

Sponsored Program Fiscal Management and Administration

1. Overall PI/PD Budget Responsibilities

While the day-to-day management of project finances may be delegated to administrative or other staff, the PI has overall responsibility for fiscal management of the sponsored. Provided below is a summary of these responsibilities.

- Manage the project in accordance with the approved Statement Of Work (SOW). Significant changes to the SOW need prior written approval of the funding agency. Request for changes in the SOW must be routed to the office of research and sponsored projects;
- Initiate and supervise grant expenditures as stipulated in accordance with the terms, condition and limitations of the funding agency;
- Adhere to federal, state, College, and sponsored allowances and policies or charging expenditures, including: the [Uniform Guidance](#); and the [Accounting Standards Board](#).
- Follow conflict of interest in research policies;
- Initiate, monitor, and approve any subawards according to Northern's policies;
- Ensure cost sharing requirements are properly documented by the award and seek appropriate approvals for cost sharing and other actions before committing the College's finances or resources;
- Ensure the College and potential sponsors that project finances are represented as accurately and reasonably as possible;
- Submit salary and non-salary transfers on a timely basis;
- Complete effort certifications and timesheets as required for the project on a timely basis;
- Certify the appropriateness of direct charges, salary, annual and sick leave each month during the project period;
- Seek no-cost extension, rebudgeting requests, and modification in the scope of the project of the award if necessary;
- Follow intellectual research property policies;
- Inform sponsors of significant changes affecting the project per the award guidelines;
- Oversee the clearing of overdrafts or overruns if necessary and the proper and timely closeout of sponsored projects;
- Complete all reports (financial and technical) and all PAR forms as required by the award; and
- Be accountable for deficits or disallowances that occur under the grant or contract.

2. PI/Director Budget Management Responsibilities. Beginning with the receipt of funds at the onset of the award, the PI/Director is responsible for the day to day management of the sponsored project budget, including.

2.1. Receipt of Funds. All funds from sponsors must be deposited with Northern's Business Office. Checks for sponsored awards are usually received by the business office. Occasionally, checks are sent directly to the PI/director. In such a case, the check must be forwarded to the business office for deposit.

2.2. Business Related Expenses. Ordinary and necessary expenditures incurred in conjunction with sponsored research projects may be reimbursed. These expenses are usually not associated with capital equipment, personal services, or travel.

2.3. Financial Reporting To Sponsor. Every project is assigned an account number. The account manager in the Business Office handles all official financial transactions and financial reports of a project from its inception to its termination. Financial reports required by the sponsor are prepared by the Business Office based on information generated by the College's accounting system. These reports must be approved by the PI and the Office of Research and Sponsored Projects before they are forwarded to the sponsor. Questions about financial reports should be directed to the account manager at the Business Office.

2.4. Purchasing Procedures. All purchases made with sponsored funds must follow procedures outlined in the Northern's Purchasing Policies.

2.5. Rebudgeting of Project Funds. The PI/director is responsible for the ongoing fiscal management of awarded projects, including regular monitoring against project period budgets. Federal grants policy ([Uniform Guidance](#)) establishes the approved project budget as the financial expression of the project, and sponsors may evaluate the project against the budget at any time. Although sponsors allow certain flexibilities with respect to rebudgeting, unobligated balances, and preaward costs, Northern and sponsors expect expenditures to be reasonably consistent with the approved project and budget. Sponsors may question or restrict expenditures appearing inconsistent with the project plan and budget. PIs are obligated to request prior approval when budget and program plan revisions indicate a significant change in scope. Example indicators of a change in scope may include significant expenditures beyond the amount authorized on the award or requests for additional funding. Principal investigators should verify the terms of their awards with the business office account manager before they request rebudgeting.

2.6. Cost Overruns. Costs in excess of project budgets are the responsibility of the PI and school/college and are considered unallowable costs. Nonetheless, the College is obligated to account properly for this action. If a cost overrun is discovered and additional funds are required, the PI's school/college may be required to settle the overdraft.

2.7. Underestimating Project Budgets when Funds are Initially Requested from the Sponsoring Agency. The PI/director should carefully consider all potential costs of projects when the budgets are first developed. Monthly College financial reports should be reviewed by the PI/director or her or his representative in a manner similar to reconciliation of a personal checking account. Any exceptions should be promptly called to the attention of the account manager, with special urgency during the final 90 days of the project. A visit to the account manager should be made at this time to maximize use of awarded funds while avoiding overruns.

2.8. Control of Property. The College is responsible for the control of property funded under the terms of sponsored project contracts and grants. The PI/director is responsible for the control and maintenance of the sponsored property. The PI/director may delegate property control functions to the persons related to the project such as the project staff, research coordinator, department property administrator, or administrative staff.

- For information related to procedures and policies for acquiring, controlling, shipping, moving, and disposing of sponsor-funded property, contact Northern's Finance Office.

2.9. Travel Policies. All travel on sponsored funds must comply with the College's travel policy. Contact the Office of Institutional Advancement or the Business Office for policy guidelines on travel procedures.

2.10. Charging of Holiday, Sick Leave or Vacation to Projects. Holiday, sick or vacation charges to sponsored projects are appropriate only when such vacation is earned within the respective project and as specified by College policy. Employees on fixed-term and fixed-funding appointments and continuing employees paid from fixed-funding sources may be required to use all accrued vacation before the end of the fixed-term appointment period or the expiration of the funding source.

2.11. Overdrafts. At the end of the project performance period, if unanticipated project expenses result in more charges to a sponsored account than were funded, the amount of the overdraft is accounted for in the same manner as cost sharing. These costs represent project costs being borne by Northern, and therefore, must be accounted for in the same manner as cost sharing. However, these costs cannot be considered cost sharing for purposes of fulfilling a cost commitment because overdrafts are considered unallowable under A-21.

2.12. No-Cost Time Extensions. If additional time is needed to complete a project and there is an unexpended balance in the award, PIs may request that the period of performance of an award be extended. In most cases, agency prior approval is required. Requests for extensions should be initiated by a PI/director and processed in accordance with the terms of the sponsored award. The PI/director is responsible for determining whether a countersignature from the Office of Institutional Advancement is required. Requests for a no-cost extension should be submitted no later than the end date of the

award (unless an earlier date is required by the agency.) Award closeouts cannot be delayed to accommodate pending requests submitted after the award end date.

If final technical reports are to be completed after the project end date, and funds from the project are available to pay these expenses, a no-cost extension should be obtained from the sponsor to cover the expense of producing and distributing those reports. If funds are not available from the project, then the PI, department or school must identify unrestricted funds to pay final report costs.

2.13. Records Retention For some projects, the retention period may be longer based on the following conditions:

- to protect any intellectual property resulting from the work;
- to ensure that charges of misconduct or conflict of interest regarding the research are fully resolved; and
- to ascertain that a student involved in the research graduates has graduated, or until it is clear that the student has abandoned the work.

Failure to retain required documentation will result in certain disallowance in the event of an audit. If litigation, a claim, or an audit occurs, documentation must be retained until all issues have been resolved regardless of the time period.

In accordance with record retention procedures, schools/college and/or principal investigators are responsible for retaining pertinent documentation on sponsored projects. Such documentation would include not only financial transactions and time and effort certification, but also statistical data, such as lab books, data tapes, graphs, case studies, field notes, original samples in unanalyzed form, and reports as well. Certain agreements require the transfer of certain records to a sponsor's custody; in that situation, the three- year retention period does not apply.

For all projects, the Office of Institutional Advancement is responsible for retaining the official contract files, including copies of the original award and any amendments, required sponsor approvals, consulting agreements, and subcontracts. The business office is responsible for retaining the official accounting records, including financial transaction reports and invoices.

It is important to note that federal record retention provisions allow the federal government access to records even after the required retention period has passed if such records are still maintained. It is, therefore, advisable to have a schedule for purging the financial records once the required retention period has passed. Careful consideration should be given to maintaining the scientific records. After the identified period of retention, the PI or department, if the PI is no longer at the College is responsible for destruction of the research material.

If PI/director is involved in the research project leaves the College, they are entitled to copies of the research data. However, original data must be retained at the College. Approval must be sought from the Office of Institutional Advancement if a request has been made by the PI for copies of research data. In addition, written

agreement from the PI's new institution must be provided guaranteeing custodial responsibilities for the data and allowing the College access to the data if necessary.

2.14. Project Closeout. The PI/director is responsible for overseeing the proper closeout of sponsored projects including the timely submission of all required reports. While the Office of Institutional Advancement prepare and submit final administrative reports, including financial and property reports, they do so on the basis of documentation created in the department. The PI/director must ensure that such documentation is adequate and readily available. In addition, PIs are responsible for ensuring that any necessary final financial adjustments and documentation (e.g., final invoices from vendors or subrecipients) are received promptly after the end of the award.

If an approval to close an award has not already been provided by the PI/director, the Office of Institutional Advancement will prepare and submit financial reports based on the information reflected in the financial system as of two weeks prior to the due date for the final report. In addition, some financial reports may require the PI's signature.

2.15. Audit of Sponsored Projects. Auditors are ensured full cooperation in arranging contacts with College employees. Auditors are expected to inform the College in advance of proposed audits and to arrange all contacts through the Office of Institutional Advancement. If any College employee is contacted by an auditor without prior notification from the Office of Institutional Advancement, the employee should notify the Office of Institutional Advancement.