

Ninety Day Rule Frequently Asked Questions

Over the next few months, a policy regarding the timeliness of posting expenditures will be restated and reissued. The policy states that the posting of expenditures to sponsored projects should take place within 90 days of their occurrence. It is important that this policy be consistently applied for the balance of the University's fiscal year and into the future. Effective immediately, sponsored project expenditures not assigned to their proper source of funds within 90 days of their occurrence will not be posted without proper authorization and documentation.

This Q&A document has been prepared to clarify the rationale and scope of the policy:

Why is the time period 90 days?

Ninety (90) days has emerged as the standard used by government and business auditors to determine whether costs are reasonably assigned to their proper account and function. It is a standard established by regulation (See NIH policies and OMB Circular A-21). The preferred practice is to have costs immediately budgeted and posted to their proper function in all cases.

Is this standard applicable to all sources of University funds?

No, the 90 day standard is being applied only to sponsored project funds.

Is this standard applicable to all University service centers?

Yes, this standard is applicable to all University service centers or any departmentally based service or recharge activity.

Is this standard applicable to payroll adjustments?

Yes, this standard is applicable to payroll expenditures and associated adjustments. It is especially important that payroll expenditures are budgeted and recorded on the proper accounts as they occur. In addition, late payroll expenditure transfers adversely affect Effort reporting.

How should payroll expenditures assigned to sponsored projects be coordinated with released funds processes?

Salary postings to sponsored awards should be made either directly on the award at the time the budget is established or within 90 days of the occurrence of the salary expense.

Does this guideline apply to subcontracts?

Yes, the guideline applies to all subcontract agreements. The guideline is

applied when the University is an issuer of a subcontract and when it is the recipient of a subcontract. It is recognized that executing subcontract agreements with other institutions often requires additional time that may extend beyond a 90-day time period. However, because the vast majority of subcontracts involve federally sourced funds, it is critical that the subcontracts are executed as promptly as possible so that expenditures can be accurately recorded.

How should legitimate expenditures be recorded if necessary to be incurred before a sponsored project is established? The Research Foundation Office of Grants and Contracts will assist a department in establishing appropriate prespending mechanisms that associate the expenditures with the pending award. It is not appropriate to use a generic departmental account and move expenses to the funded award beyond 90 days.

What if a vendor doesn't provide an invoice for services rendered within 90 days?

Although rare, this circumstance can occur. The University cannot pay for services for which it has not been invoiced. If a vendor invoices later than 90 days after the provision of services, the University will pay upon receipt and note for the record that the invoice was late.

What if a department is disputing an invoice with a vendor and the dispute extends beyond 90 days?

The dispute should be clearly documented between a department and the vendor. The University has an obligation to timely notify vendors if goods and services are not satisfactory and to timely pursue resolution of outstanding issues. Delays due to the normal course of other business intervening, change in personnel or other departmentally based factors are not acceptable reasons for delaying posting of expenditures.

Are personal reimbursements subject to the 90 day rule?

Yes, personal reimbursements are subject to the 90 day rule. It is entirely reasonable to expect that employees with travel expenses or miscellaneous reimbursements can account for those expenses within 90 days of their return to campus. In cases of extended foreign travel that may extend for periods longer than 90 days, reimbursements can be made at the conclusion of the trip.

How do you define occurrence?

An expense occurs when it is posted to the general ledger.