

CHILDREN'S HOSPITAL AND REGIONAL MEDICAL CENTER  
Seattle, Washington

OPERATING POLICIES / PROCEDURES

DEPARTMENT: Office of Vice President for Research

POLICY NUMBER: OVPR-06

REPLACES: \_\_\_\_\_

EFFECTIVE DATE: March 15, 2004

REVISION DATE: \_\_\_\_\_

POLICY TITLE: Fiscal Responsibilities of Principal Investigators

POLICY:

The principal investigator (PI) has overall responsibility for the technical and fiscal management of a sponsored project. This includes management of the project within funding limitations, and assurance that the sponsor will be notified when significant conditions related to project status change.

This policy is divided into three parts: (A) preparation and submission of proposed budgets, (B) management of project expenditures and (C) special requirements related to sponsor notifications.

PROCEDURE:

A. *Preparation and Submission of Proposed Budgets*

- 6.1 The PI must ensure that project finances are represented as accurately as possible in the grant application. In addition, specific requirements, including cost principals as defined by the federal government in Office of Management and Budget (OMB) Circular A-122, and consistency requirements as imposed by the federal Cost Accounting Standards (CAS) Board must be adhered to.
- 6.2 Proposed budgets should delineate the complete committed cost of the project, identifying the amount requested from the sponsor, and other costs that CHRMC may commit to pay (as cost share or in-kind payment). A commitment to use Children's Hospital resources to pay any portion of project costs must be approved in advance by the Vice President for Research or his/her designate.
- 6.3 Proposals should accurately represent the amount of time that key personnel are committed to the project. In preparing proposals, PIs must be careful not to over commit themselves or others.

*B. Management of Project Expenditures*

- 6.4 To authorize the expenditure of funds to be charged to sponsored projects, the Office of Sponsored Research (OSR) has responsibility for assuring that:
- a. the estimated charge is reasonable;
  - b. the expenditure is allowable by the funding source;
  - c. the expenditure is necessary and allocable to the project;
  - d. the justification for the expenditure is documented;
  - e. the charge is coded to the correct general Ledger code; and
  - f. the charge is correctly coded as allowable or unallowable for inclusion in the calculation of indirect cost.

- 6.5 Monthly Grant Financial Reports, prepared and issued by OSR, are the official record of project expenses and the basis of cost reimbursement to CHRMC. These reports contain the following certification statement:

*The direct costs charged to this project have been reviewed and, to the best of my knowledge, are reasonably accurate approximations of work performed on this project.*

Signing this certification is the responsibility of the project Principal Investigator. A PI may not delegate certification of the appropriateness of the charges.

- 6.6 PIs are responsible for ensuring that all expenses posted to a sponsored project are for salaries or items which were purchased and used prior to the end date as specified by the award. It is the PIs responsibility to seek a No-Cost Extension of the award if that is necessary. No-cost extensions must be approved by the Vice President for Research in accordance with PHS expanded authority procedures.
- 6.7 A PI Certification Form must be completed before payment of any invoice for purchased services under a sponsored project. The PI Certification Form must be signed by the principal investigator.
- 6.8 Salary being charged to sponsored projects must be supported by documentation of a corresponding appropriate level of effort. Effort Certification Forms must be signed by all CHRMC employees charged to a sponsored project, and endorsed by the PI and Vice President for Research or his/her designate.
- 6.9 The cost of proposal preparation activities in support of new directions in research may not be charged to sponsored projects. The cost of proposal preparation for continuing research (continuation or extension proposals) is appropriately charged to current projects.
- 6.10 PIs are responsible for overseeing the proper close-out of sponsored projects, including the timely submission of all required reports. The Office of Sponsored Research will prepare and submit final administrative reports, including financial and property reports.


C. *Special Requirements Related to Sponsor Notifications*

- 6.11 The PI must assure that ongoing fiscal management is accomplished in accordance with sponsor requirements, including the handling of re-budgeting requests, no-cost extensions and requests to modify the scope of the project.
- 6.12 PIs must inform sponsors of significant changes affecting the project. OMB Circular A-110 lists a number of these including:
- a. change in the scope or the objective of the project or program (even if there is no associated budget revision);
  - b. change in a key person specified in the application or award document;
  - c. absence for more than three months, or a 25-percent reduction in time devoted to the project, by the principal investigator;
  - d. need for additional Federal funding;
  - e. transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expenses.

Submitting Office: Vice President for Research

Approved by:

 7/28/05  
\_\_\_\_\_  
Vice President for Research Date

 7-28-05  
\_\_\_\_\_  
Chair, ROC Date