



Policy Statement

To comply with OMB Circular A-21, A-110 and A-133 requirements, Principal Investigators (PI) of extramurally funded grants or contracts are required to review their grant and contract accounting units (5XXXXX series) on a **monthly basis**. The monthly review is designed to ensure that all expenditures are allocable, allowable and reasonable and to correct any errors or discrepancies in a timely manner.

The Principal Investigator is the primary person responsible for the fiscal management of his or her grant or contract. The PI may delegate some of the duties associated with the financial management of the accounting unit to a business manager, department administrator or grant administrator. However, delegation of tasks does not obviate the responsibility of the PI and the PI assumes full responsibility for all activity on the accounting unit.

To ensure the PI understands his or her role in the fiscal management of grants and contracts, the principal investigator will be required to sign a certification at the onset of the project once an accounting unit has been assigned. This certification will be included on the Signature Form and will be maintained by Sponsored Program Accounting. On a monthly basis, summary and detailed expenditure reports will be emailed to the PI and department contacts to perform a thorough review of the expenditures on each grant or contract.

Procedures

Upon the issuance of an accounting unit for a grant or contract, the Principal Investigator is required to complete the Signature Form. This form will include the following certification, whereby the PI acknowledges his or her fiscal management responsibilities:

As the Principal Investigator of this grant or contract, I acknowledge that I bear the prime responsibility for the fiscal management of this project. A monthly review of expenditures will be conducted to ensure accuracy and appropriateness of the charges on this accounting unit. Any costs assigned to this accounting unit are allowable, allocable and reasonable costs of the project. Any costs that do not meet these criteria will be removed from the sponsored program in a prompt and timely manner.

Expenditure reports, prepared and issued by Sponsored Program Accounting, serve as the official record of project expenses. On a monthly basis, Sponsored Program Accounting sends the following expenditure reports to the PIs and department administrators:

- **Grant Summary Report** – a summary of activity that provides a comparison of budget to actual expenditures, including pending commitments and the available balance as of month-end
- **Grant Non-Payroll Detail** – a list of all non-salary transactions charged to the grant or contract for the given month (i.e. supplies, travel, fringe benefits, indirect costs, etc.)
- **Grant Payroll Detail** – a list of all monthly salary expenses and year-to-date totals by employee



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Additionally, the department administrators receive the **AU Balances by Department Report**. This report provides a summary and available balance for all open grant and contract accounting units in a given department.

The review of the monthly reports should ensure the following:

- All costs assigned to an accounting unit are allowable, allocable and reasonable
- All costs charged to the grant or contract directly benefit the project
- Expenses incurred on the grant or contract are within the project period; exceptions may be made in the event that the sponsor authorizes pre-award costs
- No unallowable or unauthorized expenses were charged
- All budgeted personnel working on the project are being correctly charged to the grant or contract
- Salaries charged to the grant or contract represent only those of employees working on the program
- Spending levels are on target, i.e. funds are being allocated in such a way that all research objectives can be met
- Funds are expended in accordance with sponsor and University policies
- Immediate action is taken to resolve errors identified during the review process

It is expected that the PI or his or her delegate will review the fiscal status of his or her grant or contract(s) monthly and promptly correct expense transactions that are incorrectly recorded. Departmental personnel are responsible for preparing and submitting the cost transfer request with the knowledge and approval of the PI. Cost transfers should be submitted to Sponsored Program Accounting upon identifying the error and no later than 90 days after the expense has been incurred. Any cost transfer request in excess of 90 days from the date the expense was originally incurred will require the approval of the Assistant Controller and Director of Sponsored Project Accounting, and will only be allowed on a limited and exceptional basis.