

6.1 Post-award Project Management

Administering an award consists of the necessary actions for managing a grant award, from the initial authority to expend grant moneys through the fiscal close-out and final report of an expired grant. The post-award management of any grant is the responsibility of the Principal Investigator (PI) and the Business Office. The post-award section of this manual contains information on the process of post-award management.

In the preparation of this material, the general requirements of federal grants have been considered. However, it is important to understand that there has been no attempt to cover the specific regulations of all federal and non-federal agencies and their various programs. Principal Investigators are responsible for strict adherence to the regulations governing their awards, so it is imperative that they have complete knowledge of those regulations and the university's regulations concerning expenditures of grant awards.

Acceptance of Funds

The president of the university will formally accept all sponsored project funds. Normally, award notices from federal agencies are directed to the president, with a copy to the PI. No one except the president or his designee, the Vice President and Dean of Faculty is authorized to accept any funds or sign any contract.

Establishing an Account

When the grant award notification is received, PI's should examine their copy of the document for possible administrative errors or omissions. Grants are usually one-signature awards and as such do not require an institutional signature for establishment of an account. The Vice President for Business and Finance will arrange with the PI for a formal request for the money, following the procedures of the grantor. Upon receipt of the award or the initial payment by the sponsoring agency, an account number is assigned. The PI must be informed of this account number before committing any of the funds. No one receiving grant funds is permitted to establish separate bank accounts or is, in any way, allowed to execute financial transactions separate from university procedures.

Managing and Documenting Expenditures

The PI should consult with the Business Office throughout the project concerning expenditures. The Business Office can advise on the sponsor's and the university's regulations on appropriate expenditures.

All grant and contract expenditures are subject to purchasing, budgeting, personnel and other university policies and procedures. They must be approved by the department head. See the *Fiscal and Plant Operations Manual* page FIN-03 for more information. (A copy of the manual is available in each departmental office.) Only payment requests for approved budget items will be processed.

Regardless of the funding source of any grant, all expenditures must comply not only with the guidelines of the sponsor but also with existing university, Board of Regents, and state policies. Any anticipated variances with the policy must be discussed with the Vice President for Business and Finance and formally approved.

Grant and Contract Record Retention Requirements

Grant and contract records are required to be kept for specific periods after completion of the project. There are different record retention requirements for different types of agreements.

For Federal grants and cooperative agreements, you should refer to Office of Management and Budget (OMB) Circular A-110, part __.53. In most cases, a three-year retention requirement from the date of submission of your final expenditure report is required. There are, however, exceptions for other types of records or litigation. Please

note that the United States Department of Education has a statutory five year retention period. For contracts, the provisions of the Federal Acquisitions Regulations (FAR) apply with varying times; six years is a good choice.

Agreements with non-federal sponsors (state, foundations, etc.) may have record retention requirements which are different again.

Keeping grant and contract records for seven years from the date of project termination would seem to cover most requirements. Remember, retention should be in accordance with project not budget period.

OMB rules that record retention requirements also apply to technical data.

Responsibilities of the PI

Acceptance of a sponsored program fund by the university commits the university and the PI to conduct the program in a professional manner and in accordance with the policies of the funding agency. It is the responsibility of each PI to insure that the research effort or program is commensurate with the expectations of the grantor and with the highest ideals of professional inquiry. Although the PI is responsible to the funding agency for conducting a particular project, the normal supervisory relationship between the university and the PI is not altered. The ultimate accountability for any sponsored project rests with the university.

The PI should remember that the support of the various administrative units of the university is available during the conduct of the sponsored activity. Explanations of procedures and support are available from the Human Resources department concerning the hiring of new personnel, and from the Vice President for Business and Finance concerning appropriate expenditures of all types -- from equipment purchases to required telephone service.

Throughout the entire implementation of the project, the Principal Investigator should document all activities to ensure proper reporting of all activities and expenditures as required by the sponsor.

Helpful suggestions for the PI

- Make an appointment with the Director of Finance in the Business Office as soon as you receive the award notification. Be sure to go over the procedures necessary to manage your grant correctly. Do not assume the Business Office personnel know the details of your grant. Give them a copy of your approved budget and explain any unusual circumstances.
- Do not incur obligations under new or renewed projects until authority to expend has been received and an appropriate account number has been assigned.
- Read the award guidelines and budget carefully to insure proper management of the award.
- Do not purchase equipment during the last three months of a federal grant. The auditor may disallow the cost of the equipment purchased near the end of a grant.
- Under ordinary circumstances, PI's should not order supplies during the last month of a grant.
- Verify all charges on the grant with the Business Office before such financial commitments are made. Common budget items and recurring expenses, such as salaries, may be verified when the account is established.
- Process all budgetary adjustments through the Business Office to avoid audit disallowances.
- Each month monitor the grant expenses and encumbrances as a check on the remaining funds.

- Do not make expenditures on a terminated grant account while awaiting assignment of a new account number for a renewal grant.
- Do not incur obligations if you have any doubts as to whether they will be allowed. Always check with the agency contact for your award and with the Business Office.
- Make a point to submit required periodic and final reports on time.
- Remember that the Business Office has fiscal responsibility to insure that your award is administered in accordance with the regulations of the funding agency and the university.
- All grant-funded faculty salary items should follow the normal process with approval by the department head, designating the charging of the correct salary amount to the grant account, and forwarding to the Vice President for Academic Affairs for payment processing. Be aware of required salary fringe benefits that apply to faculty salaries.
- Any funds expensed in excess of individual budgeted items or the total grant award will be charged to the PI's home department.