Department of Chemistry

Managing Deficits in Sponsored and Non-Sponsored Accounts

(created February 2011, updated November 2016)

Faculty, PIs, department administration and the finance & payroll staff all share a role as stewards of University resources, both sponsored and non-sponsored, in accordance with established policy. To that end, this document provides guidance regarding the management of potential and actual deficits in the Department of Chemistry.

Deficit Definitions:

Non-sponsored: Deficits in non-sponsored accounts include funds encumbered for future purchases and will be the cumulative total for all unrestricted non-sponsored funds.

Sponsored: Deficits in sponsored research projects are actual and do not include encumbered funds.

Guidelines/Policy:

- Faculty/PIs are ultimately responsible for monitoring their accounts, and for dealing with all deficits. It is expected that PIs will review reports sent to them by Chemistry Accounting Office or access the reports directly via the MyU portal (see under the “Key Link” menu for “Reporting Center”)

- Faculty/PIs are encouraged to meet with their assigned accountant regularly or as needed. Information and assistance are always available as needed.

- The Chemistry finance & payroll staff will make every attempt to assist faculty in avoiding deficits by regularly reviewing all Chemistry accounts. This includes the review of periodic reports to catch mistakes.

- When a potential deficit is anticipated by the assigned accountant, the Finance Manager or the assigned accountant will request a meeting with the faculty/PI with a goal of managing expenses or making any necessary corrections.

- If an actual deficit is shown, the Finance Manager will arrange a meeting with the faculty/PI, the assigned accountant the Finance Manager and the Department Head with a goal of formulating a management plan for re-payment of the debt.

- Regularly scheduled meetings will be held with Faculty/PIs who have existing deficits. The purpose is to confer on the status of a debt and progress toward repayment, followed up with written confirmation of any new facts or decisions from the meeting. These meetings will
happen three times per year during the months of March, July and October. The Finance Manager has responsibility for scheduling these meetings. Attendees will be the faculty/PI, the assigned accountant, the Finance Manager, and the Department Head.

- **Deficits in departmental Professorship accounts**: To a limited extent, deficits are allowed in these accounts due to the guaranteed future disbursements from the corresponding endowments. Thus a deficit of up to $12,000 is allowed in a professorship account, representing approximately 50% of the anticipated annual income received. Running a deficit in the final year of a professorship term requires close monitoring. It is required that the account balance is positive or zero at the end of the professorship term.

**Revision History:**

1. February 2011, created and e-mailed to faculty (2/25/11)
2. October 2016, updated to add annual check-in meetings and Professorship policy
3. November 2016, e-mailed to faculty, posted on department website