

**Austin Peay State
University**

Grants Management: Budgeting, Spending, & Responsibilities

POLICIES

Issued: March 8, 2017

Responsible Official: Provost and Senior Vice President for Academic Affairs

Responsible Office: Office of Research and Sponsored Programs

Policy Statement

University employees who are grant-recipients must adhere to the guidelines herein in fulfillment of their employment at the University. Failures to comply with this policy may have significant ramifications on the University and the grant-recipient(s) in terms of employment status, future funding, and State and Federal laws.

Purpose

Grants are awarded to the University and not to individuals. Since grants tend to have specific objectives linked to funding that are legally-binding, it is in the interests of the University to ensure good stewardship of all grants awarded to the University. Therefore, this policy provides a framework of checks and balances to help grant-recipients best use external funding to meet the goals of the grant.

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Procedures

Creation of Restricted and Matching Funds Accounts

- a. Once an award is accepted by APSU, the Office of Research and Sponsored Programs (ORSP) will authorize Accounting Services to establish the necessary restricted-funds account(s), from which all transactions will occur.
- b. If the award requires cost-sharing or matching funds, ORSP will authorize Accounting Services 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 ORSP and Accounting Services.
 2. If cost-sharing or matching obligations are to be met through third-party contributions or in-kind contributions, ORSP, in consultation with Accounting Services and the grant-recipient(s), will develop a written plan for documentation.

Accounting Services will assign appropriate account number(s) and make the necessary budget entries into the institutional accounting system. The grant-recipient(s) may spend from the account(s) upon notification of the assigned number(s) by the Grants Accountant.

Authority and Responsibilities of the Grant-recipient(s)

- a. The person(s) designated on the award document(s) as grant-recipient(s) is responsible to the University for completion of the funded project and compliance with the terms and conditions of the award.
- b. The grant-recipient(s) shall be responsible for budgetary control and fiscal management of the award, subject to compliance with this policy, and all other University 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 project's restricted fund unless approved by the grant-recipient(s), the Director of ORSP, and the Grants Accountant. Expenses from unrestricted funds must be approved by the grant-recipient(s). The grant-recipient(s) is responsible for ensuring that all expenditures are funded and that such expenditures are in compliance with requirements set forth by the sponsor(s).

2. The grant-recipient(s) 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. ORSP and Accounting Services 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 grant-recipient(s) is responsible for recruiting and hiring personnel for positions designated in the awarded contract and in consultation with the Office of Human Resources, when necessary.
 1. The grant-recipient(s) is responsible for ensuring that all positions are filled and those hired are paid in accordance with all relevant local, state, federal, and University policies and procedures, including affirmative action and the provisions of the contract with the sponsor.
 2. The grant-recipient(s) will supervise project personnel according to criteria established by the contract, grant, or cooperative agreement.
- d. The designated grant-recipient(s) shall have full programmatic control of the project, subject to the terms and conditions of the award agreement. The grant-recipient(s) will maintain complete, orderly records documenting project performance in compliance with the terms and conditions of the award agreement.
 1. ORSP 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 grant-recipient(s) 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 grant-

recipient(s), who will provide a proof of mailing and a copy of the report to ORSP.

Reports requiring signature(s) by APSU's president, vice president(s) or designee(s), will be routed through ORSP for signing.

f. Closeout and Audit

1. The grant-recipient(s) is responsible for proper project closeout at the end of an award period. Accounting Services will assist with the final financial report(s) and any necessary billing to be reviewed by the grant-recipient(s). 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 grant-recipient(s), in cooperation with Accounting Services and ORSP, will make project financial and programmatic records available for internal, state, and/or federal audit, as required.
3. In the event of a sponsor site visit or audit of a project, the grant-recipient(s) will notify ORSP immediately upon learning the site visit/audit will occur. ORSP and the Vice President for Finance and Administration (or his/her designee) will coordinate the site visit or audit and will make all necessary notifications 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 grant-recipient(s) in the event of mismanagement or malfeasance.

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 grant-recipient(s).

Pre-award spending in a federal grant must be supported by documentation by the funding agency which authorizes expenses prior to the approved grant cycle or prior to receiving a fully executed copy of the grant award notification.

- c. Pre-award spending requires approvals of the grant-recipient(s) supervisors, the Director of ORSP and the Provost or designee. 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. The Department Chair or supervisor(s) must approve and accept responsibility for unallowable costs.

Project Monitoring

- a. Expenditures Approval. The grant-recipient(s) 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 4:014.

Procurement and Contract Services and Accounting Services personnel will return all documents that arrive without appropriate approvals to ORSP.

Project Accounting Statements

- a. Training will be provided for grant-recipient(s) and their staff to ensure that they have the knowledge and skills to access and print account statements for each sponsored project.
- b. The grant-recipient(s) will review all statements for conformity to the project financial records.
 - 1. If budget discrepancies are discovered, the grant-recipient(s) is to contact ORSP for direction.

Budget Revisions and Modifications

All requests for budget revisions must be reviewed by ORSP 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 ORSP.

Financial Reports and Sponsor Billings

All financial reports and invoices or billings for sponsored agreements will be prepared by Accounting Services in consultation with the grant-recipient(s). The grant-recipient(s) is responsible for reviewing and approving these documents.

Revision Dates

APSU Policy 2:058 (previously 7:004) – Rev.: March 8, 2017
APSU Policy 2:058 – Rev.: May 8, 2014
APSU Policy 2:058 – Issued: August 5, 2011

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Student Affairs
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Approved

President: signature on file

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