
LAMAR UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Financial Services
AREA: Controller

MAPP 05.03.04

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| SUBJECT: Compliance with OMB Uniform Guidance 2 CFR Part 200 |
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I. POLICY

- A. Lamar University (LU) has established policies and procedures to ensure the University's compliance with the underlying provisions of the U.S. Office of Management and Budget (OMB) [2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) and that document's [Appendix XI, Compliance Supplement](#).

II. PURPOSE AND SCOPE

- A. This policy falls under the authority of the U.S. Office of Management and Budget (OMB) [2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) and that document's [Appendix XI, Compliance Supplement](#).

III. ROLES & RESPONSIBILITIES IN THE FINANCIAL ADMINISTRATION OF RESEARCH

- A. University Personnel will work to assure:
1. That financial charges are allowable and allocable to the sponsored project.
 2. The accurate, timely completion of all project reports.
 3. That cost sharing/matching costs are well documented.
 4. Quick resolution of any cost overrun occurring on a project.
 5. Program income (such as revenue from sales and services of goods developed in conjunction with a sponsored project) is identified and allocated.
 6. Compliance with all applicable financial regulations, reporting instances of non-compliance to pre or post award administration.

IV. GENERAL

- A. All proposals submitted under the LU name must be reviewed by the Office of Research and Sponsored Programs Administration (ORSPA) and approved by the authorized LU officials with authority to obligate the University in contractual relationships.

- B. Proposal budgets must be developed using cost items, rates, and categories that are consistent with the University's accounting system.
- C. Specific items of cost must be consistently budgeted in similar circumstances (direct or indirect).
- D. Salaries and benefits for administrative and clerical positions in academic units shall normally be charged to the respective departmental accounts and not sponsored program accounts.
- E. General office supplies, postage, and telephone line charges shall normally be charged to the respective departmental accounts.
- F. Total direct costs to complete sponsored projects must be recorded in either the sponsored or cost sharing accounts, which have been specifically established for the particular sponsored projects.
- G. Costs that are considered "unallowable" by the federal government must be identified and accounted for separately in the University's financial records.
- H. The University shall consistently use the same accounting period for purposes of estimating, accumulating, and reporting costs (i.e., September 1st through August 31st).

V. SALARIES

- A. University employee salaries and benefits required to complete a sponsored project should be budgeted and charged as a direct cost.
- B. Only allowable project salaries and benefits should be charged to a sponsored or cost-sharing account.
- C. When original charges for salaries must be adjusted due to changes in actual workload, an appropriate personnel action form or a Journal Voucher (JV) shall be initiated to record the adjustment in the accounting records.

VI. ADMINISTRATIVE SALARIES

- A. Salaries and fringe benefits for departmental administrative and clerical support staff shall be budgeted and charged to departmental accounts and not the sponsored program or cost share accounts.
- B. Exceptions:
 - 1. In instances where sponsored projects require the service of administrative or clerical staff beyond the normal level of department administration, the total costs of these services may be budgeted/charged to sponsored projects when:

- Type and nature of services is not provided by the department administrative support.
 - The services are required by the project scope.
 - Costs can be accurately identified to the project, and the approved budget narrative clearly describes the need for the service.
2. Salaries for administrative or clerical personnel may be directly charged to a sponsored project if the project involves:
- Extensive data accumulation and analysis.
 - Preparation and production of manuals or large reports or books.
 - Extensive travel and meeting arrangements for conferences and seminars.
 - Management of a project at locations that are remote from campus, and similar situations.

VII. BENEFITS

- A. All fringe benefits, vacation pay (including termination lump sum payments), holiday pay, sick leave pay and other paid absences are to be charged to the current paying account(s), including sponsored accounts, in such a manner that each paying account pays its prorated share of the actual costs based on the payroll distribution of the salaries for each particular period.

VIII. OPERATING EXPENSES

- A. Operating expense type costs, which can be specifically identified to a sponsored project, should be budgeted, charged and reported as a direct cost to the project or cost sharing account.
- B. Service center charges must be based on actual utilization and cost-based charge rates.
- C. Telecommunication charges for academic departments required to support basic activities should be charged to the departmental accounts.
- D. Equipment and toll charges for phones needed for field sites, cellular phones while on travel status and large projects requiring dedicated lines may be charged directly to a sponsored account. These charges should be described in the budget and approved by the sponsor.
- E. The cost of postage, general offices supplies (paper, pencils, notebooks, etc.) and memberships should normally be charged to the respective departmental accounts.
- F. Postage and general office supplies can be directly charged to a sponsored account when:
1. The project requires a substantial amount of this item and it can be specifically identified.
 2. The items are justified in the budget narrative and approved by the sponsor.

- G. Rent or lease expenses may occasionally be a direct charge to a sponsored project when:
 - 1. It is in lieu of hotel (travel) costs for long term field work.
 - 2. Apartments are leased to provide lower-cost housing.
 - 3. University owned space is not available for the completion of the project.
- H. Utility and Custodial Services may be considered direct costs when external space is rented.
- I. Motor vehicle maintenance expenses of project dedicated vehicles and vehicles used in the field may be directly charged to a sponsored project.
- J. Motor vehicle expenses incurred while on travel status may be directly charged to a sponsored project.

IX. TRAVEL

- A. Travel costs of University employees, which can be specifically identified to a sponsored project, can be a direct cost.
- B. Travel costs in academic departments, which are associated with the basic activities of the University, should be charged to the appropriate non-sponsored activity account.
- C. Foreign travel costs funded by federally sponsored programs must comply with all applicable federal laws and regulations.

X. SUBAWARDS

- A. Subawards to other organizations should be budgeted, charged and reported as direct costs.
- B. The applicable Facilities & Administration rate will be applied to the first \$25,000 of each subaward regardless of the period covered by the subaward.

XI. EQUIPMENT

- A. An item with a unit cost of \$10,000 or more (unless otherwise designated by the sponsor) and a life expectancy of more than one year meets the definition of equipment.
- B. The equipment item must be specifically identified and utilized on a sponsored project.
- C. Equipment must be purchased within the project period. Equipment purchased late in the project period may require approval of the sponsor.
- D. Equipment cost is excluded from the indirect costs (Facilities & Administration) rate calculation.

- E. Cost sharing on equipment items must be in the form of an original purchase of equipment within the project period.
- F. The costs of previously purchased equipment cannot be included as direct cost sharing since it is considered to be part of the Facilities & Administration rate.

XII. SCHOLARSHIPS AND FELLOWSHIPS

- A. Allowable scholarships, stipends, fellowships, and tuition & fees guidance can be found in the ORSPA's Policy on Including Student Tuition in the Budget of Sponsored Grants.

XIII. COST OVERRUNS/DEFICITS

- A. When it is necessary to remove excess charges incurred with the operating supplies and expense category, a JV should be prepared transferring the excess expense to an account within the same function as follows:
 - 1. To the cost sharing account when one exists.
 - 2. To any other appropriate account.

XIV. FACILITIES AND ADMINISTRATION RATES (F&A)

- A. The University's federally approved F&A rate is 35%.
- B. Every effort should be made to use the negotiated rate of 35%, any exception needs to be approved by the University's Associate Provost for Research and Sponsored Programs. ORSPA will provide a quarterly report to post award administration and the Vice President for Finance and Operations of any new grants with exception to the negotiated rate.

XV. CORRECTIONS

- A. To correct a charge made in error to a sponsored account, move the charge to the appropriate paying account providing adequate written explanation as to how the error occurred. Provide enough details on how the error occurred. "To move charge to correct account" is insufficient.
- B. Every effort should be made to reconcile sponsored program accounts on a monthly basis and issue correcting JV's. Erroneously recorded costs, if not corrected within 90 days of occurrence can be disallowed.

XVI. REVIEW AND RESPONSIBILITIES

Responsible Parties: Associate Provost for Academic and Research Administration
Chief Financial Officer and Vice President for Operations

Review: Every three years on or before September 1

XVII. APPROVAL

Dr. Gene Theodori
Associate Provost for Academic and Research Administration
Approved: 04/28/2026

Mary Wickland, CPA
Chief Financial Officer and Vice President for Operations
Approved: 04/29/2026

Dr. Jaime R. Taylor
Lamar University President
Approved: 04/29/2026

POLICY LOG

Version 1

10/19/2020
06/17/2021
08/06/2021

Version completed (10/19/2020). Revised by subject matter experts in Financial Services to reflect current practices (06/17/2021). Subject matter experts revised Section XIV, Paragraph B, to add quarterly report of exceptions and to clarify roles/positions involved in exceptions (08/06/2021).

09/29/2021
Policy approved by President.

Version 2

04/28/2026
Based on recommendations from a recent internal audit, Finance added a section specific to reconciliation & closeout.

04/29/2026
Policy approved by President.