



New York Medical College Policy and Procedure Manual

Section: RESTRICTED FUNDS ACCOUNTING DEPT.	No.: CO.607
	Date: Feb. 3, 1997
Subject: ADMINISTRATION OF SPONSORED PROJECT SURPLUS OR DEFICIT BALANCES	Page 1 of 5
	Supersedes: New

I. Purpose

To establish procedures for the identification of expiring sponsored projects and the resolution among affected parties for the surplus or deficit account balances.

II. Scope

This policy applies to all sponsored that are time-sensitive with respect to the use of funds affecting the College.

III. Definition

- A. Project Period Ending Date - The final date on which a grant or contract for a research project will expire.
- B. Final Budget Period - The final year's budget on an expiring grant or contract.

IV. Policy

It is the policy of New York Medical College to coordinate, among Restricted Funds Accounting Department (RFAD), the Office of Research Administration (ORA), the appropriate academic deans, and the Principal Investigator(s) (PI), a procedure for identifying, monitoring and resolving surplus or deficit balances on sponsored project accounts prior to the expiration of the project.

V. Procedure

- A. Restricted Funds Accounting Department (RAD), Office of Research Administration.

Issued By:

Approved By:

1. 90 days prior to the project period ending date.
 - a. Notify the PI three months prior to the project period ending date for sponsored projects that RFAD forecasts will be overexpended at their conclusion. The PI will be informed by RFAD of the impending deficit and the estimated date by which funds will be exhausted. RFAD will request that the PI submit an Expenditure Adjustment Plan to ORA, with a copy to RFAD, indicating what action will be taken concerning the shortfall in funds.
 - b. The PI will also be asked to submit to ORA an Expenditure Adjustment Plan for projects that are forecasted to have a positive balance in excess of 10 percent of the direct award. A copy must be sent to RFAD.
 - c. In both of the above cases, the PI will be asked to respond to the notice within ten (10) working days.
 - d. RFAD will forward copies to both the Associate Dean for Academic Administration and the Associate Dean for Research Administration at the same time the PI is notified.
2. 60 days prior to the project period ending date.
 - a. If the PI has not responded to ORA, RFAD will update and forward a **Second Notice** to the Department Chair and the PI. The second notice will be sent to the Associate Dean for Academic Administration. The second notice will be sent to the Department Chair to ensure that an Expenditure Adjustment Plan is prepared and submitted to ORA and RFAD within ten (10) working days.

- b. Under-expenditures - A carry forward of more than 10% normally shall be acceptable only if specifically justified in the expenditure plan.
 - c. Competitive Renewal and/or Notice of New project: Where an expenditure presents 90 days or less of advanced expenditure, and not more than (25%) of the new project or renewal, and the terms of the project permit such, the PI may provide written assurance to ORA that advance notice of funding has been received.
6. ORA will confirm the PI's statement and notify RFAD. Subject to that confirmation, support of named employees shall continue. The PI should submit the proposed budget from the project application as part of the expenditure plan.

B. Dean's Office

1. 90 Days prior to the project period ending date.

The Associate Dean for Academic Administration will review the copy of the notice to the PI and will advise RFAD of any pertinent information.

2. 60 days prior to the project period ending date.

Receipt of the Second Notice shall indicate to the Associate Dean that the Dean's Office assistance is requested in resolving the issue. Upon Receipt of the Second Notice, the Associate Dean will contact the PI and request the department to resolve the issue.

3. 45 days prior to the project period ending date.

Upon receipt of the notice regarding impending terminations, the Associate Dean will advise the Department Chair in writing that, unless an appropriate response is made to ORA and RFAD, the Dean will generate termination notices to the employees. The

Associate Dean for Academic Administration will forward a copy of the notice to ORA and RFAD.

4. 30 days prior to the project period ending date.

If no Expenditure Adjustment Plan has been submitted, as confirmed by RFAD, the Associate Dean will forward terminating CRs for employees to the appropriate Department Chair and request that the employees be notified.

VI. Responsibility

A. Associate Dean for Academic Administration

1. Monitor, review and notify appropriate individuals outlined in the procedure section for conformance to this policy.
2. Authorize termination of employee if funds are not available.

B. Office of Research Administration

1. Verify and approve Expenditure Adjustment Plans submitted by PIs.
2. Inform appropriate officers(see text) of the resolution of the Expenditure Adjustment Plans.

C. Principal Investigator/Department Chair

1. Submit acceptable Expenditure Adjustment Plans for their sponsored project accounts.
2. Make adjustments for over-expenditures.

D. Restricted Funds Accounting Department

1. Monitor progress of expenditures as outlined in this policy, and keep the PI informed.
2. Provide advice and guidance with respect to the administration and interpretation of this policy.

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