

Policy on Budget and Expenditure Monitoring and Correcting Cost Overruns

Purpose

This policy describes Barnard College's system of controls to monitor federal grant budgets and expenditures on a regular basis in order to mitigate cost overruns and ensure compliance with federal regulations.

Policy and Procedures

The Principal Investigator (PI) is responsible for budget administration and authorizing expenses to his/her sponsored project award. The PI has the responsibility for verifying that each charge to the award is allowable.

The PI must be able to demonstrate that all charges:

- are reasonable, allocable, allowable, and consistently applied;
- are fully aligned with the sponsor-approved budget; and
- occur within the approved project period and, in the event that cost transfers are requested, within the required timeframe for submitting a cost transfer (within 90 days following the end of the month in which the original charge was posted).

The PI initiates, approves and submits payment requests or check requests for payment directly to Purchasing/Accounts Payable. It is the PI's responsibility to ensure that all [Purchasing Procedures](#) have been adhered to.

The Associate Controller of Financial Compliance & Reporting reviews and approves payment. In addition to reviewing and approving payments, the Associate Controller provides guidance and support to the PI on an ongoing basis and provides PIs with periodic finance reports.

PIs should carefully review all financial reports to ensure that expenditures are accurate and in line with the records. In addition, PIs should monitor sponsored accounts from the day that awards become active until they are terminated in order to confirm the availability of project funds; ensure that costs are accurate, consistent with the award period and in compliance with the sponsor's terms and conditions; avoid overspending; and verify that any cost transfers and corrections have been made in a timely manner.

PIs are responsible for not charging costs that exceed the grant award amount. If cost overruns occur, they must be corrected during the course of the project. In the absence of other sources of funding that the PI can identify, the respective department budget will be charged for any cost overruns.

The Associate Controller prepares all financial reports for sponsors. No financial information should be submitted to a sponsor unless it has been verified by the Associate Controller. At the end of the grant project period, PIs are responsible for ensuring that all expenses are reconciled and outstanding encumbrances or invoices are paid. PIs should work directly with the Associate Controller to close out grants.

PIs have sole responsibility for all narrative or technical reports in line with the specific terms and conditions of the grant. Sponsored Research maintains a tracking system to help ensure the timely submission of reports. A copy of all narrative reports should be submitted to Sponsored Research for inclusion in the official grant file.