

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

Policy Number: 7:004	Supersedes Policy Number: 7:004
Date: August 5, 2011	Dated: April 26, 2006
Subject: Grants Management	Mandatory Review Date: August 5, 2016
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 Accounting Services 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 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 the Office of Grants and Sponsored Research and Accounting Services.
 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 Accounting Services and the Principal Investigator, will develop a written plan for documentation.
- c. The principal investigator must provide the following information to Accounting Services through the Office of Grants and Sponsored Research prior to assignment of an account number:
 1. A list of due dates for all billings and reporting requirements 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.

Accounting Services 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 Grants Accountant.

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 project's restricted fund unless approved by the principal investigator, the Director of Grants & Sponsored Research, and the Grants Accountant. Expenses from unrestricted funds must be approved by the principal investigator. The principal investigator 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 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 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 principal investigator is responsible for recruiting and hiring personnel for positions designated in the awarded contract.
 1. The principal investigator 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 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. Accounting Services will assist with the final financial report(s) and any necessary billing to be reviewed by the principal investigator. 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 Accounting Services, 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 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.

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 Office of Grants and Sponsored Research, the Grants Accountant, and 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. The Department Chair must approve and accept responsibility for unallowable costs.

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. <http://www.apsu.edu/policy/pdf/4015.pdf>

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

5. Project Accounting Statements

- a. Training will be provided for principal investigators and their staff to ensure that they have the knowledge and skills to access and print account statements for each sponsored project.
- b. The principal investigator will review all statements for conformity to the project financial records.

1. If budget discrepancies are discovered, the principal investigator is to contact the Grants Accountant for direction.

6. Budget Revisions and Modifications

All requests for budget revisions must be reviewed by the Office of Grants and Sponsored Research, the Grants Accountant, and the Budget Director 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.

7. 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 principal investigator. The principal investigator is responsible for reviewing and ultimately approving these documents.