

## Data Verification for Budgets

Data Element	Items to Verify
<b>Accounting versus calendar months</b>	<ul style="list-style-type: none"><li>• Accounting months are typically four weeks. As a result, they rarely match calendar months.</li><li>• It is critical to understand when costs are captured and charged by calendar month versus accounting month.</li><li>• This mismatch in cost collection and allocation can cause anomalies that need to be understood and potentially adjusted when compiling project budget reports.</li></ul>
<b>Costs associated with purchases</b>	<ul style="list-style-type: none"><li>• Purchase costs can be different than planned. Sometimes the base cost of the product or service changes from the time you built your budget to the time the actual purchase is made.</li><li>• The purchase can be made at a different time than originally planned, which can make you appear over or under budget. This should be fully understood and noted in any project budget reports.</li><li>• Purchases can incur shipping, taxes, or other service changes that were not anticipated when planning your project. These need to be understood and resolved.</li></ul>
<b>Do the costs allocated to your project belong to your project?</b>	<ul style="list-style-type: none"><li>• Many finance organizations allocate costs to departments or projects. This can be allocated in error. This can create serious and hard-to-find errors in your budget reporting.</li><li>• Carefully examine any costs allocated to your project and ensure you understand and agree that those costs were allocated to your project in a manner you understood when you built your project budget.</li></ul>

<b>Verify contractor invoices.</b>	<ul style="list-style-type: none"> <li>• Contractor invoices should be carefully checked, as several errors can occur, including: <ul style="list-style-type: none"> <li>– The wrong individuals can be charged to your project.</li> <li>– The wrong hourly or daily rate can be applied.</li> <li>– The incorrect number of hours can be billed to your project.</li> <li>– The dates being billed can differ from your accounting or calendar months, so they will need to be adjusted for your budget reporting.</li> <li>– Unanticipated taxes or service charges may be applied and need to be understood and/or resolved.</li> <li>– For payment on milestone contracts, charges may be applied prior to agreeing that a milestone was appropriately reached.</li> </ul> </li> </ul>
<b>Verify overhead allocations.</b>	<ul style="list-style-type: none"> <li>• Finance organizations often distribute overhead costs, such as buildings, utilities, and senior management expenses to departments and projects</li> <li>• The process by which overheads are allocated should match your understanding when your project budget was built. Any discrepancies should be corrected.</li> <li>• Senior managers are usually part of these distributed overhead charges. If a senior manager's hours have allocated directly to your project, this may be "double counting" against your project. This should be investigated and corrected if appropriate.</li> </ul>
<b>Travel expenses</b>	<ul style="list-style-type: none"> <li>• Travel charges associated with your project should be allocated to your budget.</li> <li>• Verify that all travel charges allocated to your project are appropriate.</li> <li>• Verify the totals of any travel charges allocated to your project.</li> </ul>

<b>License fees</b>	<ul style="list-style-type: none"> <li>• Should your project use a service or facility dedicated to your project (such as specific instruments, hardware, or software), it may be charged usage or license fees.</li> <li>• Verify the accuracy and appropriateness of those charges.</li> <li>• Ensure no other personnel or projects are utilizing those facilities. If so, the charges should be divided between the projects or departments that are capitalizing on those facilities.</li> </ul>
<b>Maintenance fees for facilities, services, or software</b>	<ul style="list-style-type: none"> <li>• Items such as software, telecommunications, or other services may incur a monthly or yearly maintenance fee.</li> <li>• Should those fees be allocated to your project, they should be verified in a similar manner as the license fees described above.</li> </ul>