

Index-The six digit letter/number combination assigned to a funded project that is used to identify the project in the accounting system. This is the number that you use when charging expenditures and setting up payroll.

Account Code- The four or five digit letter/number combination that categorizes the sponsor budget and expenditures related to an award into specific categories (payroll, travel, supplies, etc).

PI/Financial Manager- The individual listed in the award document as the person responsible for all aspects of a specific project.

Overhead/Indirect Costs/Facilities & Administrative Costs- A federally negotiated rate for the recovery of costs that are incurred for common or joint objectives and, therefore cannot be readily and specifically identified to a particular sponsored project. The rate is comprised of two main components; Administrative Costs (both central & departmental) and Facilities (operations & maintenance). This rate is applied to Modified Total Direct Costs as the expenditures are charged to the index/project.

Modified Total Direct Cost/MTDC-The direct costs charged to an index/project excluding equipment, tuition, and subcontracts over \$25,000.

Month End Statements-

Summary: This statement shows the funded budget by categories (account code), and total expenditures charged for each account code under each index in a column for the month, fiscal year and project to date. It also has a column for encumbrances (see below for definition)

Detail: This statement lists each expenditure charged to an account code for an index. It shows the date of the expenditure, the amount and the source document (Purchase Order #, Invoice #, Journal Entry #).

Payroll: This statement lists each individual who has been paid from the project, by account code. The statement includes both current month and cumulative year to date columns for hours and earnings.

Cost Share/Matching- The portion of total project costs that are paid from sources other than the sponsor. Cost share can be either dictated by the sponsor in the proposal solicitation or be a voluntary contribution shown to the sponsor in the proposal budget. Once cost share is shown to the sponsor in a proposal budget MTU is obligated to identify and track the cost share expenditures.

Reallocation- The term used to describe the procedure of moving an expense (including payroll) from one index to another or from one account code to another to correct clerical or bookkeeping errors.

Transfer- The term is used to describe the procedure for moving actual dollars from one index to another. Transfers out of sponsored indexes are not allowed. Transfers will always have an account code beginning with a T.

Incentive Return- The amount of funds returned on a quarterly basis to the PI (6%), Department (12%), and College (7.3%). The incentive return is based on the actual amount of Overhead/Indirect Costs/Facilities & Administrative Costs collected in that quarter.

Encumbrance- An amount committed to an outside vendor through the use of a purchase requisition/purchase order for supplies, equipment or services. The obligation to the vendor has been made therefore this encumbrance reduces the amount available to spend.