Fiscal Responsibilities for Grants and Contracts

OVERVIEW
Grants and contracts are awarded to the University, not to individual investigators, departments, colleges, regional campuses, or other administrative units. Acceptance of a grant or contract by the Office of Research Support and Operations (ORSO) on behalf of Washington State University signifies the University's willingness to assume responsibility for the administration of the funds in accordance with the terms specified by the awarding agency.

FISCAL RESPONSIBILITY
The principal investigator, their chairperson, director, dean, regional campus chancellor, and other unit administrators share fiscal responsibility for the grant or contract. These individuals help ensure that the terms of the award are observed and the expenditures incurred during a given period are not in excess of the funds awarded.

Related Policy

Roles
The complementary roles of the responsible individuals are as follows:

Principal Investigator
The principal investigator (PI) is responsible for:

• Developing an overall plan for the commitment of grant and contract funds.

The PI works with the authorized person(s) in the department, college, or regional campus, and consults other University officers as appropriate to develop the plan.

• Approving all expenditure requests to be charged against the grant or contract account.

• Reviewing the expenditure of grant or contract funds to ensure that:
  o Funds are used only for purposes directly related to the activity supported and that the expenditures are reasonable, allowable, and allocable as defined in OMB Circular A-21 (applicable to grants awarded prior to December 26, 2014) or 2 CFR 200.403 (applicable to grants awarded on or after December 26, 2014).
Fiscal Responsibilities for Grants and Contracts

Principal Investigator (cont.)

NOTE: Contact ORSO, Sponsored Programs Services (SPS), and departmental administrators for additional information and interpretation regarding OMB Circulars and Uniform Guidance.

- Expenditures are consistent with all special terms, conditions, or limitations applicable under the particular grant or contract.

- Expenditures do not exceed the total funds authorized for a given period under the grant or contract. In many cases, the grant or contract may also specify expenditure limits by budget category or line item.

NOTE: Management, administrative, and system situations may occur where expenses exceed revenue. It is important to follow the prescribed policies set forth in Executive Policy Manual EP1 to prevent overspending. See also BPPM 30.21 regarding overdrafts.

- On a regular basis, the principal investigator (PI) reviews the grant or contract account expenditures with appropriate departmental, college, or regional campus administrator(s).

- Certifying their effort and the effort of other employees working on the project, or arranging for someone with firsthand knowledge of their effort to certify the project effort.

   The PI or designee uses the Effort Certification System to report effort (see BPPM 40.34 and 40.35).

- Certifying that all cost sharing obligations for the project have been met (see BPPM 40.36).

- Initiating requests for expenditure transfers and rebudgeting of costs on the project (see BPPM 30.25 and 40.23).

   University units must ensure that expenditure transfers are in conformance with the requirements of BPPM 30.25.

- Initiating and approving subcontract agreements and payments.

- Notifying SPS of any program income, e.g., revenue from sales and services of goods developed in conjunction with a sponsored project.
Fiscal Responsibilities for Grants and Contracts

Principal Investigator (cont.)

- Assuming fiscal responsibility for overdrafts, deficits, uncollectibles, and/or disallowances that occur under a grant or contract account.

  See BPPM 30.21 and Executive Policy Manual EP1 for information regarding overdrafts and deficits.

- Completing all of the following tasks in a timely manner so that an accountant in SPS may submit a final financial report and/or invoice:
  
  - Submitting all cost sharing information to SPS.
  - Posting all expenditures.
  - Ensuring that all costs are allowable. Factors affecting allowability of costs include:
    - Reasonableness
    - Allocability
    - Consistent treatment
    - Conformity of costs to any limitations or exclusions set forth in the sponsored agreement concerning types or amounts of cost items.

  For further information regarding allowability of costs, see OMB Circular A-21 (applicable to grants awarded prior to December 26, 2014) or 2 CFR 200.403 (applicable to grants awarded on or after December 26, 2014).

  - Submitting a technical report to SPS, when required.

Unit Administrator

The chair, director, dean, regional campus chancellor, or other unit administrator is responsible for:

- Establishing systematic procedures in the department, college, or regional campus for supervision of grant and/or contract accounts.

- Providing administrative support for the management of grant or contract accounts.

  The unit administrator may delegate this responsibility to the departmental manager, fiscal officer, administrative assistant, or other administrative official.
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Unit Administrator (cont.)

- Consulting with the principal investigator and resolving any overdraft, deficit, uncollectible, and/or disallowance incurred under a grant or contract account.

In the case of an uncollectible or disallowance, the unit administrator may find it necessary to contact SPS for assistance in obtaining an appropriate resolution.

OFFICE OF RESEARCH SUPPORT AND OPERATIONS (ORSO)

The Office of Research Support and Operations (ORSO) has the institutional responsibility for assisting the University's faculty, students, and staff with securing extramural support for scholarly work, research, teaching, and service activities.

Core Responsibilities

Following are the core responsibilities of ORSO:

- Effective information dissemination and outreach
- Efficient proposal and award processing
- Education and training
- Signature authority to bind the institution to complete the tasks, as guided by the appropriate administrators and principal investigators.

Services

The Office of Research Support and Operations provides the following services related to grant and contract fiscal responsibility:

- Signature authority to bind the University to accept the terms and conditions of a grant or contract.

The Board of Regents, through the President of the University, grants this signature authority to the Director of the ORSO. Others who are not so authorized do not have the authority to negotiate for or to bind the University.

- Sponsored program budget approval, training, and certification.

- Establishment and maintenance of current proposal, award, and account setup data and status in the ORSO Electronic Gateway database.
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**ORSO Services (cont.)**

- Education and training for faculty, staff, and student employees regarding the management of sponsored projects. This is a shared responsibility with SPS.

- Interaction with SPS and University central administration in the management of sponsored projects.

- Employee assistance with issues related to the interpretation of regulations, special terms, conditions, and issues pertaining to University, state, and federal policies and procedures.

- Review of sponsor financial status and determination of appropriate actions for poor financial status. Appropriate actions may include, but are not limited to: requiring advance payments, obtaining credit reports, requesting financial statements, or reference letters and/or reference checks.

  NOTE: If ORSO determines that a sponsor exhibits poor financial status, the department must provide written approval for ORSO to execute the agreement.

**SPONSORED PROGRAMS SERVICES (SPS)**

Sponsored Program Services (SPS) has the institutional responsibility for assuring the Regents, the public, and the sponsoring organization that the University has adequate systems for fiscal accountability and internal controls in place for managing funds awarded to WSU.

To fulfill this responsibility, SPS:

- Provides fiscal administration for grants and/or contracts, cooperative agreements, subcontracts, and financial assistance agreements negotiated with federal, state, and private sponsors.

- Interacts with ORSO and the University central administration in the management of sponsored project activity.

- Educates and trains staff and the research community regarding the management of sponsored projects (shared responsibility with ORSO).

- Requests the establishment of international bank accounts and manages the transfer of funds and financial reporting.
Fiscal Responsibilities for Grants and Contracts

SPONSORED AGREEMENTS
BUSINESS POLICIES AND PROCEDURES MANUAL

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Office of Research Support and Operations
509-335-9661
Sponsored Programs Services
509-335-2058

SPS (cont.)

- Establishes accounts in a central database and inputs budget allocations in a timely manner. Sponsored Programs Services codes accounts for editing and processing rules and account aggregation selections.

This financial data assists PIs and/or departmental administrators in making intelligent fiscal and programmatic decisions during the course of a sponsored project.

NOTE: To ensure that PIs and departmental administrators know how to access financial data, SPS and Business Services provide training through Human Resource Services (HRS) in the use of the BALANCES, FACTS, and Datawarehouse systems. Contact SPS or the HRS Employee Development unit for more information.

- Maintains data systems for:
  - Monitoring sponsored projects
  - Receivables
  - Overdrafts
  - Revenues
  - Effort certifications
  - Cost sharing
  - Invoices
  - Letter of credit draws
  - Electronic funding
  - Timely financial reporting

- Prepares and submits financial reports, invoices, property reports, and patent reports in accordance with award terms and conditions.

Sponsored Programs Services, the departments, and the PIs share responsibility for the timely submission of final financial reports.

- Obtains and/or provides audit reports for subrecipient compliance with OMB Circular A-133 (applicable to grants awarded prior to December 26, 2014) or 2 CFR 200 and 2 CFR 200.331 (applicable to grants awarded on or after December 26, 2014).

In addition, SPS conducts desk audits and/or site visits for subrecipients when necessary.
Fiscal Responsibilities for Grants and Contracts

- Provides assistance to departmental, college, and regional campus administrators, and PIs for interpreting regulations, special terms and conditions, and responding to issues pertaining to University, state, and federal policies.

- Periodically notifies departments of overdraft accounts (see BPPM 30.21).

- Annually calculates federal interest for WSU accounts and refunds accrued interest to the U.S. Department of Health and Human Services.

- Maintains project files in accordance with state and federal guidelines and/or regulations (see BPPM 90.01).

ASSISTANCE

Direct questions relating to accounting matters or requests for assistance with establishing recordkeeping systems for monitoring grant and contract expenditures to SPS; telephone 509-335-2058.