

# **SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY**

## **Policy Manual**

**SUBJECT:** Sponsored Awards Budget Administration

**NUMBER:** Policy 9-6 (formerly IX-12 through IX-18)

**Revised Date:** April 2025

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### **Purpose**

To outline responsibilities that a principal investigator (PI) has in managing sponsored awards in order to meet the fiduciary responsibilities of South Dakota Mines.

### **Policy**

It is the responsibility of the PI to ensure that the scope of work of a sponsored award is met. Further, a PI is responsible for ensuring all expenditures charged to an award fund are allowable and reasonable costs that support the goals and objectives of that award.

PIs are given sole authority to approve expenditures for an award at the time of fund set up. Account access and purchasing permissions may be delegated to other individuals (here called designees) at the discretion of the PI.

If the PI cannot fully manage award responsibilities for an extended period (e.g., extended international travel), assigning full proxy authority over grant funds is appropriate.

In managing awards, the PI shall approve all transactions. The PI or their designees shall reconcile expenditures for all grant funds monthly.

The PI or their designee will submit cost transfers, when needed, in a timely manner, in order to correct posting or bookkeeping errors, reallocate resources between funds within the same award, or transfer costs incurred while an award was being set up. Cost transfers will be processed and expenditures moved no more than 90 days from the initial date of the charge. Frequent, late, and inadequately justified transfers, especially those that involve funds with overruns or unspent balances may be declined, in which case the PI, their department, and/or Research Center/University Research Lab (if appropriate) may be responsible for covering expenses.

The PI is responsible for requesting budget revisions when an award budget no longer represents the best way to achieve a project's goals and objectives. Budget revisions can only be approved by the PI, and not a proxy.

The Office of Sponsored Programs (OSP) has authority to approve some budget revisions, within certain agency constraints. OSP's approval of budget changes is based on the PI's verification

that the general level of effort, scope, and objectives of the approved project are not altered by the changes.

When permission from the funding agency is required, the PI will work with OSP to submit requests according to agency requirements. The PI, their Department Head, and/or their Center/Laboratory Director shall be responsible for subsequent cost disallowances by the agency.

Failure to properly manage grant accounts may result in progressive stages of disciplinary action that may include but are not limited to suspension of the right to carry out funded research through Mines, dismissal from employment with the University, and criminal sanctions.

## **Procedure**

### *Delegation of Authority*

The PI may designate a staff member to access account information and purchase through EZBuy for their award using the Banner, SDEZBuy and Signature Authority form:

<https://interact.sdsmt.edu/its/banner-access.htm>.

The PI may designate a proxy for effort certification and/or signature authority using the South Dakota Mines Combined Proxy Form.

### *Expenditure Approval*

The PI or their designee shall initiate or review all expenditures to an award as they occur and determine that each is appropriate and necessary to discharge obligations of the award.

### *Fund reconciliation*

A PI or their designee shall reconcile funds under their authority on a monthly basis.

### *Cost Transfers*

An expenditure that needs to be transferred will be identified by the PI or their designee within 30 days of the Banner posting (i.e., when the PI or designee completes a monthly financial reconciliation).

Cost transfers need to be justified, and that justification shall include:

- a) a description of the expense(s) being transferred, including why and when the original charge(s) occurred, AND
- b) why the receiving fund was not originally charged, AND
- c) why it is appropriate to charge the receiving amount.

If the transfer request is over 60 days, an explanation for the lateness of the request is also required.

Transfer requests made after 60 days will be considered only under extenuating circumstances. These circumstances include, but are not limited to:

- i. The official award document, including amendments or modifications, was received after the start date of the award, causing a delay in the establishment of the project's fund(s).

- ii. The fund number assignment was delayed because of negotiation issues.
- iii. The official approval from the sponsor for a specific expenditure was received after an expenditure was processed.
- iv. The official approval from the sponsor for specific actions, such as a no- cost extension, was received after an expenditure was processed.
- v. Death of the PI.

All cost transfers require the approval of the PI (not designee nor proxy) and department head (or center director, if appropriate). OSP or the Office of Finance and Administration may request copies of additional supporting documentation or information if questions arise during the grant close-out review process.

#### *Budget Revisions*

Any expenditures that will require a budget revision should not be incurred and will only be approved after the budget-revision process is completed.

For budget changes, the PI should work with their departmental admin staff to calculate and submit a grant tracking sheet with a column filled in to show desired budget changes. OSP will review the request for accuracy and allowability and once finalized, the OPAS form will be completed by OSP and returned to the PI for them to insert justifications for each budget change and for the PI to sign. The PI then sends the OPAS form to their department head for signature before returning it to OSP. OSP will obtain the approval and signature of the Vice President for Research. Upon all approvals OSP will process the approved budget changes.

**Source:** Office of Research Affairs

**Revision History:** Established April 2025 by combining content in former policies IX-12, IX-13, IX-14, IX-15, IX-16, IX-17, IX-18.

#### **Associated Forms**

[Banner, SDEZBuy and Signature Authority Form](#)

SDSMT Combined Proxy Form

Organizational Prior Approval System (OPAS)