

**AUSTIN PEAY STATE UNIVERSITY  
POLICIES AND PROCEDURES MANUAL**

Policy Number: 7:004	Supersedes Policy Number: 99:008
Date: April 26, 2006	Dated: February 10, 1999
Subject: Grants Management	Mandatory Review Date: April 26, 2011
Initiating Authority: Director, Office of Grants and Sponsored Research	TBR Policy/Guideline Reference:
Approved:  President: signature on file	

1. Creation of Restricted and Matching Funds Accounts

- a. Once an award is accepted by APSU, the Office of Grants and Sponsored Research will authorize the Business Office to establish the necessary restricted-funds account(s), from which all transactions will occur.
- b. If the agreement requires cost-sharing or matching funds, the Office of Grants and Sponsored Research will authorize the Business Office to establish the necessary unrestricted-funds account(s) and initiate budget transfer(s) to move required funds in the account(s).
  1. All cash cost-sharing or matching funds will be placed in project-specific unrestricted accounts unless otherwise approved by the Office of Grants and Sponsored Research and the Business Office.
  2. If cost-sharing or matching obligations are to be met through third-party contributions or in-kind contributions, the Office of Grants and Sponsored Research, in consultation with the Business Office and the Principal Investigator, will develop a written plan for documentation.
- c. The principal investigator must provide the following information to the Business Office through the Office of Grants and Sponsored Research prior to assignment of an account number:
  1. A list of due dates for all billings on the award/contract.
  2. A billing address for the award/contract.
  3. The name, address and telephone number of a contact person for inquiries pertaining to fiscal matters on the award/contract.

4. The date for final billing and special closeout requirements, if any.
5. Identification of the source of funds (e.g., private, state, federal).
6. The CFDA number for any federal funds awarded.

The Business Office will assign appropriate account number(s) and make the necessary budget entries into the institutional accounting system. The principal investigator may spend from the account(s) upon notification of the assigned number(s) by the Office of Grants and Sponsored Research.

## 2. Authority and Responsibilities of the Principal Investigator

- a. The person designated on the award document(s) as principal investigator is responsible to the University for completion of the funded project and compliance with the terms and conditions of the award.
- b. The principal investigator shall be responsible for budgetary control and fiscal management of the award, subject to compliance with this policy, and all other University and TBR policies, procedures and guidelines governing sponsored agreements, as well as the terms and conditions of the award.
  1. No expenditures can be made from the projects restricted or unrestricted funds unless approved by the principal investigator, and the principle investigator is responsible for ensuring that all expenditures are funded and that they are in compliance with requirements set forth by the sponsor.
  2. The principal investigator will maintain adequate fiscal and budgetary records to satisfy the sponsor's policies and requirements and the terms and conditions of the award agreement.
    - a. The Office of Grants and Sponsored Research and the Business Office have the authority to conduct or request periodic review of project fiscal records and to require corrective actions as needed to ensure compliance.
- c. The principal investigator is responsible for recruiting and hiring personnel for positions designated in the awarded contract.
  1. The principal investigator is responsible for insuring that all positions are filled and those hired are paid in accordance with University policies and procedures, including affirmative action and the provisions of the contract with the sponsor.
  2. The principal investigator will supervise project personnel according to criteria established by the contract, grant, or cooperative agreement.

- d. The designated principal investigator shall have full programmatic control of the project, subject to the terms and conditions of the award agreement. The principal investigator will maintain complete, orderly records documenting project performance in compliance with the terms and conditions of the award agreement.

- 1. The Office of Grants and Sponsored Research is authorized to conduct or request periodic review of project programmatic and performance records and to require corrective actions as needed to ensure compliance.

- e. The principal investigator is responsible for timely preparation and submission of all performance or programmatic reports required by sponsor policy or the terms and conditions of the award agreement. All performance and/or programmatic reports will be forwarded to the sponsor by the principal investigator, who will provide a proof of mailing and a copy of the report to the Office of Grants and Sponsored Research.

Reports requiring signature(s) by APSU's president or vice president(s) will be routed through the Office of Grants and Sponsored Research for signing.

- f. Closeout and Audit

- 1. The principal investigator is responsible for proper project closeout at the end of an award period. This includes reconciliation of financial, equipment and programmatic records, completion of all necessary reports to sponsor and any other obligations incurred as a result of the award.
  - 2. The principal investigator, in cooperation with the Business Office, will make project financial and programmatic records available for internal and state audit, as required.
  - 3. In the event of a sponsor site visit or audit of a project, the principal investigator will notify the Office of Grants and Sponsored Research immediately upon learning the site visit/audit will occur. The Office of Grants and Sponsored Research and the vice president for finance and administration (or his/her designee) will coordinate the site visit or audit and will make all necessary notification pertaining to the audit.

- g. Because awards are made to the University, and the University incurs liabilities as a consequence of accepting awards, the University reserves the right to terminate an agreement or to replace a principal investigator in the event of mismanagement or malfeasance.

### 3. Pre-award Spending

- a. Any expenditure or commitment of project funds in advance of the existence of an agreement between APSU and the sponsor shall be considered pre-award spending.

- b. Pre-award spending will be permitted only in documented, exceptional circumstances, and must be requested in writing by the principal investigator.
- c. Pre-award spending requires approvals of the Office of Grants and Sponsored Research and of the supervisor of the University unit guaranteeing the funds. All requests for approval of pre-award spending must identify an APSU account to which expenditures will be charged in the event an agreement is not achieved.

#### 4. Project Monitoring

- a. Expenditures Approval. The principal investigator shall prepare and submit all expenditure documents (purchase requisitions, faculty supplemental pay, orders on the business manager, travel authorizations and travel claims, etc.) in accordance with Austin Peay State University Purchasing [Policy 4:015](#).

Purchasing and Business Office personnel will return all documents that arrive without appropriate approvals to the Office of Grants and Sponsored Research.

#### 5. Project Accounting Statements

- a. The Business Office will forward monthly account statements for each sponsored project to the Office of Grants and Sponsored Research.
- b. The Office of Grants and Sponsored Research will review the statements for conformity to the approved budget and then forward the statements to the project director/principal investigator.
- c. The principal investigator will review the statements for conformity to the project financial records.

- 1. If discrepancies are discovered, the principal investigator will return a statement (on the form provided) to the Office of Grants and Sponsored Research, indicating he/she has reviewed and approves the statement as presented, and has identified a discrepancy. This will be forwarded to the Business Office for review and, if appropriate, revision.

#### 6. Budget Revisions and Modifications

All requests for budget revisions must be reviewed by the Office of Grants and Sponsored Research to determine whether sponsor prior approval is needed.

- a. If sponsor prior approval is needed for a budget revision, the request for such approval will be forwarded through the Office of Grants and Sponsored Research.

- b. If sponsor prior approval is unnecessary, the Office of Grants and Sponsored Research will add a statement to that effect to the budget revision request and forward the document to the Business Office.

#### 7. Financial Reports and Sponsor Billings

All financial reports and invoices or billings for sponsored agreements will be prepared by the Business Office in consultation with the principal investigator.