1. Introduction

The U.S. Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR, Chapter II, Part 200, Uniform Guidance) incorporates guidance on standards, restrictions, and requirements related to financial management of charges to federally funded awards. 2 CFR 200 Subpart D and E.

The University of Colorado Boulder created a Cost Principles Policy and related procedures to further define treatment of certain costs in accordance with campus and university policies and guidance, as well as the Uniform Guidance (UG).

The purpose of this policy is to define the roles and responsibilities of Principal Investigators/Project Directors, unit heads, and the Campus Controller’s Office for fiscal management and financial accountability of externally-funded sponsored projects.

2. Policy Statement

Fiscal regulations, such as Uniform Guidance and Cost Accounting Standards, require that:

- Reported costs are allowable, allocable, and directly beneficial to the project
- All relevant project costs are recorded in the university’s accounting system
- Expenses do not exceed the authorized awarded and funded amount
- Cost transfers, or error corrections, are completed in a timely manner and accompanied by proper documentation
- Cost-sharing obligations are met and documented

The primary responsibility for sound fiscal management, as well as the programmatic direction of a sponsored project, belongs to the individual faculty member who is named as the Principal Investigator (PI) or Project Director. However, the Dean, Director, or Department Chair of the PI’s unit has an overall responsibility for all of the unit’s accounts, including externally-funded sponsored projects.

Programmatic management of sponsored projects includes assuring the scope of work is accomplished and all technical deliverables are met in a timely manner. Fiscal management includes assuring that awards are charged only for costs that are allowable, reasonable, and allocable within the funded amount of the award, and within the award dates approved by the sponsor. All costs charged directly to a sponsored project are subject to audit by the respective sponsor or other audit agencies. Auditing of costs applies to federally funded and non-federally funded awards, in both like and unlike circumstances.

It is the responsibility of the Campus Controller’s Office to prepare and submit accurate and timely financial reports and requests for reimbursement throughout the life of an award. Most final financial reports are due to the sponsor within 90 days after the award end date. In addition, federal rules and regulations require that, unless the awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award no later than 90 calendar days after the authorized award period. See UG §200.343 for more information.

Poor fiscal stewardship may result in deficits, questionable expenses, late charges, unexpended funds, undocumented cost sharing, or other accounting errors. Awards that are in deficit (over-expended) or have unallowable expenses are the responsibility of the PI and the Department Chair, Director, or Dean of the unit. Other funds managed by the unit will be used to cover the deficits and the cost of unallowable charges.
3. Resources

U.S. Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR, Chapter II, Part 200

U.S. Office of Management and Budget’s Cost Accounting Standards, Part 9905

University of Colorado Boulder Policies:

- Cost Principles and Related Procedural Statements
- Disclosure Statement (DS-2)
- Departmental Financial Management Guide
- Cost Sharing Policy
- Summer Salary Limits for Tenured and Tenure-Track Faculty
- Institutional Base Salary

Administrative Policy Statement 2027 – Code of Conduct
Regent Policy 1C – Principles of Ethical Behavior

Other policies on the Office of Contracts & Grants website
Other policies on the Campus Controller’s Office website