FINANCIAL RESPONSIBILITY FOR SPONSORED PROJECTS

Summary
The Principal Investigator is responsible for the financial management of a sponsored project. The College or School to which credit is assigned for a sponsored project is responsible, in proportion to credit assigned to it, for all costs charged to that sponsored project.

Policy

POLICY STATEMENT
The Principal Investigator (PI) is responsible for the financial 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, initiating timely requests for 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.

The College or School to which credit is assigned for a sponsored project is responsible, in proportion to credit assigned to it, for all costs charged to that sponsored project. Costs charged to a sponsored project that Sponsored Projects Services (SPS) determines will not be recovered from the sponsor will be transferred pro rata to credited entities. Any of the following circumstances may result in an unrecoverable cost:

a.) costs that are unreasonable, unallocable, or unallowable under the sponsor’s award terms and conditions
b.) expenditures in excess of the awarded amount
c.) non-payment resulting from project non-performance
d.) dispute between the PI and sponsor
e.) delinquency of payment by the sponsor due to financial distress, bankruptcy, or other causes not related to the performance of the project.

In the event that a college or school does not move an unrecoverable cost from a sponsored project in a timely manner, SPS will move the cost to the college or school indirect cost recovery allocation.

BACKGROUND
This policy assigns responsibility to the PI for ensuring that only reasonable, allocable, and allowable costs are charged to sponsored projects. It also requires the timely removal of unreasonable, unallocable, unallowable, and uncollectible costs from sponsored projects.

APPLICABILITY
This policy applies to the financial management of all sponsored projects.
DEFINITIONS

Credited Entities
Credited entities are the units, colleges, or schools to which a sponsored project is assigned. A sponsored project may be assigned to multiple units.

Principal Investigator
A Principal Investigator (PI) is a University at Buffalo (UB) faculty or staff member who bears responsibility for the intellectual leadership of a project. The PI accepts overall responsibility for directing the research, financial oversight, and compliance with relevant university policies and sponsor terms and conditions.

Sponsored Project
A Sponsored Project is any externally funded research, training, evaluative testing, or public service project directed by UB faculty or staff as part of their university work that requires the university to perform a specified program or deliver a specified product.

RESPONSIBILITY

Who should know this Policy
- President
- Provost
- Vice President for Research
- Deans and Associate Deans
- Department Chairs
- Chief Financial Officers (CFOs)
- Principal Investigators
- Sponsored Projects Services staff

Principal Investigator
- Know which sponsored project costs are reasonable, allocable and allowable
- Know whether funds are available when financial transactions are initiated
- Know which budget changes require prior approval and submit timely requests for prior approval to SPS
- Review account statement for accuracy at least monthly and request any corrections within 30 days of account review, but no later than 30 days after the expiration of the account
- Advise department chair, dean of college or school, and SPS of any information indicating that the sponsor may be unable or unwilling to make payments

Dean of College or School
- Inform SPS of any information concerning potential delinquent payment or non-payment
- Identify non-sponsored funds to cover unrecoverable sponsored project costs
- Work with SPS to move unrecoverable costs to non-sponsored accounts within 10 days of receiving notice from SPS
Sponsored Projects Services

• In the event that a college or school does not move an unrecoverable cost in a timely manner, SPS will move the cost to the college’s or school’s indirect cost recovery allocation account
• Negotiate awards to minimize the risk of non-payment or delinquent payment by sponsors
• Provide guidance to PIs, deans, CFOs, and others as appropriate regarding transactions that would result in an unrecoverable direct cost charge to a sponsored project
• Notify cognizant deans of unrecoverable sponsored program costs
• Diligently pursue delinquent payments, including negotiation of late payment schedules and collection law suits

Contact Information

Sponsored Projects Services
402 Crofts Hall
North Campus
Amherst, NY 14260

Phone: (716) 645-2634
Fax: (716) 645-2760
Website: www.research.buffalo.edu
E-mail: info@research.buffalo.edu

Related Information

Other Documents:
OMB Circular A-21 “Cost Principles for Educational Institutions”
OMB Circular A-110 “Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations”

Related Links:
UB Policy Library

Presidential Approval

Signed by President John B. Simpson 2/19/07

John  B. Simpson, President  Date