnight Travel: One-Day Trips

Employees on Institute business with no overnight travel involved, or who are on one day trips, are not eligible for any meal per diem allowance. This also applies to employees whose headquarters are based out of the State of Georgia.

Each department head or their delegate is to determine the reasonableness of when an overnight stay is justified.

VII. Per diem allowances are calculated based on the last business location of the travel day. For overnight travel, the calculation is based on the location of lodging for each night of travel. For the final return date, the meal per diem is based on the location of the prior night's lodging.

For trips involving multiple travel destinations, base the reduction on the per diem rate in effect where the night was spent as follows:

- Departure Day: Where you spend the night.
- Return Day: Where you spent the night before returning to your Residence or Primary Work Station

VIII. Entertainment Expenses

Entertainment expenses are processed through the Georgia Tech Foundation or GTRC, using appropriate Foundation or GTRC funds.

IX. Special Approval for Meals Associated with Campus Emergencies

Meals may be allowable for extraordinary situations when Georgia Tech employees are required by their supervisor to work more than a twelve-hour workday or six hours on a non-scheduled weekend, to meet crucial deadlines or handle campus emergencies, such as weather events. All special meal (and associated hotel) needs must have prior approval from the President's Office (or his delegates), unless specific authority for approval has been delegated to a department head for a period not to exceed one fiscal year.

X. Group Catering/Meeting Meal Expenses

Refer to the [Group Meal Policy 5.2.19](#) for the policy regarding allowable meal expenses related to intra-departmental meetings or training sessions.

Hidden Policy Images: [TablePerDiemAllowances.png](#)

Miscellaneous Travel Expenses

Policy No: 6.9

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Nov 2014

Review Date: Nov 2019

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable/Travel

Contact Email: travel.ask@business.gatech.edu

Procedures:

Reimbursable expenses while on official travel status include, but are not limited to, the following:

- Airfare change fees, if change required by business needs
- Baggage handling services
- Business office expenses (copy services, postage, supplies < \$500)
- Business related phone calls, faxes, and internet usage charges and fees
- Transportation costs from lodging or businesses to restaurants
- Conference/Registration fees

- Costs related to passports and travel visas when necessary to accomplish the official business purpose of the trip
- Costs related to vaccinations required and/or recommended for international business travel
- Currency conversion fees, including lost currency value associated with exchange trade-in value
- Hotel maid service tips for international lodging, when required by custom
- Insurance: Personal Accident for rental cars-international (PAI,SLI,PEP,PEI)
- Insurance: Emergency evacuation/repatriation (international destinations only)
- Insurance: Trip cancellation (only for situations where a non-refundable airfare was booked for a trip where interruption/cancellation is likely and insurance coverage is less expensive than a fully refundable airfare)
- Laundry and cleaning expenses on trips lasting seven calendar days or more

Non-reimbursable expenses include, but are not limited to, the following:

- Airline, car, and card membership dues and club fees, including daily club fees
- Air travel/TSA Pre-Check expedited security clearance memberships
- Travel upgrade fees, when fees are for personal choice rather than business need
- Alcoholic beverages
- Bank charges for ATM withdrawals, except during international travel
- Check cashing fees
- Childcare and dependent care costs
- Clothing and toiletry items
- Commuting between Residence and Primary Work Station/Headquarters
- Country Club dues
- Expenses related to vacation or personal days taken before, during, or after a business trip
- Gas/fuel charges for personal vehicles (the approved mileage rate includes estimated allowance for gas, wear and tear on the vehicle, and maintenance)
- Haircuts and personal grooming
- Insurance: Personal Accident for rental cars-domestic (PAI,SLI,PEP,PEI) and other personal expenses such as rental of child car seats, additional driver (unless on official GT business), and roadside assistance (otherwise covered using state contract vendors)
- Laundry, cleaning, pressing costs for trips of less than seven days
- Lost Baggage
- Luggage or briefcases
- Medical expenses while traveling (Exceptions may be made to accommodate ADA compliance)
- Mini-bar charges
- Movies and pay-for-view entertainment
- No-show/Cancellation fees or fees related to hotel late check-out (unless business or weather related)
- Non-insured loss of cash/personal belongings
- Personal reading materials (magazines, newspapers, etc)
- Personal vehicle maintenance (the approved mileage rate includes estimated allowance for gas, wear and tear on the vehicle, and maintenance)
- Personal entertainment
- Personal pet care
- Personal business gifts (except when required by international business custom, if allowable funds are used)
- Recreational expenses including fitness center access and spa treatments
- Traffic citations, parking tickets, court fees, or other fines
- Travel accident insurance premiums
- Travel expenses for dependents that accompany employees on official business trips

- Valet services for parking, when self-parking options are available, unless there are valid security reasons

Revision Date	Author	Description
11-2014	Accounts Payable	Format changes and minor verbiage updates were made to comply with the State Accounting Office official travel regulation.

Non-Employee Travel

Policy No: 6.16

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Travel expenses for non-employees (students, official guests/visitors, consultants) on official Institute business are required to follow the same travel policies/procedures used by employees. All travel reimbursements to non employees must be submitted to Accounts Payable on a Travel Expense Statement. Non employees must follow the Institute's accountable plan for travel, which requires original receipts be submitted for reimbursement. For the purpose of travel reimbursement, any students that are active on Payroll must use the TechWorks Employee Travel & Expense System.

Procedures:

Prospective Employees / Students / Official Guests

Travel reimbursement for official GT business is allowed for students authorized to travel for participation in academic programs and sanctioned student events, students enrolled to take classes at GT, and individuals being recruited as potential students. Also included is research, academic conference, or academic event travel funded by a grant awarded to GT which authorizes non employee travel.

Job applicant travel associated with an interview is also allowable as specified by GT policy. In order to reimburse job applicants one of the following situations must apply:

- Interview expenses are included in the contract with an external search firm;

- A job applicant is required to perform a service to GT, such as a presentation on subject matter applicable to the position applied for; or
- Reimbursement for the job candidate will be requested from the foundation. Family members who accompany the candidate may have their expenses reimbursed using foundation funds.

1. Transportation

Non-employees will be reimbursed for either (a) the actual cost of the coach/economy airfare from their home to GT place of business or (b) mileage at the rate allowed by the state of Georgia. Original receipts must be submitted. [Direct billing of airfare](#) is available through GT's contracted agency, Travel Incorporated. Contact Travel Incorporated at (770) 291-5190 to make travel arrangements. Complete the Travel Authorization Form for Non-Employees and fax to Accounts Payable. Accounts Payable will review for completeness and appropriateness and will forward the approved form to Travel Incorporated prior to the issuance of the tickets. It is the departments' responsibility to ensure Travel Incorporated has booked the ticket. The department and traveler should receive an e-mail confirmation (e-itinerary) showing that the ticket has been booked.

2. Lodging

Lodging expenses for prospective employees and other official guests will be reimbursed after the trip. If the lodging is paid directly by the Institution through direct bill the hotel should not collect any taxes associated with the lodging expenses. The list of hotels in the Atlanta area that accept direct billing can be found on the Business Services website http://www.procurement.gatech.edu/travel_forms.php

3. Meals

Non-employees will be reimbursed for the State of Georgia per diem rate for Atlanta, or if visiting other locations outside of Georgia, the federal per diem rate (minus incidentals) for that location. Receipts are not required.

4. Miscellaneous Expenses

The miscellaneous travel expenses of non-employees will be reimbursed according to the employee travel guidelines.

5. Reimbursing Travel Expenses

When requesting reimbursement for travel expenses, non employees need to itemize the actual cost of transportation, lodging (daily), meals (daily), and miscellaneous expenses. Itemized folio receipts for lodging expenses and original receipts for all other expenses (with the exception of meals) are required in order to be reimbursed. All receipts should be taped to an 8 1/2 x 11 piece of paper and taped to the Travel Expense Statement.

In the rare case that a GT employee has picked up the expenses for a student, visitor or student group, reimbursement is via the Employee Payment Request Form. Student travel is reimbursed under account code 650100. A list of student names with the business purpose of travel must be submitted.

6. Student Travel

Undergraduate students that are not active on Payroll traveling in support of a student activity (sport, club, academic, research) will report expenses on the Travel Expense Statement using the non employee account codes(s).

7. Account Codes>

Per the Board of Regents policy, prospective employees/job candidates must break out their expenses using the following account codes on the TES.

641110	Travel-Emp Dom-Ground Trans
641120	Travel-Emp Dom-Air Travel
641130	Travel-Emp Dom-Meals
641140	Travel-Emp Dom-Lodging
641150	Travel-Emp Dom-Miscellaneous
641160	Travel-Emp Dom-Rental Car

641170	Travel-Emp Dom-Parking
641210	Travel-Emp For-Ground Trans
641220	Travel-Emp For-Air Travel
641230	Travel-Emp For-Meals
641240	Travel-Emp For-Lodging
641250	Travel-Emp For-Miscellaneous
641260	Travel-Emp For-Rental Car
641270	Travel-Emp For-Parking
641290	Travel-Emp For-VISAPAS
641510	Travel-Employee Mileage
651110	Travel-NonEmp Dom-Ground Trans
651120	Travel-NonEmp Dom-Air
651130	Travel-NonEmp Dom-Meals
651140	Travel-NonEmp Dom-Lodging
651150	Travel-NonEmp Dom-Misc
651160	Travel-NonEmp Dom-Rental Car
651170	Travel-NonEmp Dom-Parking
651210	Travel-NonEmp For-Ground Trans
651220	Travel-NonEmp For-Air
651230	Travel-NonEmp For-Meals
651240	Travel-NonEmp For-Lodging
651250	Travel-NonEmp For-Misc
651260	Travel-NonEmp For-Rental Car
651270	Travel-NonEmp For-Parking
651290	Travel-NonEmp For-VISAPAS

Consultants / Independent Contractors

Individuals contracted to perform a service to Georgia Tech are treated as independent contractors. An independent contractor must include his or her travel expenses in the fees he or she charges to the Institute, unless specified otherwise in the contract.

1. Reimbursement for Independent Contractor Travel

Individuals providing independent contract service will be compensated for associated business expenses such as travel. Documentation for payment must be either a fully executed professional service agreement or an invoice. The professional service agreement may state a fee plus expenses, or simply a fee. If the service agreement states a fee plus expenses, the expenses should be listed separately on the invoice and will be reported on the IRS Form 1099-Misc. Meals will be reimbursed at the current daily per diem rate set by the State of Georgia, unless specified differently in the contract. If the contractor provides original receipts, he/she must complete a TES, attach the receipts and use the non employee account code (s).

2. IRS Tax Reporting

Original receipts should be retained by the independent contractor, all appropriate payments will be reported to the IRS as compensation on the form 1099-Misc.

3. Accounting Object Code Classification

752100 - All travel expenses submitted with copies of receipts and meal expenses.

Reimbursement for Travel Expenses - Employees

Policy No: 6.13

Policy Book: Business & Finance

Type of Policy: Administrative

Effective Date: Aug 2012

Last Revised: Jan 2015

Review Date: Jan 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: travel.ask@business.gatech.edu

Policy Statement:

The TechWorks Employee Travel & Expense System must be used by employees to request reimbursement for expenses associated with official business. The T&E System is accessed via the [TechWorks main page](#). It can also be accessed from off campus computers with internet access.

The policies provided in [Sections 6.1- 6.18](#) indicate allowable expenses and required documentation per the Board of Regents and State of Georgia regulations.

Procedures:

Certification / Approval of Travel Expense Statements

The traveler is required to sign an oath by logging into the T&E System. By taking this oath, the traveler is attesting to the accuracy and completeness of the claim for travel reimbursement. Travelers may not approve their own Travel Expense Report. As a general rule, the head of the campus unit, or delegate, or the head of the next higher administrative unit, or delegate, is to approve all expense reports. For example, a professor's travel may be approved by the Dean, whereas the Dean's travel must be approved by the Provost. Approval attests to the agreement by the approver that the travel was authorized, directed, necessary, and that the claim is complete, correct and proper. In no case is a subordinate authorized to approve travel expenses for his/her superior.

Required Receipts/Supporting Documentation

Receipts are not required for meals (see policy 6.4: Meals and Incidental Travel Expenses)

- Itemized receipts are required for the following:
 - Air, lodging, and rental cars
 - Visa/Passport fees
 - Conference registration fees
 - All single expenditures of \$25 or greater

- Receipts are not required for the following expenses, if individual amounts are less than \$25:
 - Gasoline purchased for rental vehicles
 - Parking
 - Highway tolls
 - Mass Transit tickets

- Taxi fares
- Airport vans

Supporting documentation and/or receipts along with the GT Expense Report Coversheet and Expense Report must be emailed to expense@mail.gatech.edu or faxed to 404-894-6565. Once these documents are mailed or faxed, the supervisor and financial approvers will be able to view the documentation by clicking on the 'VIEW RECEIPTS' button on the Accounting Summary/Submit tab within TechWorks T&E. Approvers must review the supporting receipts to ensure compliance with Institute policy, before approving the expense for reimbursement. Expense Reports that do not include the required receipts and/or documentation will be returned to the traveler.

Expense Reimbursement Submission Timeliness

The following guidelines should be followed to ensure prompt reimbursement of travel expenses:

Travelers should submit all expenses for reimbursement and reconciliation within 10 days of the completion of the event or trip but **no later than 45 calendar days**.

- Reimbursement requests should preferably be held (not entered into the T&E system) until an amount of at least \$10 is due.
- Consolidate expense claims for local parking, mileage, telecomm and supply purchases into a monthly claim reimbursement.

Travelers with Physical and/or Medical Conditions

The impact of travelers with physical and/or medical conditions, while on State travel, should be considered on a case-by-case basis. Compliance with the Americans with Disabilities Act (ADA) is mandatory. Each department has the authority to provide reasonable accommodations during State travel for travelers with disabilities.

All State employees are to be afforded equal opportunity to perform travel for official State business even if the travel costs for disabled travelers will exceed what would normally be most economical to the State. For example:

- When a traveler uses a wheelchair, it may be necessary to pay more for an airline ticket so the traveler can fly on a larger airplane that accommodates the wheelchair.
- When a traveler has hearing or vision impairments, there may be a cost of providing auxiliary aids and services to enable the traveler to successfully accomplish the purpose of the travel.

The extra travel costs required to comply with ADA shall be documented and kept on file by the authorizing approver.

Additional Notes:

Employees cannot 'pick up the tab' for other employees, as state reporting of travel expenses requires that reimbursement to an employee covers only those expenses pertaining to that employee's travel.

The traveler should also remove/block any sensitive information (social security number, all but the last four digits of a credit card, etc.) on the receipts. The unit approvers should also review the documentation at the time of approval to ensure that all sensitive information is blocked out.

Any questions regarding the TechWorks Employee Travel & Expense System may be directed to

travel.ask@business.gatech.edu.

Policy History:

Revision Date	Author	Description
1/28/15	Business Services	Update to Verbiage

Rental Vehicles

Policy No: 6.8

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Nov 2017

Review Date: Nov 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Authorized travel should be made via the most economical mode of transportation, consistent with the purpose of the travel. A careful analysis of the distance, timeliness, and overall cost factors of a trip should be considered.

Procedures:**Statewide Vehicle Rental Contracts**

A rental vehicle may be used when it is necessary and convenient in the performance of an employee's official duties. Rental vehicles will not be authorized routinely for the execution of official duties involving high volume travel for which transportation by a personally owned or institutionally owned vehicle would be more appropriate. Employees must pay for rental cars at time of rental and seek reimbursement via the TechWorks Employee Travel & Reimbursement System.

Authorization to rent a vehicle must be granted prior to travel via the TechWorks T&E System.

Hertz is under mandatory contract for rental car within the State of Georgia, Atlanta Hartsfield-Jackson Airport, and all out of state airports. The contract rental rates include collision & damage waiver (CDW) coverage at no additional cost.. Enterprise Rental Car is under mandatory contract for rental car within the State of Georgia only. The contract rental rates include collision & damage waiver (CDW) coverage at no additional cost.

Account Info: Hertz (CDP#: 2018737), Enterprise (CDP#: 03W1179). Travelers must quote the state contract number in order to receive the collision and liability insurance coverage.

Insurance

Personal accident and effects insurance on rental vehicles is not reimbursable (**PAI, PEP, PEI**).

Collision and liability insurance costs are reimbursable (**CDW, LCW**), if not using one of the mandatory state contracts).

Supplemental liability insurance is not reimbursable (**SLI, LIS**).

The Hertz and Enterprise Car Rental contracts provide for domestic collision and liability insurance in contracted rates at no additional cost, when the contract ID is included in the Rental Agreement. The contract ID must be quoted at the time of reservation in order to receive the CDW and LDW at no additional cost.

Other Considerations

- When traveling internationally, all rental car insurance offered should be purchased. These expenses are fully reimbursable via the TechWorks T&E System.
- Rental of luxury vehicles is not permitted.
- When employees share a rental vehicle, that information should be indicated in the TechWorks T&E System with the name of the travelers with whom the vehicle was shared.

Reimbursement

In addition to rental fees, an employee may be reimbursed for costs associated with official use of the vehicle. These costs include:

- **Gasoline** - Original receipts must be submitted.
- **Additional Drivers** - This is reimbursable only if the additional driver is on travel status with the Institute.
- **Navigation Systems** - Reimbursable if required for remote locations and a business justification is provided.
- **Tolls** - Actual toll expenses may be reimbursed. A receipt should be provided when possible; if not, a written explanation should be entered into the description field in the TechWorks T&E System.
- **Parking** - Actual parking fees may be reimbursed. A receipt should be provided when possible; if not, a written explanation should be entered into the description field in the TechWorks T&E System.

Child seats and other personal expenses are not reimbursable.

Retreats and Campus Workshops for Faculty and Staff

Policy No: 6.14

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Institute funds may not be used for food and lodging for employees, except as noted below, unless the employee has traveled beyond a 50 mile radius from both their home office and residence.

Contracts for conferences must be signed by Procurement Services or the Office of Legal Affairs.

Procedures:

Day Workshops

The noon meal is allowable for an intra-institutional meeting or training session provided it adheres to the Georgia Tech Food Policy.

A copy of the workshop agenda should be submitted with an approved invoice or e-Payment Form and forwarded to Accounts Payable for payment. If a single invoice that is all inclusive (meeting space, meals, equipment, etc.) is provided from the conference location, the payment may be classified as a registration, using object code 727100.

Workshops That Include Overnight Lodging

Training sessions or workshops that include overnight travel are allowable if the workshop location is over 50 miles from the employee's home office and residence.

If an invoice from the conference location itemizes lodging and/or meals by person, reimbursement of travel expenses will be processed as an individual employee reimbursement using the TechWorks Employee Travel & Expense System. Employees should pay for lodging and meals and submit reimbursements via the T&E System. **Daily meal limits must be adhered to if the invoice is itemized. (see "[Meals and Incidental Travel Expenses](#)")**

If an all-inclusive meeting price is billed on a summary invoice, that invoice should be approved and submitted to Accounts Payable with the following documentation:

- Copy of the workshop agenda, including time of arrival/departure.
- List of participants.
- Classify the total, all-inclusive meeting expense as a registration, account code 727100.

Reimbursement for Lodging and Meals within the 50 Mile Radius of Home or Office

On occasion, Georgia Tech sponsors conferences, trade shows, and other functions which require personnel to work at the event. Georgia Tech may sponsor employee workshops that require groups of employees to be present at an off-site location. In most cases, the employees involved in these activities reside or work less than 50 miles from the scheduled event site, therefore food and lodging would not be reimbursable to the employee.

The Senior Director of Business Services is authorized to approve overnight travel for persons who are engaged in activities as described above, provided the affected employees are required to conduct business activities at the site the following day. In addition to lodging, affected employees may be reimbursed for meals and mileage in accordance with the provisions of the Statewide Travel Regulations.

A detailed email must be directed to the Senior Director of Business Services for an exception approval **prior** to the event. Personnel deemed to be essential personnel or emergency personnel may also utilize this exception process in times of inclement weather or Institute emergencies.

It should be noted that this provision only applies to conferences and other Institute sponsored events that occur. This provision does not authorize persons to claim travel reimbursement for activities which are part of their normal responsibilities, nor does this exception apply to persons who are required to attend evening meetings, or local conferences, as part of their normal responsibilities.

Travel Accounting and Encumbrance

Policy No: 6.3

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Encumbrances

Effective April 2011, encumbrance of funds for travel activity is not available through PeopleSoft or the BuzzMart requisition process.

Expense Account Codes for Travel

The TechWorks Employee Travel & Expense System will automatically post expenses to the appropriate expense code based on the expense category.

Travel Advances

Policy No: 6.15

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Apr 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Travel advances are not offered through the Institute using Institute funds. If travelers do not want to wait until after they return from a trip to be reimbursed for airfare, they can use direct billing via Travel Incorporated (see "[Air Transportation](#)").

Procedures:**Georgia Tech Research Corporation (GTRC) Travel Advances**

Travel advances are available to support personnel in the performance of their professional responsibilities via GTRC. Travel Incorporated direct billing of airfare should be used to minimize requests. Because of the large amount of funds required for travel advances, the following procedures must be observed:

1. Requests for travel advances are made on the [Request for Travel Advance Form](#) (or contract GTRC at 404-894-7043). The request form must be approved prior to preparation and release of travel advance checks by GTRC. A Georgia Tech Travel Authority form can be printed from the TechWorks Employee Travel & Expense System. It must accompany the [Request for Travel Advance](#) form.
2. Requests for travel advances should be submitted to GTRC at least three business days before departure. Please avoid special "last minute" requests.
3. Travel advances may not include airfare. Airfare should be directly billed via Travel Incorporated.
4. Travel advance checks will be available no later than 12:00 Noon on the last working day before departure and are to be picked up in the GTRC office located in the Research Administration Building at 505 10th Street. Travel advance checks must be picked up prior to departure or will be considered null and void unless prior arrangements are made for pickup.
5. Repayment of travel advance funds must be made in full no later than 15 working days after the employee's return to campus, or upon reimbursement of travel expenses - whichever comes FIRST. Repayment may be made in cash or personal checks payable to GTRC. Please keep the 15 day reimbursement in mind when submitting expenses.
6. Reimbursement will be made to the traveler for the full amount of the travel expense submitted in the T&E System. The traveler is responsible for repaying the travel advance, in full, to GTRC.
7. Only one travel advance may be outstanding from any individual at any time unless there is a sound, mitigating circumstance (for example, trip spaced less than 15 working days apart).
8. Each month, GTRC will provide each School/Laboratory Director with a list of accounts that are significantly past due. If these accounts are not cleared within 10 working days, no advances will be issued to personnel of that School/Laboratory until the delinquent account is cleared. The individual involved will be issued no further

advances for the next 12 months.

Form Links: [Request for Travel Advance Form](#)

Travel Authorization Procedures

Policy No: 6.2

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2017

Review Date: Apr 2022

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Each employee required to travel in the performance of official duties and entitled to reimbursement for expenses incurred must have prior authorization from the department head (or their designated official) for the performance of travel. The Dean, or department head, may authorize and approve travel for all employees that report to him/her. For example: travel for a department head or school chair must be approved by the dean, or their designated official, and travel for a Dean must be approved by the Provost or designee. In no case is a subordinate authorized to approve travel for his/her superior.

Approval attests to the necessity of the travel and ensures that anticipated travel expenses are reasonable in nature and amount.

Procedures:

In-State Travel

The T&E System Travel Authorization is not required for in-state employee travel. Approval to travel within the state of Georgia, or just beyond the state borders, on a regular or continual basis may be given as a blanket routine travel authorization. This may be maintained as an internal list in department files, or may be granted based on the employee's primary job duties that include a business need to travel in-state. Employees whose headquarters/primary work location is outside of the state of Georgia are not required to complete a Travel Authorization for routine travel within that state.

Campus units may require that a Travel Authorization be completed for all in-state travel within their unit to meet their business needs.

Out-of-State Travel

The Travel Authorization must be completed and properly approved prior to the first day of travel for all travel outside the state of Georgia.

International Travel

GT strongly recommends against, but does not prohibit, travel to countries where the U.S. Department of State has issued an official Travel Warning (a Travel Warning is distinct from a State Department issued Public Announcement), or where there is other reliable information of significant health or safety risks. The final decision about making a trip to such a country is up to the individual making the trip; however, GT reserves the right to require the execution of an appropriate release or waiver before permitting such travel. This recommendation is directed toward individual travelers in the following categories: faculty, staff and graduate students. Faculty/Staff taking students on international travel will

require prior approval from Office of International Education.

For further information about U.S. Department of State travel advisories, please consult the [Department of State List of Current Travel Warnings](#). GT will review on a case-by-case basis plans for travel using state or sponsored funds to countries for which travel warnings have been issued.

The International Questionnaire is used as an initial screening for all international travel. As part of the Travel Authorization process, the traveler must complete the questionnaire on-line in the TechWorks Employee Travel & Expense System prior to final submission of the TA. This form should be submitted to the Office of Legal Affairs not later than thirty (30) days prior to the desired departure date for travel to a foreign country and 45 days for travel to sensitive countries under travel advisories or involving the shipment of equipment or biological materials. The earlier the proposed travel is reviewed, the greater likelihood of processing reviews without delay.

Prior to international travel faculty should become aware of applicable export laws, regulations and risks associated with international travel. Several key reference sources include:

- [GT Export Web site](#)
- [U.S. State Department](#)
- [U.S. Department of Homeland Security](#)
- [Centers for Disease Control and Prevention](#)
- [World Health Organization](#)
- [U.S. Department of Agriculture](#)

Employees must comply with U.S. laws and regulations when traveling internationally on Georgia Tech business. An export review must be obtained from the Office of Legal Affairs prior to travel if any questions are answered "yes".

No export review is required for employees traveling internationally on vacation or attending conferences at their own expense, however a review is required if Georgia Tech contributes to any cost of the trip, including but not limited to salary. If any response is "yes", an [email](#) is sent to initiate review by Legal Affairs.

International travel being sponsored by the Federal Government must be ticketed by U.S. Flag carriers. See section "[Foreign Travel](#)" for more information regarding the Fly America Act.

No-Cost-To-Tech Travel

In situations where no charges to the Institute are involved, but the purpose of the trip is official business or Institute related, a paper Travel Authority Request Form may be approved and retained in the traveler's department. The TechWorks T&E System will not permit a \$0 Travel Authorization.

The International Questionnaire for Export Control Review must be completed for all foreign trips regardless of whether Georgia Tech is financially supporting the travel, if the employee is active on Payroll.

Itinerary Changes

If the itinerary of the trip fundamentally changes (location or business purpose) from that stated on the original Travel Authorization (TA) and the original TA has been approved, a new TA should be completed and the original TA should be cancelled.

Travel Authorization via the TechWorks Employee Travel & Expense System

Effective April 2011, Travel Authorization is completed electronically through the TechWorks Employee Travel & Expense System. Electronic workflow approval by the supervisor (or their financial approval delegate) and the department financial approver is required prior to the 1st day of travel. It is not necessary to print the Travel Authorization for inclusion with the Expense Report. For domestic trips, the traveler's approval may be delegated to the preparer and the unit financial approver. For international trips, the traveler must complete the International Questionnaire and specifically approve the TA.

Travel Authorization via the Paper Travel Authorization Request Form

If travel authorization was approved prior to the TechWorks T&E System implementation or for cases when completion of the Travel Authorization Form prior to the travel is impractical or impossible, email communications, notes of phone conversations, etc., between the traveler and the individual authorizing the travel, may be printed and attached to the paper TAR as evidence of prior authorization to travel. Both the approval signature and traveler's signature may be delegated, but in all cases must be approved prior to trip initiation.

In either case, if the Travel Authorization was not approved via the TechWorks T&E System, the paper TAR must be scanned and included with the barcode expense report documentation.

Trips Which Include Annual Leave / Personal Travel

Policy No: 6.10

Policy Book: Business & Finance

Type of Policy: Administrative

Last Revised: Apr 2011

Review Date: Jul 2020

Policy Owner: Accounts Payable

Contact Name: Abbie Coker

Contact Title: Director of Accounts Payable & Travel

Contact Email: abbie.coker@business.gatech.edu

Policy Statement:

Employees taking annual leave while away from headquarters home on official business will be reimbursed for expenses incurred during and pertaining to the official travel only, or which would reasonably be expected to be incurred if only the official travel had occurred. The beginning and end trip dates should be entered into the Travel Authorization. Personal travel dates should be noted in the "detailed trip description" field.

Reimbursement for airfare is limited to the least expensive round-trip airfare to the official destination point(s). Quotes for round-trip airfare can be obtained from the Institutes contracted travel agency and should be noted on the TA in the "detailed trip description" field.

Transportation, meals lodging and other expenses are not reimbursable for the time the employee is on annual leave or personal travel.

Reimbursement for a rental car and associated expenses are limited to the time/expenses associated with the official trip. Reimbursement for mileage is limited to the official travel miles only. If the rental amount includes personal travel, the total amount due should be prorated according to the number of days on official GT business.