

Policy:	Accounting System		
Responsible Offices:	Office of Sponsored Research Controller's Office	Prepared By:	Matthew Verleny, BS Manager, Endowment & Grant Accounts
Approved Date:	05/18/2018	Reviewed By:	James Krukones, PhD Associate Academic Vice President
Last Revised Date:	n/a	Approved By:	Nicholas R. Santilli, PhD Interim Provost and Academic Vice President

Scope

Accounting is the means through which financial data necessary for the efficient administration of our university are recorded, classified and reported. Our financial management system must meet the requirements of our institution and our sponsors while still being governed by the principles and concepts of institutional accounting and finance. This Accounting System policy incorporates generally accepted accounting principles (GAAP) and Federal regulations, including [45 CFR 75 Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards](#) and [2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Policy Statement

All restricted operating accounts--this includes federal awards--are set up with a unique Fund and Organization number. The Fund number is set up using a predecessor Fund number created for each type of federal award. As an example, all HHS awards would use the predecessor Fund number 242400. This allows us to identify in our chart of accounts all federal awards received and expended. The unique Fund and Organization number also gives us the ability to report revenue and expenditures separately by federal programs.

Records are maintained by the Accounts Payable Department and the Manager of Endowment and Grant Accounting. The Accounts Payable Department maintains records of all disbursements. Copies of check payments, which includes receipts, are held for two years in the Business Office. Copies of check payments and receipts older than two years are moved to a secure storage area. The activity posted to Banner, John Carroll University's business management software program, is always available. Transactions posted to Banner are never destroyed. The Manager of Endowment and Grant Accounting sets up a paper file and an electronic file for each federal award. The records kept include proposals, acceptance letters, notice of award, invoices that are used to draw down funds, support for invoices and any communication from the federal agency and JCU employees involved with the federal award.

Blank Checks

In the JCU accounting system there is no such thing as a blank check. Each check is printed at the time of processing. The blank forms that the checks are printed on are kept in storage. The only signature accepted by the bank is that of the President of the University.

Segregation of Duties

There is a clear segregation of duties for electronic fund transfers. Theresa Bakula, Accounts Payable, creates the vendor accounts for an electronic fund transfer. The actual transfer, direct deposit or wire, is processed by Melanie Moss, Assistant Controller, or Tricia Chiller, Assistant to VP for Finance.

Related Information

[45 CFR 75.302](#)

[45 CFR 75.327](#)

[2 CFR 200.302](#)

[2 CFR 200.327](#)

[HHS Grants Policy Statement](#)

[HRSA Legislative Mandates in Grants Management for FY 2018](#)