Princeton Research > Faculty Research Forum

Financial Management
Panelists

➢ Nathalie de Leon
  ➢ Assistant Professor of Electrical Engineering

➢ Office of Research and Project Administration (ORPA)
  ➢ Elizabeth Adams, Director
  ➢ Kristen Seith, Shared Grants Manager
  ➢ Maureen Thompson-Siegel, Sr. Grant and Contract Administrator

➢ Corporate Engagement and Foundation Relations (CEFR)
  ➢ Kelly Freidenfelds, Senior Associate Director

➢ Sponsored Research Accounting (SRA)
  ➢ Matthew Kotsovolos, Senior Associate Director
  ➢ Julie Luster, Manager, Cash Management and Administration

➢ Financial Technology
  ➢ Roger Weisenberg, Director of Financial Technology
The 30,000 Ft. View

University research is funded by a range of extramural parties

- Federal, state and local government
- Foreign governments
- Industry (domestic/foreign)
- Nonprofit organizations (domestic/foreign)
- Donors

Funded awards (in order of restrictiveness)

- Gifts
- Grants
- Cooperative agreements
- Contracts
Sponsored Awards vs Gifts

- Strings attached
- Specified statement of work
- Reporting requirements
- Performance period
- Subject to University policy
- Must be submitted through ORPA

- No strings attached
- No specified statement of work or deliverables
- Minimal reporting requirements
- Irrevocable
- Subject to University policy
- Managed by CEFR
How Are Sponsored Projects Supported?

**Researcher**
- Department Grants Manager
- Department Manager
- Faculty Assistant

**Central Administration**
- Office of Research and Project Administration (ORPA)
- Corporate Engagement and Foundation Relations (CEFR)
- Sponsored Research Accounting (SRA)
Sponsored Award Lifecycle

Award Receipt
- Negotiation
- Account Initiation (Notice of Award)

Award Management
- Sponsor Communication
- Grants Manager Communication
- Technical Reporting

Financial Stewardship
- Effort Allocation and Certification
- Sponsor Prior Approvals
- Award Financial Closeout
The Role of the Grants Manager – Post Award

The Grants Manager is the Principal Investigator’s primary point of contact for managing the financial and compliance requirements of sponsored research projects and liaison to Central Administration offices (such as ORPA, CEFR, SRA). Typical Grants Manager post-award functions include:

- Highlight sponsor-specific reporting requirements (foundations vs federal, grant vs contract, sponsor acknowledgements)
- Review/approve project financial charges (Is there sufficient funding? Is the charge necessary, reasonable, allocable and consistently treated?)
- Provide the PI with monthly spending updates and projections of future funding increments and planned expenses
- Track Key Personnel commitments over time, including PI summer salary
- Process internal requests to ORPA such as prior sponsor approval requests and subaward requests
- Coordinate with SRA, CEFR, or other Central Administration Offices on special financial reporting requirements and final closeout
- May serve as a PI-designee for limited functions such as approving subaward invoices
The Role of the Principal Investigator in Sponsored Project Leadership

The PI leads the project to complete the proposed science objectives.

Technical Reporting
- Principal Investigators are responsible to prepare and submit technical/scientific reports required by the sponsor. Reports may include progress updates from the PI and also from co-investigators (at Princeton or sub-institutions), citations of peer-reviewed journal articles (with sponsor acknowledgements), number and/or names of students supported, etc.

Prior sponsor approval may be required for changes after initial award
- This varies by project, but common areas are:
  - PI absence or reduction of effort by more than 25%;
  - change of scope;
  - new subaward;
  - equipment (>5k) that wasn’t included in original budget;
  - and no-cost extension.

- Your Grants Manager can provide guidance and will assist with completing internal forms; ORPA will communicate with the sponsor on behalf of the PI.
The Role of the Principal Investigator in Sponsored Project Leadership

» Effort Allocation
  » PIs are responsible for those working on a project and certify effort twice a year for federally funded projects. Salaries (PI, postdoc, grad students) are often the largest portion of expenditures.

» Oversight of charges to the sponsored project, in collaboration with Grants Manager
  » Is the spending in-line with the approved proposal?
  » Are planned expenditures acceptable to the sponsor? (Examples: federal projects—US air carriers, economy class airfare, no alcohol; foundations may require prior approval for minor budget revisions)
  » Are the charges necessary, reasonable, allocable and consistently treated?
  » 90-day rule: Adjustments to charges (cost transfers) should occur within 90 days; note that this is more frequent than the 6-month effort certification period.

» Rebate/Startup/Internal accounts vs Sponsored Projects
  » Consider how best to distribute expenses
The Notice of Award (NOA)

- Issued to the Principal Investigator and copied to Grants Manager.

What’s in the NOA?

- The unique award number for the sponsored project in Princeton’s financial system (PRIME)
- The “chartstring” that will be used for all charges
- Highlights of due dates and key sponsor requirements and the award document will be attached (Please review both.)
- List of approved subawards. Note that Subawards are not automatically set up with the award. The Grants Manager can process a subaward initiation request with PI approval.

- The NOA is updated throughout the lifecycle of the award (to record additional funding increments and document other sponsor actions) and can be accessed through PRIME.
Tips/Best Practices for PIs

- There’s variation across campus, but often the filing of a technical report is handled entirely by the PI.
- Add the technical reporting due dates to your calendar as soon as you receive the NOA and add reminders a month or two prior to the due date.
- Monitor work by subawards and personnel to ensure it matches the proposed scientific/technical objectives.
- Frequent communication with your Grants Manager is one of the easiest ways to manage PI responsibilities.
  - Notify the Grants Manager as early as possible about potential changes to staffing or project plans.
  - Check-in on a regular basis to review recent and upcoming charges and funding increments.
- There’s a network of people on campus, as well as systems and procedures, to support sponsored research. As a PI, please don’t hesitate to reach out with questions and provide feedback on how we can help you succeed.
Sponsored Research Accounting

SRA’s mission is to work collaboratively with internal and external grants administrators in the financial stewardship of sponsored research funds awarded to Princeton University to ensure compliance.

KEY COMPLIANCE AREAS:

Cost Allowability:

- Expenses must be necessary, reasonable, allocable, and consistently treated.

PI Effort Certification:

- A semi-annual process, whereby Principal Investigators certify that effort charged to sponsored project provided a direct benefit and was reasonable in relation to the actual work performed.

Cost Transfers:

- The reassignment of an expense to a federal award after it had been previously charged elsewhere. Cost transfers are considered high risk and require PI approval and justification if requested after 90 days.

Audits, Investigations and Desk Reviews:

- Facilitate annual single audit and other sponsor audits and reviews as required.
External Financial Reporting

- SRA is responsible for the preparation, certification (under penalties of perjury), and submission of financial reports in accordance with the requirements and frequency specified by the sponsor.

- The financial information reported is obtained from the University’s general ledger, the official accounting records.

- Failure to timely submit reporting deliverables (e.g. progress, financial, property and patent) may prevent SRA from drawing federal funds or being paid by sponsors.

**Typical Final Reporting Deadlines**

- 90 – 120 days after the award end date for federal agencies (prime recipients)
- 60 – 90 days after the award end date for subrecipients
- 30 – 120 days after the award end date for non-government sponsors
Billing Sponsors

Payment Types

- **Cost Reimbursable**
  (72% of awards)

- **Scheduled Payments**
  (20% of awards)

- **Advance/Prepaid**
  (7% of awards)

- **Fixed Price**
  (1% of awards)

Payment Methods

- **Letter of Credit Drawdown**
  (most federal sponsors)

- **Generate and Send Invoices**

- **Submission of Financial Reports**

- **Access Sponsors’ Supplier Payment Management Portals**
Monthly Internal Financial Reports for Faculty

› Individual Portfolio Report
  › Consolidated view of all Funds, Programs, and sponsored activity for a faculty member
  › Balances
  › Drills to revenue, expense, and encumbrance details

› Automated delivery via email on a monthly basis

Individual Portfolio Report Registration
### Non-Sponsored (Fiscal Year-to-Date Activity)

<table>
<thead>
<tr>
<th>Program</th>
<th>Department</th>
<th>Fund</th>
<th>Beginning Balance (A)</th>
<th>Revenue / Expense Budget (B)</th>
<th>Expense (C)</th>
<th>Unencumbered Balance (D = A + B - C)</th>
<th>Encumbrance to End of Fiscal Year (E)</th>
<th>Spendable Balance (D - E)</th>
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<td>A0001 - Acad Dept Admin Allowance Fund</td>
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<td>A0002 - Research Rebate Fund</td>
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### Sponsored (Inception-to-Date Activity)

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<tr>
<th>Sponsor</th>
<th>Award (Award End Date)</th>
<th>Project</th>
<th>Department</th>
<th>Fund</th>
<th>Budget (A)</th>
<th>Expense (B)</th>
<th>Unencumbered Balance (C = A - B)</th>
<th>Encumbrance to Anticipated Award End Date (D)</th>
<th>Spendable Balance (C - D)</th>
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<td>G0001 - Government Sponsored Research</td>
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Office of the Dean for Research
We are here to support your success!

▷ Your Departmental Grants Manager(s)
▷ Corporate Engagement and Foundation Relations
  ▷ cefr.princeton.edu
▷ Office of Research and Project Administration
  ▷ orpa.princeton.edu
▷ Sponsored Research Accounting
▷ Finance Technology