

# UConn HEALTH

**POLICY NUMBER 2002-25**

**November 8, 2016**

**POLICY: WRITE-OFF OF OVERDRAFTS AND DISALLOWANCES  
(RESEARCH/SPONSORED PROGRAMS)**

**PURPOSE:**

To establish responsibility regarding unresolved sponsored program overdrafts and disallowances.

**Definitions:**

Overdrafts are comprised of salary and/or other direct costs expenditures which exceed the authorized award amount. In certain instances, the overdraft may consist of the amount of the expenditure which exceeds an approved, but restricted, individual line item award amount.

Disallowances represent salary or other costs charged to a project fund that are deemed to be unallowable by either: a) Federal regulations, i.e., Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”); terms of Federal and private contracts or agreements, or b) costs incurred and submitted to the project sponsor for reimbursement but directly denied as a reimbursable cost by that sponsor, or c) costs that are disallowed as a result of a review by Research Finance or an audit.

**POLICY STATEMENT:**

1. Cost disallowances should be funded via a transfer voucher and transferred to a funding source other than a restricted sponsored program. The funding source will be the appropriate unrestricted account as identified in Policy [2002-34: Financial Responsibility](#).
2. Unallowable costs that are specifically deemed not reimbursable by the sponsor, or specifically deemed to be unallowable by the provisions of Uniform Guidance (2 CFR §200.403), shall not be charged to a sponsored program fund.
3. Departmental Administrators, in consultation with their respective Principal Investigators (PI), are responsible for reviewing monthly grant financial activity and expeditiously resolving direct cost overdrafts, errors and/or disallowances on sponsored program funds.

4. Sponsored Program Services (SPS) will assist and follow-up to ensure the successful and timely resolution of overdrafts and/or disallowances.
5. Failure to resolve direct cost overdrafts and/or disallowances in a timely manner will result in the transfer of the charges by SPS to a Department Unrestricted Operating Account as designated in Policy [2002-34 Financial Responsibility](#) and [Close-out of Sponsored Program Accounts procedures](#).

Jeffrey Seemann (Signed)

3/6/17

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**Jeffrey Seemann, PhD**  
**Vice President of Research**

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**Date**

Andrew Agwunobi (Signed)

3/9/17

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**Andrew Agwunobi, M.D., M.B.A.**  
**CEO, Executive Vice President for Health Affairs**

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**Date**

**New Policy: 2/25/02**  
**Revised: 8/11/06, 11/8/16**