**Overrun Account Balance Review**

**QUICK REFERENCE GUIDE**

## A. PURPOSE

a. Overrun cost center accounts are utilized to transfer disallowable expenses from grant accounts. There are 2 overrun account types – indirect and direct overrun. Overrun accounts should have a zero balance at the close of the fiscal year, this is best practice. Any deficits on overrun accounts at the close of the fiscal year will reduce your fund balance return.

## B. INDIRECT OVERRUN ACCOUNTS

a. Expenses transferred to Indirect Overrun Accounts are unallowable expenses on the project. These expenses can be transferred via JV to a state, income or UKRF (VPR) supported cost center(s). Expenses cannot be transferred to a grant account.

## C. DIRECT OVERRUN ACCOUNTS

a. Expenses transferred to Direct Overrun Accounts are over-expenditures on the project. These expenses are reported as cost-shared expenses on the project. Expenses must stay on the direct overrun account and cannot be moved by a cost transfer. The account must be funded by a budget transfer using a state or income supported cost center account with available budget authority.

## D. RESPONSIBILITIES

a. Department Business Officers are responsible for monitoring their direct and indirect overrun accounts, and transferring expenses charged to indirect overrun as necessary. Contact your departmental business analyst if a budget transfer is needed to fund direct overrun accounts.