

Policy Name: Principal Investigator Responsibilities for Financial Oversight of Grants and Contracts
Policy Number: F/UNTHSC/RES/OGCM-016
Scope: All Researchers
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Effective: 8/17/01

I. PURPOSE

To communicate to investigators their stewardship responsibilities for fiscal management of grants and contracts awarded to the UNTHSC.

II. POLICY

Principal investigators are required to exercise oversight of the financial transactions and financial status of each grant and contract sufficient to ensure that charges are reasonable and necessary, allowable under the terms and conditions of the award, properly allocated to and among multiple awards and funding sources, and limited to the funds awarded for the project.

III. PROCEDURES

As a recipient of grant and contract awards from both Federal and other sponsors, the UNTHSC is required to comply with numerous rules and regulations promulgated by those sponsors. Among those agencies are the Federal Office of Management and Budget, which sets forth broad policies governing federal grant and contract financial administration, as well as numerous individual agencies which award grants and contracts such as the Public Health Services (PHS) and the National Science Foundation (NSF), with their own agency-specific regulations for administering grants and contracts.

Common to the regulations of all agencies is the fundamental requirement that a particular grant or contract may only be charged for costs related to that project. Fund availability or grant expiration may not govern which grant or contract is charged. If an investigator's activities are entirely funded by a single grant or contract, there are no cost allocation issues. It is often the case, however, that an investigator's research laboratory is funded by multiple sources. Accordingly, it is necessary to ensure that expenditures, whether they be related to personnel, equipment, travel, supplies or other categories, are properly allocated to the various grants and contracts.

The UNTHSC recognizes the importance of minimizing the administrative burden on the faculty, and encourages the use of departmental administrative and clerical personnel in carrying out routine administrative activities related to grant and contract management, such as transaction processing, ordering supplies, and processing salary distribution requests and vendor invoices. At the same time, however, the nature of sponsored project support is such that grant and contract administration cannot be performed without guidance and oversight by the investigator, particularly when the project is supported by multiple sources. The principal investigator best understands the scope of the project, the effort committed to it by faculty and staff, and the relationship of that project to other projects with which resources may be shared.

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Accordingly, although the principal investigator may delegate responsibility for day to day financial management of a grant or contract to others within the unit, the investigator must exercise appropriate oversight of the overall finances of the project. This is necessary in order to ensure that charges to each grant and contract are:

- A. As they relate to personnel costs, consistent with the effort expended by those working on the grant or contract,
- B. As they relate to costs other than personnel, are appropriately charged and allocated to the grant or contract,
- C. Limited to the funds awarded for the project, and
- D. In compliance with Federal and UNTHSC policies and procedures.

Carrying out these responsibilities requires that the principal investigator clearly communicate instructions to those performing the day to day financial administration tasks on how to allocate charges among various funding sources. Additionally, the investigator must regularly monitor the financial status of the grants and contracts to ensure that the charges conform to the above requirements.