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| <i>Topic</i>                                     | <i>Category:</i>    | <i>Policy No:</i> | <i>Effective Date:</i> | <i>Page No:</i>    |
| <b>Sponsored Award Administration Management</b> | <b>Expenditures</b> | <b>5.100.10</b>   | <b>12/26/2014</b>      | <b>Page 1 of 1</b> |

**Purpose:** To provide guidance for the appropriate processing of sponsored award over expenditures.

**Policy:**

1. It is the policy of the Boyce Thompson Institute for Plant Research (BTI) that Principal Investigators (PI) are only permitted to spend up to the authorized award amount as stipulated in the sponsored award during the award period. Failure to comply with the terms of the sponsored award may result in the award being temporarily terminated and /or closed.
2. Sponsored award available balances are reviewed on a monthly basis. The authorized award amount may not be exceeded at any time during the budget period. Sponsored awards that have multiple year funding may be budgeted in different ways depending on the award document. If the agency commits funding for the entire period of the project, a budget will be entered for the entire authorized amount of the award. If the agency commits funding incrementally, a budget will be entered for that increment's authorized amount only. It is not appropriate to spend increments before they are awarded by the agency or before the start date of the budget period.
3. Some agencies allow BTI to approve pre-award cost 90 days before the award or budget period start date. If the agency allows pre-award costs, the principal investigator / project leader must obtain written approval from the Vice President for Finance or designee to spend before the start date. If a sponsored award has a negative available balance and the expenditures cannot be appropriately transferred to another award whose work is closely related, the Business Office will be responsible for contacting the agency to obtain verification that more funding is being committed. If additional funding is going to be committed within 90 days of the start of the next budget period, the procedures above for pre-award costs will apply.
4. If additional funding is going to be committed more than 90 days in the future and the expenditures cannot be appropriately transferred to another award whose work is closely related, prior approval to spend the increment must be obtained from the agency.
5. Failure to obtain written commitment from the sponsor will result in temporary termination of the award.
6. If the sponsor does not provide written verification for a commitment of additional funds, the project will be closed to further activity and the closeout process will begin. Any over expenditure of project costs that cannot be transferred to another award whose work is closely related will be charged to the department as a cost overrun. The Business Office will notify the principal investigator/project leader when it is determined that the sponsored award is overspent.