

New York University

UNIVERSITY POLICIES

Title:	Managing Sponsor Payments Policy
Effective Date:	December 1, 2017
Supersedes:	September 1, 2013
Issuing Authority:	Sponsored Programs Administration
Responsible Officer:	Assistant Vice President for Post-Award Administration

Policy

It is the policy of New York University (NYU, “the University”) that Sponsored Programs Administration (SPA), Principal Investigators (PIs) and Department Administrators (DA’s) share responsibility for payments made on Sponsor Awards. PIs and their staff are required to assist SPA to ensure timely receipt of award funding. SPA is responsible for ensuring all payments received for sponsored awards are accounted for in a manner consistent with sponsor requirements and Generally Accepted Accounting Principles. This includes payments received electronically (e.g. letter-of-credit draws) and by “wire” or check.

Purpose of this Policy

The purpose of this policy is to provide guidance for monitoring and collecting sponsored programs cash and accounts receivable in accordance with Federal and other sponsor requirements.

Scope of this Policy

This policy is applicable to all schools, departments, units and personnel of the University involved in administering sponsored award and contracts.

Procedures for Implementation

The responsibility for cash and accounts receivable management for sponsored programs is shared by PIs, DA’s and SPA. SPA performs many of the duties associated with accounts receivable management as a service to the departments. SPA’s tasks include:

- Performing letter of credit drawdowns;
- Submission and/or approval of invoices (when NYU is a subawardee, SPA is also responsible for submitting invoices to the prime);
- Following up on outstanding receivables and delinquent accounts; identifying issues causing delays in payment;
- Recording payments to sponsored projects; and
- Preparing and submitting financial reports to sponsors detailing payments and expenses.

An account receivable is established for a sponsored award in FAME at the time expenses are recorded. This receivable is cleared after payment is received and posted to the sponsored project.

For Federally sponsored awards, payment is received on a *cost reimbursement basis*, not at the time funds are authorized. SPA is responsible for preparing and performing Letter-of-Credit draws, which are processed through the respective agencies online payment system. The Federal agencies authorize a line of credit for the University to draw funds that meet the aggregate expenditure activity of the sponsor's awards to the University. SPA submits an LOC payment request up to three times a month for reimbursement of expenses. Payments are made to the University via Automated Clearing House (ACH) the following day.

For non-Federal sponsors and Federal sponsors with whom NYU does not have a letter-of-credit relationship, invoices are submitted periodically, typically monthly for an award depending on the billing terms established by the sponsor. The SPA financial analyst processes the invoice and monitors payments to ensure they are received timely and accurately.

Awards based on milestones, deliverables or scheduled periodic payments normally do not require an invoice to be submitted by SPA.

Electronic Payments

SPA will identify electronic payments recorded in the University's bank statement and apply the payment to the appropriate sponsored project in the University's financial system.

Payments Received by Mail

NYU occasionally receives checks from sponsors. Payments from Foundations should be routed immediately to the Office of Gift Administration for deposit. Checks should be hand-delivered to the respective office to ensure timely application of payment. A copy of the check, project ID and accompanying documentation should also be forwarded to SPA to ensure payment is applied to the correct sponsored project.

All non-Foundation payments that pertain to sponsored projects should be hand-delivered immediately to SPA for processing.

There are a number of activities that must be carried out prior to and during LOC drawdowns and invoicing, as appropriate. These responsibilities are shared among the PIs, departments and SPA.

Handling Expenditures for a Sponsored Project That Are Not Collectible

If the expenditures for a sponsored project are not collectible, the amount must be funded by the department responsible for the project. The amount will be transferred to a departmental discretionary chartfield with the same function as the sponsored project. For example, the over-expenditure for a research grant will be transferred to a departmental cost share program. This is to ensure that the amount will be included in the research base for the Facilities and Administrative Cost Proposal.

Refunds

The University must remit to the Federal government amounts drawn in excess of expenditures plus accrued interest if the excess funds are not used within three business days. For all other sponsors, if the University is not entitled to retain funds received in excess of expenses (surplus), SPA will remit a refund to the sponsor. See the [*Award Closeout Policy*](#) for cases where the University is entitled to retain payments in excess of expenses.

Role and Responsibilities

Departments/PIs

- Ensure all costs charged to sponsored projects are allocable, allowable and reasonable;
- Submit progress/ technical reports;
- Timely submission of project deliverables;
- Provide support to central offices for preparation, submission and payment collection of invoices;
- Provide a departmental chartfield to which uncollectible amounts are transferred.

Sponsored Programs Administration

- Review sponsored project expenditures to ensure all costs charged to Sponsored Projects are allocable, allowable and reasonable up to and including final closeout;
- Provide technical support to PI's and Department Administrators for the interpretation of regulations and NYU's policies and procedures;
- Prepare Invoices, Letter-of-Credit drawdowns and reconciliations of billing and payments;
- Generate and monitor accounts receivable aging reports;
- Initiate invoice follow up at 60-90 days;

- Make second invoice follow up at 90 days and consult with department as necessary to ensure deliverables have been delivered to sponsor;
- Confirm required deliverables/progress reports have been submitted to sponsor to prevent delays in payment;
- Process journals to apply payments to sponsored projects;
- Notify the department for uncollectible amounts and request a departmental chartfield to which the amount will be transferred;

School Fiscal Officer

- Ultimately responsible for non-payment when all project deliverables have been met
- Responsible for:
 - Pre-award costs
 - Over expenditures
 - Unallowable and disallowed costs

Policy Definitions

N/A

Related Policies

- Award Closeout Policy for Sponsored Programs
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/award-closeout-policy-for-sponsored-programs.html>
- Charging Administrative Expenses to Federal Awards Policy
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/charging-administrative-expenses-to-federal-awards-policy.html>
- Costing Policy
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/costing-policy.html>

Federal Regulations

- OMB Uniform Guidance
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl