

Policy 50.6: Financial Award Management

<i>Effective Date:</i>	July 1, 2012
<i>Last Updated:</i>	September 11, 2024
<i>Responsible Office:</i>	Office of Sponsored Projects Administration (OSPA)
<i>Contacts:</i>	Post Award Management / Cost Analysis

Reason for Policy

This policy provides guidance for managing and monitoring the use of sponsored funds in accordance with the principles defined in , and 2 CFR 200 (Uniform Guidance), and will assist in producing accurate and timely information for faculty, staff, and sponsors in the management of project funds.

Policy Statement

Financial award management is a shared responsibility, with specific responsibilities defined by the *Roles and Responsibilities Matrix* from the Financial Improvement & Transformation (FIT) Initiative adopted by UNC General Administration (see below). Once funds are awarded, management and monitoring project activities are the responsibility of the principal investigator, with assistance by both department and college staff and support from ORS AND OSPA. In cases where the department does not have adequate resources to assist the PI, the PI may work directly with ORS staff.

Procedures

The following table shows the portion of the FIT matrix that governs financial award management, designed to provide guidance on the assignment of responsibilities across campus functions as they relate to the management of an award. It is to be used as a guide for communicating the award management responsibilities of owners (O) and contributors (C).

FINANCIAL AWARD MANAGEMENT RESPONSIBILITIES	PI	Dept Chair	Dean	Pre-Award	OSPA
Verifies the allowability, reasonableness, allocability, and consistency of expenditures	O				C
Provides oversight of sponsored project administration including the review and approval of cost transfers and effort reporting					O
Initiates and encumbers personnel transactions	O				C
Certifies cost sharing and provides to OSPA	O				
Review and reports cost sharing efforts to sponsor					O
Reviews expenditures in restricted budget categories	C				O
Initiates request for re-budgeting and cost transfers	O				

Approves requests for re-budgeting and cost transfers according to sponsor requirements					O
Requests no-cost time extension	O				
Reviews and approves requests for no-cost time extension				O	C
F&A Cost Rate Negotiation					O
F&A Cost Receipts Allocation					C
Approves payment of sub-recipient invoices (including certification on final invoice for agreement with completion of sub-recipient's work)	O				C
Submits all UNC Charlotte invoices to sponsor					O
Performs drawdowns (i.e., letter of credit) from federal sponsors					O
Monitors invoices and aging of receivables	C				O
Performs follow-up on outstanding receivables and determines need for write-off		C	C		O
Revenue collection					O
Applies payment to proper fund					O
Reconciles cash to Accounting General Ledger					O

In accordance with this matrix, it is the responsibility of the Principal Investigator or designee to:

- **Review award** for special restrictions, start date, end date, cost sharing agreements, and non-financial reporting requirements.
- **Initiate transactions**, including Personnel Action forms, necessary to accomplish the tasks/goals of the award using the established fund number while making certain not to charge costs covered by facilities and administrative (F&A) costs directly to the award (see 2 CFR 200).
- **Charge** allowable costs to his or her fund within the period of performance of the award. If the PI has questions regarding allowability, the PI can contact the assigned Research Administrator in OSPA. The PI or designee also needs to track costs and monitor spending in the BANNER fund on a regular basis.
- **Review BANNER reports monthly** to reconcile the BANNER entries with hard copy records retained in the department office. If any questionable expenses are discovered during the monthly reconciliation/review, the PI or designee should work with the Research Administrator in OSPA to resolve them. Project funds are to be reconciled at least monthly so that errors or discrepancies can be corrected in a timely manner as required by [RA Policy 50.7 - Cost Transfers](#).
- **Compare actual expenses with the budget** by category as part of the month-end expense review and reconciliation. If necessary, the PI or designee should work with ORS or the college office to request a budget revision. Some sponsors require prior approval of budget revisions and ORS will be responsible to obtain this approval.
- **Initiate cost transfers** when errors are discovered during reconciliation. When cost transfers move an expense between two awards, an explanation of how the error occurred as well as a justification for charging the new award is required. When payroll is moved, the same explanation and justification is required (see [RA Policy 50.7 - Cost Transfers](#)).
- **Review subcontractor invoices** and approve payments to subcontractors prior to processing in BANNER. Subcontractor invoices must be reviewed for cost reasonableness as compared to progress towards work accomplished (see [RA Policy 50.8 - Sub-Recipient Monitoring](#)).

- **Certify effort** upon receipt of the notification for the PI and all eligible personnel. Any report that does not accurately reflect effort on the award must be changed prior to certification (see [RA Policy 60.1 - Effort Reporting](#)).
- **Document cost share expenses** associated with the award if there is committed cost share on the award. When the cost share is “in-kind”, the PI must approve the documentation of the cost share. If cost share documentation is provided by a third party external to the university, the documentation must be signed by the PI to certify the value shown as cost share from the third party has been received on the award. Unrecovered F&A and benefits, when counted as cost share, will be calculated by OSPA.
- **Request a no-cost extension** if needed (see [RA Policy 50.9 – No Cost Extensions](#)).
- **Submit progress reports** as required by the terms of the award. If the progress report requires financial information be submitted in addition to programmatic information, the PI will work with OSPA staff to ensure accurate financial information is submitted to the sponsor
- **Complete all programmatic and technical deliverables and required non-financial reports** with a copy sent to research@charlotte.edu.

Exclusions/Exceptions

None.

Failure to Comply

Non-compliance could result in overdrafts and unallowable costs that will have to be recovered from department or college funds.

Related Information

[2 CFR 200 \(Uniform Guidance\)](#)
[RA Policy 50.1 – Allowable Costs](#)
[RA Policy 50.7 - Cost Transfers](#)
[RA Policy 50.8 - Sub-Recipient Monitoring](#)
[RA Policy 50.9 - No-Cost Extensions](#)
[RA Policy 60.1 - Effort Reporting](#)
[RA Policy 60.2 - Financial Reporting](#)