

New York University

UNIVERSITY POLICIES

Title:	Principal Investigator Responsibility Policy for the Integrity of the Financial Management of Sponsored Programs
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 Principal Investigators (PIs) are responsible for ensuring the financial integrity of grants and contracts awarded to NYU. This responsibility requires compliance with all sponsor requirements and University policies and procedures.

Purpose of this policy

The purpose of this policy is to communicate to PIs their responsibility for ensuring the financial integrity of their sponsored research by providing financial oversight of the grants and contracts supporting their research projects.

Scope of this policy

This policy is applicable to all University PIs involved in administering sponsored awards.

Procedures for Implementation

As a recipient of grant and contract awards from both Federal and other sponsors, NYU is required to comply with numerous sponsor rules and regulations. The Office of Management and Budget (OMB) sets forth policies governing grant and contract financial administration. In addition, sponsoring agencies have their own agency-specific regulations.

The University’s compliance with these requirements is under constant scrutiny, especially in the form of audits conducted by:

- NYU’s cognizant Federal agency (DHHS)
- State and Local government agencies

- Private, Corporate or Foundation sponsors
- NYU's independent auditors (who audit NYU's financial statements and sponsored programs in compliance with OMB Uniform Guidance)
- NYU's Internal Audit Department

Common to the regulations of all sponsors is the fundamental requirement that a particular grant or contract may be charged only for costs related to that project and that those costs must meet the standards of allowability and allocability. Fund availability, grant expiration or any other terms of convenience may not govern how, when or which sponsored agreement is charged. It is ultimately the responsibility of the PI to ensure that expenditures, whether they are related to personnel, equipment, supplies or other categories, are charged to their individual sponsored agreements in an appropriate and timely manner.

Sponsored Programs Administration (SPA) at NYU is specifically tasked to provide the highest level of technical support to PIs and their staff to ensure successful compliance with the financial and administrative requirements of sponsored programs. Non-compliance with these rules and regulations may result in fines, penalties or other restrictions. These could significantly affect the PIs ability to solicit and/or the University's ability to administer future sponsored agreements. It is therefore incumbent upon the University to maintain the highest level of grants management and financial integrity regarding sponsored activity. Non-compliance is not an option. PIs and their designees must be fluent in the rules and regulations and be both consistent and vigilant in their pursuit of compliance. Of course, the University's administrators and administrative support systems have to provide the necessary structure, systems and training that make compliance possible, but the ultimate responsibility rests with PIs.

The University recognizes the importance of minimizing the administrative burden on faculty and allows the use of departmental administrative and clerical personnel in carrying out routine administrative activities related to grant and contract management such as bookkeeping, ordering supplies, and processing salary distributions and vendor invoices. For this delegation to be successful, both the PI and the administrative personnel must be familiar with the rules and systems.

The nature of sponsored project support is such that grant and contract administration cannot be performed without guidance and oversight by the Investigator, particularly when the project is supported by multiple sources. The PI best understands the scope of the project, the effort committed to it by faculty and staff and the relationship of that project to other projects with which resources may be shared with the consent of the sponsor.

Accordingly, although the PI may delegate responsibility for day-to-day financial management of a grant or contract to others within the department or unit, the Investigator must exercise appropriate oversight of the overall finances of the project. This is necessary in order to ensure that charges to each grant and contract meet the following guidelines:

- (a) As they relate to personnel costs, are consistent with the effort expended by those working on the grant or contract. This commitment is represented not only in the direct charges to the sponsored agreement, but also in the periodic Time & Effort Certification, which all PIs must certify for their individual sponsored agreements. Another example is adherence to the NIH Salary Cap, which is required on all NIH funded agreements.
- (b) As they relate to costs other than personnel, are appropriately charged to the grant or contract.
- (c) The PI named in the Notice of Award (NOA) has the authority to spend funds up to, but not exceeding, the sponsor approved budget; this authority is limited by the sponsor defined expenditure requirements and University policy.
- (d) Are in compliance with sponsor and NYU policies and procedures.
- (e) Carrying out these responsibilities requires that the PI clearly understand and communicate instructions to those performing the day-to-day financial administrative tasks on how to allocate charges among various funding sources. Additionally, the investigator must regularly monitor the financial status of the grants and contracts to ensure that the charges conform to the above requirements.
- (f) The Office of Sponsored Programs (OSP), SPA, and other Financial Operations and Treasury departments, as well as the offices of school and departmental administration, are committed to supporting the PI to administer the grant in ways that lead to completion of the high-caliber research outlined in the grant's scope of work, as well as successful compliance. Systems, policies and training are continually being developed, enhanced and communicated in the pursuit of this goal. These existing and future policies will serve as the basis for successful compliance and together we can and will ensure the continued success of the University's sponsored financial activity.

Related Policies

For a description of PIs' responsibilities, see the Principal Investigator's Guide:

<https://www.nyu.edu/research/resources-and-support-offices/sponsored-programs/proposal-development/principal-investigators-guide.html>