

Financial Management Responsibilities of the Principal Investigator

The **Principal Investigator** (sometimes known as the *Project Director* or *Responsible Person*) has primary responsibility for carrying out the project according to the rules and policies of the funding agency and of Auburn University.

Because of the personal responsibility involved, it is wise for the Principal Investigator to become generally familiar with all the financial policies and procedures for managing contracts and grants.

Section 1 - Getting Started on the Project

1. Follow the awarding agency's requirements, including rules on budgets and expenditures.
2. If there is an Auburn University cost sharing FOP, make sure that appropriate costs are charged to it. See the section on cost sharing for more information.
3. Ensure that salary distribution information is given to the proper administrative personnel at the appropriate time for any employees or students who are to be paid from the contract/grant or cost sharing FOPs.
4. Process forms for non-work stipends. See elsewhere for instructions for handling non-work stipends.
5. Follow guidelines in the Faculty Handbook for processing supplementary compensation for University faculty and staff.
6. Process consultant fees and honoraria for all non-Auburn University employees according to Travel and Spending Policies located on the Finance tab of AUAccess.
7. If Program Income will be received in connection with the sponsored project, see the Policies and Procedures on Program Income.

Section 2 - During the Project

1. Schedule expenditures to match the time frame of the program.
2. Ensure that funds are available for labor, travel and other items which do not require purchase orders.
3. Pay all bills promptly.
4. Check monthly financial reports available in e-print and report any errors to Contracts and Grants Accounting before month end. If you have questions about these statements, please call the Contracts and Grants Accounting office (844-4847).

5. Any checks received by the research department should be sent to the Contracts and Grants Accounting office, along with a note that says which Auburn University FOP should receive the deposit.

7. If there are changes in personnel during the project, be sure to notify the proper administrative personnel in the research department and/or the Office of Sponsored Programs.

Section 3 - Finishing Up the Project

1. Make sure that all purchase orders are paid before the deadline for the University's final billing and financial reporting. Deadlines for paying purchase orders are normally from 20 - 60 days from expiration of the contract or grant.

2. Before the end of the program, advise the proper administrative personnel to end all salary payments from the contract or grant FOP on or before the expiration date.

3. Inform Contracts and Grants Accounting when all project costs have been processed so that a final invoice or financial report can be submitted.

4. If a Fixed-Price Contract is being completed, see the section on Fixed-Price Contracts.

Financial Management Responsibilities of the Dean, Director, or Department Head

Because of the personal responsibility involved, it is wise for Deans, Directors, and Department Heads to become generally familiar with the financial policies and procedures for managing contracts and grants.

1. Approve proposals and agreements for sponsored projects before they are submitted to the appropriate Vice President.

2. Make sure that cost sharing commitments are clearly defined in the written agreement and that authorized University contributions are made available to the Project Director.

3. Ensure that the program is carried out through an authorized unit of the University.

4. Ensure that the budget for the program is adequate for the work required.

5. Designate a contact person within the unit to handle the Contract and Grants Accounting office's inquiries.

6. Review and approve the following documents: Purchase Orders, Vouchers, DEC forms, etc.

7. If the notice of new FOPs by E-mail indicates that **DUPLICATE VOUCHERS** are required, send Contracts and Grants Accounting copies of any paperwork that records the expenditure of funds from the FOP. This includes records such as vendor vouchers, travel vouchers, internal

transaction vouchers (along with copies of bills and receipts) and direct charge forms. Do not send duplicate copies of DEC forms.

Note: Payroll reports and University Bookstore invoices will be obtained directly from those units by Contracts and Grants Accounting.

8. Ensure that the principal investigator or other designated personnel are monitoring the project so that expenditures are charged to the correct FOPs and that salaries and wages are promptly allocated when employees start or stop working on a contract or grant.
9. Ensure that University policies and procedures are followed for all Fixed-Price Contracts.
10. Ensure that University policies and procedures are followed for all Program Income.
11. Generally oversee and control expenditures for extramural programs.
12. Provide funds to cover any expenses charged to contract/grant FOPs that are not paid by the awarding agency/sponsor.

Financial Management Responsibilities of Contracts and Grants Accounting (Business Office)

Section 1 - FOP Creation and Maintenance

1. Review budgets and other financial information in proposals and in pending agreements as requested by the Vice President for Research, the Office of Sponsored Programs.
2. Create or modify contract or grant FOPs and cost sharing FOPs as authorized by the Vice President for Research and in accordance with regulations, policies, and procedures.
3. Provide new FOP number notification through E-mail to deans, departments, and the Office of Sponsored Programs. Deans and departments are to provide names and E-mail addresses to Contracts and Grants Accounting for receipt of the new FOP numbers. Information other than the new FOP numbers is available on the computerized accounting files.
4. Coordinate financial closing of expired contract/grant FOPs. Delete closed FOPs from the accounting files, and inactivate fund records in the financial system.

Section 2 - Indirect Costs

Maintain tables in the accounting computer files for mechanical indirect cost charges.

Section 3 - Billing, Financial Reporting and Other Services During a Project

1. Following the terms of the agreement, submit invoices and financial reports to the awarding agency. Obtain any necessary information from the project director that may be required to complete these reports.
2. Receive and process checks from granting agencies. Process direct deposits to bank.
3. Distribute Personnel Activity Reports (PAR) via E-print. Review and maintain records for compliance with the effort reporting requirements of OMB Circular A-21.
4. Review and approve Department Error Correction forms (DEC). Return form to department with notes if there are problems.
5. Review and approve Salary/Wage Transfer requests. Return form to department with notes if there are problems.
6. Consult with University personnel involved in extramural programs on the financial management of contracts and grants.

Section 4 - Audits

The Contracts and Grants Accounting Office will serve as liaison between the University and all auditors for post-award financial audits.

Note: *Refer all auditors of contract/grant accounts to the Director of Contracts and Grants Accounting before beginning a financial audit.*

Payments of Fellowships and Stipends

Please see the Procurement and Payment Services section for information on processing fellowships and stipends.

Financial Management Responsibilities of Procurement and Payment Services

Audit and approve all non-payroll invoices before payment. Enter expenditures into accounting system, issue checks, and maintain original document files.