
2106 FINANCIAL RESPONSIBILITY

Effective: December 1986

Reviewed: May 2017

Revised: April 2016

Responsible Office: Research Services

Approval: Research Services

PURPOSE:

To establish responsibility for the financial administration of sponsored projects.

POLICY:

1. Agreements for sponsored projects are entered into in the name of The Trustees of the University of Pennsylvania by the Office of Research Services, the Office of Clinical Research, and the Penn Center for Innovation.
2. The principal investigator is directly responsible for the management and administration of the sponsored project within the administrative constraints imposed by the sponsor and in accordance with University policy. In this capacity, the principal investigator authorizes all direct cost expenditures of project funds and is responsible for reviewing and approving all project related expenditures and cost transfers.
3. Changes to project budgets or expenditures which require institutional or sponsor prior approval, must be reviewed and approved by Research Services.
4. The Responsible Business Offices within the School or Center will generate and provide monthly statements of project expenditures to the responsible principal investigator. It is the responsibility of the principal investigator and his/her business administrator to review each monthly statement for accuracy and completeness and to initiate corrections, when appropriate, no later than 90 days from month end.
5. Expenditure corrections including changes to payroll distribution done after the time of effort certification is subject to the 90 day limitation and must be approved by the senior financial officer of the department or by the next higher level as appropriate and by ORS.
6. The principal investigator and/or department business administrator, in consultation with his/her department chairperson and dean/resource center director, shall advise Research Services and the Comptroller as to the desired disposition of a deficit or disallowance in a sponsored project account. In no case shall the disposition be to another grant, contract or similarly restricted account. In the absence of such advice, the revenue representing the direct costs of the over- expenditure or disallowance will be transferred from an appropriate unrestricted account of the cognizant responsibility center to the fund account to cover the deficit or disallowance.

ROLES AND RESPONSIBILITIES:

PRINCIPAL INVESTIGATOR

- Authorizes all direct cost expenditures on sponsored projects
- Reviews and approves all cost transfers
- Reviews financial statements with Business Administrator
- Advise ORS of disposition of any deficit on a sponsored project
- Ensures technical and progress reports are submitted on time

BUSINESS ADMINISTRATOR

- Generates and provides monthly financial statements to the responsible PI
- Reviews financial statements with Principal Investigator monthly
- Performs correcting entries no later than 90 days from original month end of original transaction date
- Maintains approvals and documentation supporting expenditures for each sponsored project
- Routes requests for sponsor mandated approvals to ORS for review and approval
- Provides documentation, as necessary to ORS regarding sponsor approvals, etc.
- Communicates with ORS regarding reporting and closeout issues

OFFICE OF RESEARCH SERVICES

- Performs desk review of expenditures for allowability, allocability and compliance with sponsor terms upon invoicing and reporting on sponsored projects
- Communicates with Business Administrator regarding invoicing & reporting issues
- Provides guidance, as necessary, regarding allowability and compliance
- Communicates with Sponsors regarding issues concerning rate of expenditure and justification of carryover
- Reviews and approves sponsor mandated requests for approvals
- Monitors deficits and disallowances on sponsored projects
- Performs charge back entries as necessary
- Prepares invoices for sponsored projects
- Prepares financial status reports for all sponsored projects (except clinical trials)
- Approves cost transfers greater than 90 days after the month end of original transaction date
- Monitors sponsored projects receivables, payments and collections

The source of this document is Research Services.