Procedures for Reduction of Expenditures on Sponsored Projects

What is a reduction of expenditures?

A reduction of expenditure on a sponsored project occurs when a payment is received from an entity other than the sponsor, reimbursing an expense that had previously posted to the project. This process applies to unexpected reductions or unknown reduction amounts only. Any expenses incurred to benefit a grant when a reduction is anticipated should be allocated to a non-sponsored account when posting. Examples include but are not limited to:

- Unexpected reimbursement of travel expenses by a conference host or a 3rd party.
- A vendor refund for an overpayment, a duplicate payment, or the return of goods to a vendor after the original payment has already been made.
- A refund of sales tax charged and paid in the original purchase.
- A refund from a sponsored project’s subcontractor.

How are sponsored projects identified in the accounting system SAP?

Each sponsored project has a grant(s) created to house the financial information relating to the project with the number range of 3000000000-3999999999. Although the cost object utilized to post to the account is a WBS element, the term grant is used throughout the document for ease of reference.

Why is it important that reduction of expenditures are posted accurately on sponsored projects?

As with cost transfers, auditors look at reduction of expenditures in terms of benefit of the original expense to the project, whether the reimbursement has been reasonably allocated to the project, and whether the original expense and its corresponding reduction were allowed on the project. For example, auditors may assume that a reduction of expense was made to reimburse a project for a charge that was never allowed on the project. Auditors would also look at the timing of the reimbursement to be sure the sponsored project was not being used to charge the expense because it had available budget or because it was convenient to charge the grant prior to the reduction of expense being processed.

What is required to process a check transmittal when a refund or reimbursement is received?

Follow the normal check transmittal procedures to complete the check transmittal. These steps can be found by clicking the link below, and then clicking on the link titled FI_CT_300 Cash Transmittal Manual. The instructions pertaining to reductions of expenditures begin on page 32 of the presentation.

http://myhelp.uky.edu/rwd/HTML/FI/FI_CT_300.html

NOTE: Be sure to credit the expense general ledger (GL) account and grant on which the original charge was posted.
What backup documentation needs to be provided with the check transmittal?

- A detailed explanation of the circumstances that brought about the repayment;
- A copy of the check being deposited;
- A copy of the original payment documentation (including receipts) such as a DAV, PRD, travel voucher, procard receipt and edit, or Purchase Order invoices/transmittals; and
- Any other information necessary to document or explain the reduction of expenditure such as emails, vendor correspondence, or travel award notices.

Specific Topics

1. **A reduction of expense must be posted to the cost object to which the related expense posted.**

   Before creating a reduction of expense transmittal and submitting it to Treasury Services, check SAP and make sure the original charge has been posted to the grant included on the paperwork. For example, if a reduction of expense is being submitted for a procard charge or a charge on a travel voucher, make sure the expense has first been posted to the grant.

   If the reduction of expenditure is identified before the expense is posted to a grant (see Topics #2 and #3 below), action must be taken to ensure the original expense posts to a cost center rather than the grant. The reduction should then be applied to the cost center on which the expense posted.

2. **Personal Expenses or non-grant related expenses must not be charged to a grant.**

   Personal/non-grant related expenses are not allowed to be charged to a grant. Examples include the following:

   - An employee traveler chooses to take a day trip or excursion offered at a price that is in addition to the conference registration (see example #1).
   - An employee traveler books a flight to a grant related conference and books an additional flight for a family member who is not attending the conference.

   If such an expense is mistakenly charged to a grant, the expense must be moved to a departmental cost center via a Journal Voucher (JV). Once the JV is posted, the reimbursement can be applied to the cost center.

   - Please consult the BPM Cost Transfer Policy for questions regarding the JV, necessary documentation, or the submission process: [http://www.uky.edu/EVPFA/Controller/files/BPM/Append2.pdf](http://www.uky.edu/EVPFA/Controller/files/BPM/Append2.pdf).
   - For additional JV assistance, contact the Compliance Specialist whose contact information may be found on the SPA website at [http://www.uky.edu/EVPFA/Controller/sponsor.htm](http://www.uky.edu/EVPFA/Controller/sponsor.htm) under the Staff tab.
3. **Travel reimbursements from 3rd party source (not the grant sponsor) require specific treatment.**

It is very common for faculty or students to be reimbursed by a 3rd party for travel expenses to an event such as a conference to present research or give a lecture. When the reimbursement amount is known, the related expenses should be posted to a non-sponsored account in anticipation of reimbursement. When the amount is not known or the reduction unexpected, a reduction of expenditures is necessary to offset the original expenses incurred to benefit the project. In the event of such a reimbursement, several topics need to be taken into consideration when processing the funds received.

**a. Knowledge of reimbursement prior to travel**

If the traveler knows prior to the trip that they will be receiving payment from a 3rd party for part or all of their travel expenses, the related expenses should be charged to a cost center, not a grant. When the 3rd party payment is received, the funds can be applied to the cost center via a check transmittal.

If the reimbursement covers only part of the total expenses, the remainder of the expenses that benefit the project that are not covered by the 3rd party can then be charged to the grant. See topics b and c below to determine the best method for the situation.

**b. Allocation of reimbursement**

Many reimbursements are received unexpectedly and without any designation regarding the expense(s) to be covered. According to federal guidelines, if a cost benefits two or more projects or activities the cost should be allocated to the projects based on the proportional benefit. Therefore, any reductions should follow the same allocation method. In such cases, the funds received must be allocated on a percentage basis of the total expenses to all GL expense accounts charged for the trip. For example, if lodging was 50% of the total travel expenses, then 50% of the 3rd party funds need to be allocated to the lodging GL. (see example #2)

**c. 3rd party reimbursements designated for specific expense(s)**

In the event that the 3rd party providing the reimbursement states in writing that the funds are to pay for specific expenses, then an allocation is NOT necessary. For example, if the reimbursing party states that the funds are to help cover airfare expenses, then ALL of the funds would be applied to the airfare GL. If the reimbursement exceeds the specified expense, then the remainder of the funds would be allocated on a percentage basis to all the remaining expense GL’s that were charged.

**NOTE:** In the backup documentation with the transmittal, please include a copy of the letter, email, or other correspondence from the 3rd party that indicates the expense that is being reimbursed (see example #3).
d. Checks made out to an individual rather than the University Of Kentucky

It is very common for 3rd party travel reimbursement checks to be made payable to the individual traveling. In these cases, the check should be signed over to the University rather than the traveler cashing the check. Per Treasury Services, the individual should endorse the back of the reimbursement check with their name and then the department will place their endorsement stamp below the signature of the traveler prior to depositing the check. This process avoids having the traveler deposit the check into their personal bank account and then writing a personal check to the University.

4. “Refunds” for Clinical Trials are not considered a reduction of expenditures.

If funds are received from the clinical sponsor, the cash must be treated as clinical income rather than a reduction of expenditures even if the funds were to offset an expense not originally outlined in the agreement. See example #4.

- Non-federal accounts – use GL 426006
- Federal accounts – use GL 415014.

Special Notes:

- If the department is aware that a refund will arrive via the SPA Lockbox or ACH, please email SPA.AR@email.uky.edu to notify SPA of the pending payment.
- Reduction of expenditures on projects that are closed must be processed on the old manual transmittal and should initially be placed in the Holding Account. Notify the Financial Administrator (FA) on the project that the payment to reduce the expenditure has been received and provide detailed information regarding the reason for the transaction. The FA will research the cash receipt to ensure the reduction is posted and reported appropriately.
- Refunds for prior fiscal year expenses are not subject to the same restrictions as cost center transactions. The refund must be posted to the grant during the life of the project and treated as a reduction of expenditure.

Questions:

- Frequently asked questions regarding reduction of expenditures related to grants can be found on the Cash Receipts Tab of the Sponsored Projects Accounting website at the following link: http://www.uky.edu/EVPFA/Controller/sponsor.htm.
- Please contact SPA.AR@email.uky.edu for any questions concerning reduction of expenditures or other cash posting topics related to sponsored projects.
- Please contact the Compliance Specialist in Sponsored Projects Accounting for questions relating to JVs. Contact information can be found on the staff directory on the SPA website at the following link: http://www.uky.edu/EVPFA/Controller/sponsor.htm.
Dear,

Thank you for the explanation of the situation. Unfortunately, since this was a personal expense charged on the procard and not a personal card, in accordance with University and procard policies the charge must be moved off the grant to a cost center. A journal voucher will need to be processed to do this. Once the JV has been posted, Dr. X's check can be deposited to the cost center. For the time being I will post this transmittal to our holding account. Once the JV has posted please notify Sandy Morgan, 7-7933, and she will post the refund check to your chosen cost center.

If you have any questions feel free to let me know.

Thanks again for your help. Have a great day,
Jeff.

Jeff,

When making travel plans for this trip, Dr. X charged an optional excursion to one of our procards when paying registration costs. Dr. X has now written a check back the university so the funds can be placed back on his grant account. I believe the procard edit for this charge was attached to the transmittal. If not, let me know and I can send you a copy.

-
Dear,

This morning I received the attached check transmittal from Treasury Services and in the process of reviewing it an issue has arisen that I am hoping you can help me with.

Would one of you be able to provide some background as to why Dr. X is paying this money back to UK?

Any information you can provide would be greatly appreciated. If you have any questions feel free to let me know.

Thanks and have a great day,

Jeff Lyons
Sponsored Projects Accounting
337 Peterson Service Building
P – 859-257-3662
F – 859-323-1947
jnlyon00@email.uky.edu
REGISTRATION

Registration

The participant's registration fee includes attendance in the scientific programme, congress materials, coffee and lunch on the congress days, as well as the 'get-together' party on Monday, 30 June 2014.

Registration fees

Note: Register early to take advantage of the lower registration fee. The 'early bird' registrations and payments must be made by 28 April 2014. All registrations will receive a confirmation letter from the Congress Office after the early registration deadline.

On-line registration form (click here)

<table>
<thead>
<tr>
<th>Registration fee</th>
<th>by 28 April</th>
<th>after 28 April</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full registration</td>
<td>600 €uro</td>
<td>700 €uro</td>
</tr>
<tr>
<td>Student</td>
<td>390 €uro</td>
<td>490 €uro</td>
</tr>
</tbody>
</table>

Social programme

<table>
<thead>
<tr>
<th>Event</th>
<th>Participant</th>
<th>Acc. person</th>
</tr>
</thead>
<tbody>
<tr>
<td>'Get-together' party, Monday 30 June 2014</td>
<td>6 €uro</td>
<td>25 €uro</td>
</tr>
<tr>
<td>Banquet in Turku Castle*, Thursday 3 July 2014</td>
<td>50 €uro</td>
<td>120 €uro</td>
</tr>
<tr>
<td>Young Scientists' Party at Brewery Restaurant Kauko*, Thursday, 3 July 2014</td>
<td>50 €uro</td>
<td>50 €uro</td>
</tr>
</tbody>
</table>

* Please note that the Banquet in Turku Castle and the Young Scientists' Party at Brewery Restaurant Kauko take place at the same time, you can only take part in one of them.

Excursions

<table>
<thead>
<tr>
<th>Excursion</th>
<th>Participant</th>
<th>Acc. person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evening Cruise at Aino*, Tuesday 1 July 2014</td>
<td>50 €uro</td>
<td>50 €uro</td>
</tr>
<tr>
<td>The Old Town of Turku and Kultaranta Gardens*</td>
<td>50 €uro</td>
<td>50 €uro</td>
</tr>
<tr>
<td>Moorineworld* + Wednesday 2 July 2014</td>
<td>82 €uro</td>
<td>82 €uro</td>
</tr>
<tr>
<td>A Design Tour in Turku, Thursday 3 July 2014</td>
<td>20 €uro</td>
<td>20 €uro</td>
</tr>
<tr>
<td>Traditional Finnish Sauna Evening in Hanvaira, Friday 4 July 2014</td>
<td>50 €uro</td>
<td>50 €uro</td>
</tr>
</tbody>
</table>

** Please note that the trip to the Old Town of Turku and Kultaranta Gardens and the trip to the Moorineworld take place at the same time, you can only take part in one of them.

Bus transportation

For available departure times, please see the registration form.

From Helsinki-Vantaa airport to Turku (Monday 30 June 2014) 15 €uro
From Turku to Helsinki-Vantaa airport (Saturday 5 July 2014) 15 €uro

Methods of payment

1. On-line credit card payments with one of the following cards: Visa, Mastercard and Eurocard. From the on-line registration form you will be forwarded to the Finnish credit card company (SuomiValu) homepage for secure electronic payment.

2. Bank transfer to the University of Turku, IBAN account number: FI75 6300 0006 3636 7900 01, SWIFT/HIC: DABQFIHH. Address: Dabu Bank, Hiihtosinkku 2, P.O. Box 1501, FI-00025 DABU BANK, Finland. Make sure that the code 26600209521 and your name appear on the MESSAGE FIELD of the bank transfer.

3. An invoice will be sent upon request only. Note: Invoices can be sent only to organisations, not to private persons. Please note that an invoicing charge of EUR 15 will be added to all invoices.

4. Group invoice:

   Several participants to be invoiced in the same invoice. Please contact the Congress Office (congress-office@uts8.fi) and provide the names of the participants to be invoiced. Please note, an invoicing fee of 15 €uro will be added to all invoices. Note: Invoices can be sent only to organisations, not to private persons.

All payments must be made in euros (EUR).

Cancellation

Cancellation of registration must be made in writing (letter, fax or email) to the Congress Office before 30 May 2013. No fees will be refunded after this date. A processing fee of EUR 50 will be deducted from all refunds.

Contact Information

Congress Office / ICSM 2014
University of Turku
Email: congress-office@uts8.fi
Tel. +358 2 333 6342 or +358 2 333 5021


4/14/2014
CONFIRMATION OF PARTICIPATION

Please check the confirmation carefully and contact the Congress Office (congress-office@utu.fi) if you wish to make any changes.

Registration Details
- Full registration (by 28 April 2014) - 690.00 €
- Get-together party (Monday, 30 June 2014) - 0.00 €
- Evening Cruise at Airisto (Tuesday, 1 July 2014) - 50.00 €
- Bus transportation from Helsinki-Vantaa airport to Turku on 15.00 € -
  Mon 30 June: Departure at 14:00
- Bus transportation from Turku to Helsinki-Vantaa airport on 15.00 € -
  Sat 5 July: Departure at 13:30

Total: 770.00 €

Amount (€):
- Due: 690.00
- Paid: 0.00
- Balance: 50.00

Conversion: 972.24 USD

Accommodation Details
Original Sokos Hotel City Börs
Erkinkatu 11
20100 TURKU
Phone: +358 2 337 381
Check In: 30-06-2014
Check Out: 05-07-2014
Room Type: single standard room (85.00 € per night)

Estimated: 1055.95 USD

Actual charge: $1097.50 USD

NOTE: Check transmittal processing for $1 45 for excursion purchased on procured (estimated conversion)
# Example #2

**UNIVERSITY OF KENTUCKY**

**CHECK TRANSMITTAL**

<table>
<thead>
<tr>
<th>G/L ACCT</th>
<th>AMOUNT</th>
<th>ASSIGNMENT</th>
<th>TEXT</th>
<th>COST CTR</th>
<th>INTERNAL ORDER</th>
<th>WBS ELEMENT</th>
<th>FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td>110059</td>
<td>(1,068.00)</td>
<td>Default for Check</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0011000000</td>
</tr>
<tr>
<td>530022</td>
<td>490.73</td>
<td></td>
<td></td>
<td>9600014235</td>
<td>304183</td>
<td></td>
<td></td>
</tr>
<tr>
<td>530027</td>
<td>60.68</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>530023</td>
<td>390.11</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>530028</td>
<td>116.72</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>530028</td>
<td>10.15</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**DETAIL OF ATTACHED CHECKS**

(PLEASE USE CONTINUATION PAGE TO LIST ADDITIONAL CHECKS)

<table>
<thead>
<tr>
<th>MAKER</th>
<th>CHECK NO.</th>
<th>DATE REC'D</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2528</td>
<td>9/19/13</td>
<td>1,068.00</td>
</tr>
</tbody>
</table>

**SUMMARY**

**PAYMENT MODE**

<table>
<thead>
<tr>
<th>CHECKS</th>
<th>1,068.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL AMOUNT</td>
<td>1,068.00</td>
</tr>
</tbody>
</table>

Department Head or Authorized Agent – Signature

Department Head or Authorized Agent – Typed

Telephone Number

Date: 9/23/13
<table>
<thead>
<tr>
<th>Expense</th>
<th>GL</th>
<th>Amount</th>
<th>% of total</th>
<th>Refund allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration</td>
<td>530027</td>
<td>$275.00</td>
<td>5.68%</td>
<td>$60.68</td>
</tr>
<tr>
<td>Airfare</td>
<td>530023</td>
<td>$1,768.01</td>
<td>36.53%</td>
<td>$390.11</td>
</tr>
<tr>
<td>Lodging</td>
<td>530022</td>
<td>$2,222.22</td>
<td>45.91%</td>
<td>$490.34</td>
</tr>
<tr>
<td>Meals</td>
<td>530021</td>
<td>$529.00</td>
<td>10.93%</td>
<td>$116.72</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>530028</td>
<td>$46.00</td>
<td>0.95%</td>
<td>$10.15</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td></td>
<td><strong>$4,840.23</strong></td>
<td></td>
<td><strong>$1,068.00</strong> Total</td>
</tr>
</tbody>
</table>

Refund Amt $1,068.00
EXAMPLE #3

From: [Redacted]
Sent: Tuesday, March 19, 2013 10:30 AM
To: [Redacted]
Subject: Housing meeting
Attachments: [Redacted] Collab mtg agenda.docx; Eco Healthy GA TtT flyer final (2).doc

Below is information on travel reimbursements for the Housing meeting.

[Redacted] Architect
Senior Extension Associate
Biosystems and Agricultural Engineering
Lexington, Kentucky 40546-0276

From: [Redacted]
Sent: Friday, March 08, 2013 2:59 PM
To: [Redacted]
Cc: [Redacted]
Subject: Housing meeting

Dear Southern Region Extension Colleague,

I'm delighted to invite you to participate in our Southern Region Extension Resilient Housing Collaboration Meeting at LaHouse Resource Center on the LSU campus in Baton Rouge April 23-25. Please see the attached agenda and the rest of this email for more info about the program, travel arrangements and expenses.

This is actually two dove-tailed meetings, and you are welcome to participate in both or just the resilient housing part.

- The April 24-25 meeting is in support of all our efforts to accelerate adoption of more disaster resilient housing by sharing resources, expertise and ideas that integrate mitigation with energy efficiency and healthy home educational outreach – to expand the appeal and reach to a broader audience. See the attached agenda.
  
  o Note: Please be prepared to present a 5 minute report per state on your housing disaster mitigation program delivery efforts and the voids or needs that you have for it.

- The April 23 afternoon program supports the Healthy Homes Partnership many of us work with, so we had the idea to leverage resources and faculty of both projects to produce more bang for the buck!
  
  o We are happy to offer as the main agenda item, a modified-for-Extension train-the-trainer session on the Eco-Healthy Child Care curriculum of the Children's Environmental Health Network (CEHN). See the attached flyer for more details.
If you plan to participate in the Eco-Healthy training, please register online with the CEHN at http://www.cehn.org/ehcc/TtT_registration_BatonRouge2013. We will cover the fee, so it’s free to you.

Please also be prepared to give a brief 5 min. report on your state’s Healthy Homes project.

Travel Arrangements and Expenses:

Expenses:
I will directly cover the cost of: 2 hotel nights, meeting costs and one lunch on April 24 for out of state guests.

In addition, you are allocated a travel allowance of up to $450 for reimbursement of your transportation costs, travel meals and meeting day dinner expenses via your completion and submission of LSU AgCenter travel expense vouchers. Original transportation receipts will be required. Receipts are not required for meals, but reimbursement is limited to the LSU meal allowance rate and terms (details later).

Hotel: We have made arrangements with the Staybridge Suites LSU-Southgate hotel to provide accommodations for two nights (April 23 and 24) for which I will pay directly. Any additional nights you may wish to stay (for fun) will be at your personal expense. The accommodations will include a studio suite room with kitchenette, free wireless internet, hot breakfast on site, and they even throw in a light dinner happy hour on those evenings.

Please make your own room reservations by calling 225-456-5430 and ask for the Southern Region Resilient Housing meeting room block.

Please book your room by March 21, our deadline for the room block. You will not need to guarantee the room, but your credit card will be requested at check in for incidentals.

We will have a state van and plan to transport meeting attendees from the Staybridge to and from LaHouse for the meeting.

Travel: The Baton Rouge Metro Airport is served by American Eagle, Delta, United, and US Airways airlines and is what I recommend for convenience. If you plan to fly in the morning of April 23, please notify us of your arrival time. We plan to have a state van and try to coordinate airport shuttle service for our meeting attendees, as feasible. The airport is about 14 miles from LaHouse.

If you prefer to fly to New Orleans, it is about 80 miles from Baton Rouge. The LaSwift motor coach service offers N.O. airport to Baton Rouge shuttle service for an incredible $5.00 fare, but the schedule is limited; see www.laswift.com for details.

If you plan to drive, please let us know since we have special rules for reimbursement of mileage.


Special Needs and Diet: If you have dietary restrictions or a need for any special accommodations, please notify...

That’s all for now. I’m really looking forward to working with y’all!

Housing Specialist
Center Director
Baton Rouge, LA 70820
April 26, 2013

Attached is documentation for my Louisiana trip.

Cab fare - $30, paid with cash

I was in transit from 10:10 am April 22, 2013 through 9 pm April 25, 2013.

I have attached the meeting agenda. One lunch was provided at the meeting.

LSU will reimburse $450 of travel expense. I have complete their form and provided you with a copy, as well as the airfare statement. I have asked them to send the reimbursement to UK and only listed the airfare on the expense report since it was greater than $450.

I am responsible for the hotel charge for the night of April 22. The statement for that charge is attached. (Paid with procard, copy given to Emily)

LSU will pay for nights of April 23 and 24, directly. I have attached that statement for your records.
## Saved As Complete Check Transmittal

**Post Date:** 02/13/2015  
**Doc Date:** 02/13/2015  
**Entry Date:** 02/13/2015  
**Transmittal #:** C3A60007H024K487  
**Serial #:** K487  
**Dept #:** [redacted]  
**Dept Name:** [redacted]  
**Mailing Address:** CC146 ROACH BUILDING

<table>
<thead>
<tr>
<th>GL</th>
<th>Amount</th>
<th>Assignment</th>
<th>Text</th>
<th>Cost Center</th>
<th>Internal Order</th>
<th>WBS Element</th>
<th>Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>110059</td>
<td>$345.74</td>
<td>[redacted]</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0011000000</td>
</tr>
<tr>
<td>535622</td>
<td>($345.74)</td>
<td>[redacted]</td>
<td>GI-85 (Subj Travel)</td>
<td></td>
<td></td>
<td>3048110120</td>
<td>02260000030</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$345.74</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Check Detail

<table>
<thead>
<tr>
<th>Maker</th>
<th>Check Number</th>
<th>Date Received</th>
<th>Amount</th>
<th>Additional Info</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lexicon Pharma</td>
<td>114443</td>
<td>02/13/2015</td>
<td>$345.74</td>
<td>Study: GI-85; PI: Anthony (Inv #: 2015-48)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$345.74</strong></td>
<td></td>
</tr>
</tbody>
</table>

- **Prepared By (print name):**  
  - [redacted]  
  - Phone Number: [redacted]  
  - Signature: [redacted]  
  - Date: 02/13/15

- **Verified By (print name):**  
  - [redacted]  
  - Phone Number: [redacted]  
  - Signature: [redacted]  
  - Date: 02/18/15
<table>
<thead>
<tr>
<th>INVOICE NO.</th>
<th>DATE</th>
<th>DESCRIPTION</th>
<th>GROSS</th>
<th>DEDUCTIONS</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015-48</td>
<td>12/4/2014</td>
<td>G1-85</td>
<td>345.74</td>
<td></td>
<td>345.74</td>
</tr>
<tr>
<td></td>
<td></td>
<td>WB# 3048110120</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>345.74</td>
<td></td>
<td>345.74</td>
</tr>
</tbody>
</table>

Payee: 4003 UNIV OF KENTUCKY RESEARCH FOUNDATION

THIS CHECK IS VOID WITHOUT A GREEN & BLUE BORDER AND BACKGROUND PLUS A KNIGHT & FINGERPRINT WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

Lexicon Pharmaceuticals, Inc.
Wells Fargo Bank
San Francisco, CA
P.O. Box 132167
The Woodlands, TX 77389-2167

Check No. 114443
Check Date 2/9/2015

Vendor: 4003
Date: 2/9/2015
Check Amount: $345.74

Pay
TO THE ORDER OF
UNIV OF KENTUCKY RESEARCH FOUNDATION
800 ROSE STREET
MCC.CRO, ROOM CC, 140 ROACH BLDG
LEXINGTON KY 40536-0293

VOID

Signature: [Signature]
# UNIVERSITY OF KENTUCKY

**PAYMENT IS DUE 30 DAYS FROM THE DATE OF INVOICE**

**Invoice #: 2015-48 (Revision 1)**  
UNIVERSITY OF KENTUCKY  
Markey Cancer Center - CRO (MCC-CRO)  
800 Rose Street  
CC140 Roach Building  
Lexington, KY 40536

**TO:** ap@lexpharma.com  
Send copy of invoice to:  
asjackson@lexpharma.com  

**Date:** December 4, 2014  
**Revision Date:** December 19, 2014  

**RE:** Project: Lexicon Pharmaceuticals, Inc. LX1606.1-301-CS; UK Protocol 12-GI-85-LP (Anthony)

A Phase 3, Randomized, Placebo-controlled, Parallel-group, Multicenter, Double-blind Study to Evaluate the Efficacy and Safety of Telotristat Etiprate (LX1606) in Patients with Carcinoid Syndrome Not Adequately Controlled by Somatostatin Analog (SSA) Therapy

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Travel Reimbursement: to TGA (Subj ID#: 0108-007) for travel on 11/11/14</td>
<td>133.84</td>
</tr>
<tr>
<td>2. Travel Reimbursement: to AFN (Subj ID#: 0108-008) for travel on 11/21/14</td>
<td>140.56</td>
</tr>
<tr>
<td><strong>Total Directs</strong></td>
<td><strong>$274.40</strong></td>
</tr>
<tr>
<td>3. Overhead @ 26% per contract</td>
<td>$71.34</td>
</tr>
<tr>
<td><strong>Total Indirects</strong></td>
<td><strong>$71.34</strong></td>
</tr>
<tr>
<td><strong>INVOICE TOTAL:</strong></td>
<td><strong>$345.74</strong></td>
</tr>
</tbody>
</table>

Make Checks Payable To: University of Kentucky Research Foundation  
Forward Check Attn: MCC-CRO Accounts Payable Attn: Colleen Thomas  
UNIVERSITY OF KENTUCKY  
Markey Cancer Center - CRO  
800 Rose Street  
CC140 Roach Building  
Lexington, KY 40536

**For ACH Deposits:**  
For ACH electronic funds transfers, please contact the SPA.AR@email.uky.edu address for the bank account information and assistance in establishing the ACH transfer.