



Fiscal Responsibilities

Of Principal Investigators

New Mexico Tech Sponsored Projects
Administration
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This document is continually being updated. We would appreciate any information and/or insight which would help us develop stronger policies for NMIMT's research community.

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I. Introduction

Grants and contracts are awarded to New Mexico Institute of Mining and Technology (NMIMT), not to individual Principal Investigators (PIs) or departments. Acceptance of a grant or contract by NMIMT signifies the institution's obligation to assume responsibility for the administration of the funds in accordance with the terms specified by the awarding agency.

Every university employee has a responsibility to ensure that university and research funds are used in an appropriate manner. While the PI may delegate some of the duties associated with financial management of the account, the PI assumes full responsibility for all activity on the project.

II. Preparation and Submission of Proposed Budgets

It is the responsibility of the PI to develop the statement of work and the cost proposal using the information provided in [Budgeting, Pricing and Charging Guidelines](#) as a pricing guide. The cost proposal represents the financial expression of the project and must be as accurate as possible. The [Sponsored Projects Administration](#) (SPA) office is always available for consultation.

Cost sharing, if applicable, must be clearly identified as such. Approval must be granted by NMIMT prior to submission of the proposal. For more information, refer to NMIMT's [Cost Share Policy](#) subrecipients, if applicable, must be identified and clearly justified in the budget justification. For more information, refer to NMIMT's [Subrecipient Policy](#).

The proposal routing process is performed through the Research and Economic Development Department (R&ED). For more information, see NMIMT's [Proposal Routing Procedure](#).

III. Management of Project Expenditures

The PI for a project, or a designee with suitable means of verification, must authorize the expenditure of funds to be charged directly to the sponsored agreement. The PI must ensure that the following guidelines are met:

- The expenditure is allowable per the terms of the award. Check with the financial administrator of the award for any restrictions.
- The expenditure must be allocable to the project, (i.e., is necessary and directly benefits the project).
- The charge must be reasonable; that is, reflecting the actions a “prudent person” would take under the given circumstances.
- The charge must be consistently coded to the correct FUND and account code. Refer to NMIMT’s [Financial Transaction Review](#) for more information.
- Expenditures comply with university expenditure policies for [allowable and unallowable](#) costs, as well as state and Federal laws and regulations.
- Justification for the expenditure must be documented and attached to the source document, (e.g., travel request, purchase order, direct payment, etc.).
- For all expenditures, adequate explanation and documentation for all project charges must be maintained for three years after submission of the final expenditure report.
- The funding agency may deny expenses in cases where documentation cannot be provided illustrating the allowability, allocability and reasonableness of the expense.
- The funding agency may deny expenses incurred late in the project period.
- The charge must be processed through the appropriate NMIMT department, (e.g., the Travel Department for travel expenses, Payroll Department for labor expenses, etc.).

In addition to negotiating terms and conditions of a research agreement, the [SPA office](#) establishes necessary accounting FUND and account codes in NMIMT’s financial to monitor certain types of grant-related transactions to assure compliance with sponsor requirements and NMIMT policies.

SPA prepares and submits agency financial reports and invoices as required according to the terms of the sponsored agreement.

Note: Contact the financial administrator assigned to the award for information about any special terms, conditions or limitations that apply to each grant or contract agreement.

The financial administrator is also available for consultation about specific questions or concerns regarding the propriety of a given expenditure, on budget monitoring techniques, and other research administration matters.

IV. Expenditure Review and Certification

NMIMT's General Accounting Office issues monthly expenditure statements, available online, which represent the institution's official record of project expenses. These statements constitute the basis for all direct and indirect cost reimbursements to NMIMT.

These statements must be reviewed each month by the PI, (or a designee with suitable means of verification), so that adjustments, if applicable, can be made in a timely manner. In addition, the PI should monitor the rate of expenditure to ensure that deficits do not occur. Responsibility for clearing over-expenditures on a sponsored project belongs to the PI.

Proper expenditure review is evidenced by the signature on the certification page, which can be found at the end of the monthly expenditure statement. The PI's certification assures that all expenses charged to the account are allowable, allocable to the project and reasonable. The certification is to be returned to the Business Office in accordance with instructions on the certification page.

Any questionable charges must be brought to the attention of the financial administrator of the award to make any corrections, if necessary. Adjustments with appropriate documentation should be initiated for (or within two months of) the month during which the charges were originally recorded in BANNER. The process will follow NMIMT's [Cost Transfer Policy](#).

Transfers initiated after this cutoff date are considered non-current and require additional justification explaining why the adjustments were not made in a timely manner. Transfer requests may be disallowed.

It should be noted that frequent errors in the recording of costs may indicate the need for improvements in the departmental accounting system and/or internal controls. Therefore, where such errors occur, PIs are encouraged, and may be required, to evaluate the need for improvements so the issue can be resolved.

Adhering to these guidelines should prevent audit disallowances.

V. Prior Approval Notifications

Funding agencies have delegated to grantee organizations authority to approve certain administrative actions. These agencies require a grantee to assure that there are adequate institutional reviews and approvals of decisions affecting the management of federally funded projects. The purpose of the review and approval of individual actions will assure that the proposed action :

- Is necessary to achieve the project objectives supported by the grant,
- Is consistent with the grant terms and conditions,
- Is consistent with the policies of the funding agency,
- Represents effective utilization of institutional resources,
- Does not constitute a change in scope.

Types of actions requiring review and approval are as follows:

A. Budget Revisions

According to the Uniform Guidance, Section 200.308 the approved budget represents the financial expression of the project. While agencies normally allow some flexibility with respect to revising the budget, some agencies are line-item sensitive and require prior written approval for deviations from direct cost categories –check with the financial administrator of the award to determine agency requirements.

Where appropriate, request for a budget revision along with justification for doing so must be made in writing to the financial administrator before Sponsored Projects will initiate the revision in BANNER.

Modifications to the scope of effort that differ from those originally proposed always require prior written approval from the project sponsor. Indicators of a change in scope include significant expenditures beyond the amount originally authorized. In the event that the scope of work has been expanded, evaluate whether it can be accomplished within the amount originally budgeted or if the budget should be renegotiated.

Funding agencies also have requirements regarding prior approval or notification of changes in availability of the PI. Examples include a reduction in time devoted to the project by 25% or more of the proposed or awarded level, or an absence from the project of more than three months. For federal awards, refer to UG Section 200.308, Revision of budget and program plans to determine the award requirements or check with the financial administrator of the award.

B. No-Cost Extensions

PIs may request a no-cost extension if additional time is required to complete a project and there is an unexpended balance. This action does not increase the value of the award from the agency. Contact the financial administrator of the award for agency-specific requirements.

C. Pre-Award Expenditures

Pre-award costs are costs incurred prior to the start date of a sponsored research award. These costs are typically only allowable with prior approval from the sponsor. When a sponsor allows pre-award costs, the PI must secure bridge funding from R&ED and/or the Administration before a FUND can be assigned in the financial system.

Approval to establish bridge funding should identify monetary cap, time frame and acknowledgement that in the event the award does not materialize the authorizing individual will cover the costs from discretionary monies.

Refer to UG Section 200.458 for additional information.

D. Purchases Contrary to Original Award

While cost proposals represent best guesstimates, the budget plan is the financial expression of the project or program and the basis on which agencies decide to fund a project.

Consequently, major deviations from originally proposed items such as equipment may in fact require prior approval from the agency before alternate items are purchased. Check with the financial administrator of the award to determine agency requirements.

VI. Reporting

The PI is responsible for the fiscal, programmatic, and administrative aspects of a sponsored project. Per 2 CFR 200.329(c)(i), “The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity to best inform improvements in program outcomes and productivity”. A majority of the fiscal reporting responsibilities for sponsored projects are delegated to the Sponsored Projects (SPA) office. The PI, however, has the ultimate responsibility for all required quarterly, semi-annual, annual, and final technical progress reports, as well as all other reporting required by the awarding agency, and a failure to complete these reports has a fiscal component. The PI should read the sponsor’s guidelines to establish what reports are required for each sponsored project, their frequency, and preparation instructions.

Because 2 CFR 200.329(a) requires that the non-Federal entity (NMT) must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved and monitoring by the non-Federal entity must cover each program, function or activity, **PIs must send the Sponsored Projects office 1) a copy of each report submitted, or 2) confirmation of submission of these reports.** This reporting is monitored periodically and kept on file for auditing purposes.

Late reporting can cause audit findings for the University. These findings appear in the University’s Financial Statements which are regularly reviewed by external agencies that are considering funding research projects.

Failure to provide these reports on a timely basis will delay awarding agency review and processing of pending proposals for all identified PIs and co-PIs on a given award. Example: if there is overdue reporting on an NSF award, do not expect any of the PIs or co-PIs on the award to be able to successfully propose and receive any new NSF awards.

Per 2 CFR 200.334 (i), “If the non-Federal entity does not submit all reports in accordance with this section within one year of the period of performance end date, the Federal awarding agency must report the non-Federal entity’s material failure to comply with the terms and conditions of the award with the OMB-designated integrity and performance system (currently FAPIIS). Federal awarding agencies may also pursue other enforcement actions per § 200.339”.

Per 2 CFR 200.339, failure to submit timely reports will delay processing of additional funding and administrative actions by the awarding agency, including, but not limited to, granting no cost extensions. In the case of continuing grants, failure to submit timely reports will delay processing of funding increments. In the worst case, an agency may temporarily withhold cash payments pending correction of the deficiency, suspend payment for one or all ongoing awards if all required reporting is not up to date, wholly or partly suspend or terminate an award, or even withhold further awards for an entire project or program.

Agency requirements for technical reports vary. Some agencies require the use of an online portal or a specific template, while some require an authorized signature or submission by an authorized official. Please notify your Sponsored Projects (SPA) personnel as soon as possible if you are unable to access report submission portals. **When a VP signature is required, the PI must send the document to SPA 5 working days prior to the due date.**

In exceptional cases, if a PI will not be able to submit a technical project report by a required due date, the PI should contact the sponsoring agency **prior to** the due date, requesting an extension of the reporting deadline, and copying the Sponsored Projects office. Sponsored Projects can also contact the sponsor to request an extension on the PI's behalf based on the PI's justification. Per 2 CFR 200.329(c)(1), if a justified request is submitted by a non-Federal entity, the sponsoring agency may extend the due date for any performance report.

Reporting requirements are always agency-specific, but the following types of reporting often required:

A. Interim Reports

Interim (monthly, quarterly, semi-annual, or annual) project reports should address progress in all activities of the project. These reports are not cumulative and should be written specifically for the current budget period. The PI is responsible for submitting interim progress reports to the sponsor within the specified timeframe and format indicated by the sponsoring agency. If no format is indicated, the PI is advised to use a standard format that addresses the following project management concerns:

- A review of the accomplishments to-date as compared with schedule and objectives as outlined in the original proposal
- A review of the challenges faced by the project in attempting to meet the schedule and objectives as outlined in the original proposal
- Supporting statistical data or documentation
- Management activities, such as documentation or materials produced, personnel issues, etc.

Interim project reports must be submitted within the time frame specified by the sponsoring agency to provide sufficient time for review and approval. The report becomes overdue the day after the end of the specified time frame if it has not been submitted by the PI and approved by the agency.

B. Final Reports

Upon expiration of the project, the PI is responsible for submitting the final technical report to the sponsoring agency within the time frame specified. The final annual project report is the last annual report of the project and should be written specifically for the most recently completed budget period. It should address progress in all activities of the project in its final year. This report is not cumulative. By submitting the final annual project report, the PI is signifying that the scope of work for the project has been completed and that the PI does not anticipate that any further research activities (including a no-cost extension, supplemental funding, or transfer of the award) need to be completed on the project.

C. Project Outcomes Report for the General Public

Ensure that the report does not contain any confidential, proprietary business information; unpublished conclusions or data that might compromise the ability to publish results in the research literature; or invention disclosures that might adversely affect the patent rights or those of the organization, in a subject invention under the award. PORs are not to contain any personally identifiable information such as home contact information, individual demographic data or individually identifiable information collected from human research participants.

D. Disclosure of Inventions and New Technology

Publishing information concerning an invention before a patent application is filed on a subject invention may create a bar to a valid patent.

If a patentable idea, invention or discovery is made as a result of a sponsored project, the disclosure of such must first be made through the NMT Office of Innovation Commercialization, a division of the Office of Research, with appropriate consultation with counsel, inventors, authors, or contributors within a specified time. As soon as the PI is aware of an invention, the PI should contact the NMT Office of Innovation Commercialization to discuss the invention to avoid premature public disclosure and, if appropriate, to start the patent process. Most sponsoring agencies require reports about patents and inventions made during the conduct of a sponsored project. Usually such declarations are made via a preprinted form, annually and/or at the end of the project period, and are required even if the report is negative.

VII. References

Code of Federal Regulations Title 2: Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.

NSF Proposal & Award Policies & Procedures Guide (PAPPG) NSF 24-1 dated May 20, 2024

NASA Grant and Cooperative Agreement Manual (GCAM)