SPONSORED RESEARCH AWARD EXPENDITURE GUIDELINE

Expenditures of sponsored research funds, whether from federal or non-federal sources, must comply with the Policy for the Management of University Funds. Federally funded projects are also subject to a number of other federal requirements such as the Office of Management and Budget (OMB) 2 CFR 200 Subpart E (formerly A-21), Cost Principles for Educational Institutions and to negotiated agreements between the University and the federal government. Charges to sponsored research agreements must be consistent with the cost principles set forth in OMB 2 CFR 200, Subpart E and the individual sponsor’s terms and conditions referenced in the Notice of Award, sent to PIs with each sponsored research award.

Principal Investigators (PIs) are responsible for the overall management (both financial and technical) of their sponsored research awards. As such, the PIs or their designees must review and authorize transactions either through manual or electronic authorizations. A designee, such as a lab manager or project manager, may be used in cases where projects require a large number of routine transactions, or where the project is large enough to support its own financial administrator. We recommend that the PI send ORA a letter authorizing a designee (if applicable) and further include a statement by the PI that the designee has specific knowledge of the research project and University and sponsor requirements.

The PI or designee is responsible for properly initiating, approving and documenting charges to assure that expenses are:

- Allocable to the award - provides a benefit to the project grant
- Allowable to the award - is a permissible expense under the sponsor’s guidelines or rules
- Reasonable – the amount is reasonable for the item or service
- Approved - by the PI

Documentation for sponsored research charges should include an adequate justification or explanation that shows how the cost supports the project. For example, the following illustrates possible documentation for the purchase of a computer using sponsored funds.

1. Professor X needs to purchase a new laptop computer with special capabilities for the purpose of collecting and entering data in the field for his/her research under sponsored research project grant Sxxxxxxxxxx. The computer will be dedicated 100% to this project, and is therefore allocable to this project.
2. The sponsor’s rule and policies as stated or referred to in the award documents allows the purchase of this computer because it was originally budgeted and will not be used as a general purpose item. Rather, the computer will be dedicated to data collection and analysis.
3. The purchase will be made through the University purchasing system, assuring the reasonableness of the price.
4. The PI verifies that s/he has provided the above and approves this purchase.

Each PI or designee is responsible for ensuring compliance with the sponsor’s and the University’s policies with respect to charges to sponsored research awards; for properly charging costs, and for retaining the appropriate documentation.

Note that cost sharing expenditures are subject to the same sponsor and University policies as the sponsored research funds, even though these funds are often provided through a separate project account.
Financial reporting of sponsored research expenditures as required by the sponsor will be administered and completed by the Grant Accounting office in Office of Research Administration. The reports will be tracked using the milestone functionality in PS and reports will be completed by Grant Accountants in coordination with PI’s and financial administrators. Completed milestone reports will be reviewed on a monthly basis and sign off in accordance with this guide.

Roles and Responsibilities for Charging and Documenting Expenses

<table>
<thead>
<tr>
<th>Charges to Sponsored Research Accounts</th>
<th>Financial Administrator</th>
<th>Principal Investigator</th>
<th>ORA or Other Central Office Approval</th>
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</thead>
<tbody>
<tr>
<td>Initiates and approves requests. Ensures personnel, travel, materials and other items are necessary to carry out the project</td>
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<td>X</td>
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<td>Determines whether the cost can be appropriately charged to the sponsored research award under sponsor and University guidelines</td>
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<td>Prepares and approves proper forms and documentation for the expense</td>
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<tr>
<td>Guides expense request through proper University channels</td>
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<td></td>
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<td>ORA or Other Central Office Approval</td>
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