

**COLORADO STATE UNIVERSITY-
PUEBLO**
Financial Procedure Instructions
FPI 2-8

1. **Procedure Title:** Contract and Grant Revenues
2. **Procedure Purpose and Effect:** The purpose of this procedure is to clearly define the process of revenue recognition for SPONPR activity. This includes the billing process as well as the Cash/Non-Cash receipt process.
3. **Application of Procedure:** The procedure applies to The Office of Sponsored Programs (OSP) as well as the department involved with a sponsored project.
4. **Exemptions:** If the sponsor is set up on the Cash Draw System, the actual draw of funds is posted directly to the Unbilled Receivable.
5. **Definitions:**

Cash Draw System: The Cash Draw system allows CSU to draw funds on federal projects for which expenses have been incurred. The draws are completed via the web. The sponsor provides the contract number and how much is available and CSU requests funds in the amount of total expenses paid out less the amount already received up to the amount available on the draw system or the final billed amount, whichever is less. The funds are then automatically sent to CSU's bank account.

6. **Policy Statement:**

Revenue recognition and Billing 1SPONP Accounts – The Office of Sponsored Programs (OSP) initiates two types of transactions into KFS – one for billing and one for revenue recognition for 1SPONP account activity. Revenue recognition transactions run at month end via a prorate to recognize revenue on expenses incurred that month on projects that have not ended. The offset to the revenue is an entry to Unbilled Receivable. After prorates hit the revenue is verified because the amount the prorate reflects could involve other variables such as final billed amount, budget was added, account was expired and revenue went to continuation account, etc. Presently, when OSP invoices a project, a feed is sent from OSP's ledgers to KFS to move the invoice amount from Unbilled Receivable to Billed Receivable. The amount billed is based on the terms agreed upon in the grant/contract agreement (i.e. to be billed actual monthly, total project billed in 3rds, etc.).

Cash/Non-Cash Deposits - OSP Post Award deposits receipts from sponsors to the proper accounts and identifies that they have been paid in ledgers. OSP is the only department authorized to deposit to the 1SPONP accounts. All deposits are recorded on KFS documents and approved by the Bursar office. Checks and ACH deposits require different KFS documents. All foreign checks must be done on a separate deposit as well.

OSP may receive checks for deposit. Check deposits should be sent to the Cashier's office the next day. Automated Clearing House (ACH) transfers and wire transfers must be deposited no later than 2:00 p.m. the same day. Occasionally, sponsors may send checks directly to a department or to a principal investigator. In such cases, the check must be delivered (during the same day received) to the University Cashier's Office for deposit. Included with the check should be the envelope and all

documents accompanying the check. The Cashier's Office will forward a copy to OSP. It is the responsibility of the Cashier's Office and OSP Accounting to record the appropriate entry.

OSP should not receive cash for deposit. The department should contact OSP for the correct account and object code for the department to make the deposit.

7. **Reference and Cross-References:** Sponsored Programs' Manual at [Office of Sponsored Programs](#)
8. **Forms and Tools:** None.