

Principal Investigator Responsibility for Financial Management of Sponsored Programs



Purpose

This document outlines the responsibilities of the Principal Investigator and Co-Principal Investigators (PI) for managing and ensuring the financial integrity of their sponsored project. These guidelines pertain to all PIs and awards managed by The Research Foundation for SUNY (RF) at Binghamton University.

Background

The sponsored programs administrative offices at Binghamton University provide assistance to PIs with the management of their externally sponsored awards. Monitoring and compliance with sponsor and numerous other policies, guidelines and procedures can be complicated; however, the PI is ultimately responsible for ensuring that only reasonable, allowable and allocable costs are charged to their sponsored projects. This responsibility requires a basic understanding of, and compliance with, federal and state regulations, sponsor requirements, and applicable campus policies and procedures.

Policy

The PI is responsible for the management of a sponsored project. This includes being aware of and complying with all terms and conditions of the award, managing funds within the approved budget and applicable restrictions, reviewing expenditures on a regular (i.e., monthly) basis, initiating timely requests for approval of budget and program changes that may become necessary during the course of the project, and timely submission of technical reports and non-financial project deliverables.

Federal regulations establish four main guidelines, or cost principles, for determining whether costs are applicable to sponsored programs. All charges to awards must be:

- reasonable (price paid for goods/services reflect what a prudent person would pay)
- allocable (cost is directly associated with the award)
- consistently treated (costs incurred for the same purpose and in like circumstances are treated uniformly)
- allowable (costs are permitted within the regulations and terms of the award)

Funds availability, grant expiration date, or any other terms of convenience *do not* govern how, when, or which sponsored project is charged. It is the responsibility of the PI to ensure that all expenditures are charged to their sponsored projects in an appropriate and timely manner, in accordance with the principles listed above.

While PIs may delegate responsibility for day-to-day financial management of their sponsored projects to others, the PI must exercise appropriate oversight of the overall finances of the project, and communicate instructions to those performing the day-to-day financial administrative tasks, including how to allocate charges among various funding sources. Additionally, the PI must regularly (i.e., monthly) monitor the financial status of the sponsored programs to ensure that the charges conform to award terms and conditions and campus policies. If, during this monitoring, charges are identified that are unreasonable, unallocable, or unallowable, it is the PI's responsibility to take corrective action to transfer those costs to the appropriate project within 90 days of the expenditure.

The PI and the PI's department/school/college are responsible for over expenditures, any costs that are determined to be unallowable by the RF, internal or external auditors, or the sponsor, and all uncollected receivables resulting from sponsor non-payment.

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Sponsored programs administrative staff are always available to provide advice on monitoring sponsored awards, and to provide training on use of the reporting tools that are available for such monitoring (i.e., RF Report Center).

Any questions regarding this information should be directed to the sponsored programs administrative offices at x7-6752.
