

**ESTABLISHING SPONSORED PROJECT ACCOUNTS  
(TULANE UNIVERSITY POLICY)**

**Responsible University Official:** Director, Sponsored Projects Administration (“SPA”);

**Responsible Office:** Sponsored Projects Administration

**Coordinating Departments:** Sponsored Projects Administration, Grants and Contracts Accounting, Office of Corporate and Foundation Relations, Academic Departments

**Issued Date:** July 1, 2009

**Effective Date:** July 1, 2009

**Last Reviewed Date:** November 15, 2010

**Next Review Date:** July 1, 2012

**WHO NEEDS TO KNOW THIS POLICY:** Department Chairs, and Principal Investigators participating in sponsored activity, departmental staff

**WEBSITE ADDRESS FOR THIS POLICY:** <http://tulane.edu/asvpr/ora/upload/Establishing-Sponsored-Project-Accounts.pdf>

---

**I. Background:** Acceptance of an award from an external source imposes an obligation on both the Principal Investigator (PI) and Tulane to conduct the project and use the funds for the purposes set forth in the application, in accordance with applicable cost principles. Tulane also assumes responsibility for fiscal and administrative management of the project. The PI, as designated project director, is responsible and accountable for the proper conduct of the project, including the scientific performance and the submission of required technical reports. Tulane is legally responsible and accountable to the agency for the financial aspects of the supported activity and relies on the PI to spend in accordance with the approved budget.

**II. Policy**

**A. 5-Ledger Accounts:** The Office of Research Administration (“ORA”) is responsible for determining when awards from external sources should be established in a restricted ledger (“5-ledger”). One or more of the following conditions from a sponsor signals that an award should be established as a 5-ledger:

- The sponsor is a federal, state or municipal entity
- Award contains provisions regarding ownership of intellectual property rights, patents and copyrights
- Sponsor requires the delivery of specific goods or services by the University (for example, progress and final reports, test results, etc.)
- Award requires a detailed technical report
- Award payments and continued funding are contingent upon programmatic or fiscal reporting (e.g., milestones, invoices)
- Award includes a provision for audit
- Award includes funding to be subcontracted to a third party
- Award restricts or monitors publications or use of results

- Award requires protection of sponsor and/or confidential information
  - Project involves the use of human subjects, vertebrate animals, radioisotopes on humans, radioactive materials, recombinant DNA, human body substances, etiologic agents or proprietary materials
  - Award is for a clinical trial
  - Award requires return of unexpended funds
  - Award requires approval to spend beyond a designated project period
- B.** If the above characteristics do not apply, solicitations should be processed through the [Office of Corporate and Foundation Relations](#). For further information, refer to the Tulane policy entitled: “Requesting Support from Corporations and/or Foundations”.
- C. Continuing Medical Education (“CME”):** This policy is not applicable to CME & funding for CME.
- D. Clinical Trials:** Industry sponsored clinical trial awards accepted on or after July 1, 2009 will be set up as a 5-ledger account. Clinical trial awards established prior to this date will remain in the 6-ledger system.

### III. Procedures for Establishing a New Account and Extension of Existing Account

- A. Account set-up:** Upon receipt of a new award from an external sponsor, ORA will request that an account be set up by the Office of Grants and Contracts Accounting (“[GCA](#)”). GCA is the office responsible for setting up new 5-ledger accounts for sponsored projects in the Tulane Accounts Management System (“[TAMS](#)”). New awards are set up for the period of performance stated by the sponsor in the award agreement. Industry sponsored clinical trials will be set up upon receipt of a fully executed award from a sponsor and confirmation that the IRB has approved the protocol. New industry sponsored clinical trials will be set up initially for a three year period, unless the contract sets a period of performance, and may be extended by the PI as needed. For extensions of existing accounts, refer to Section VI, “General Guidelines on Post-Award Changes,” of the Tulane University Investigator’s Manual. The **Authorization for a New Account or Extension of Existing Account** form referenced below is only required when a PI wishes to set up a new account prior to receipt of award or to enable 90-day pre-award spending.
- B. Setting up Accounts Prior to Receipt of an Award and 90-Day Pre-Award Spending::** Tulane prohibits the expenditure of funds before the issuance of an award notice (see the policy entitled “**Deficit Spending & Cash Balance Review**”). However, there are two exceptions to this policy. First, there are instances when a sponsor may delay issuing an official award notice. Second, many federal sponsors allow 90-day pre-award spending in advance of the official project start date. In order to avoid a delay to the start of a project, a PI should use the **Authorization for a New Account or Extension of Existing Account**

form to establish a new account prior to the receipt of an official award from a sponsor or for an extension to an existing account. The form also includes a special section for establishing accounts for clinical trials.

- C. The **Authorization for a New Account or Extension of Existing Account** form must be endorsed by the Department Chair of the Principal Investigator. The Department Chair understands that in signing the form, he/she accepts full responsibility by providing a default account for any deficit that occurs should the award not materialize. In addition, under the section for establishing clinical trial accounts, the signature of the Department Chair signifies that the IRB has approved the study protocol (the date should be provided) and that the terms of the contract have been verbally agreed to with the sponsor and the contract has been signed by Tulane University. The PI should include the IRB approval letter when submitting the Authorization form to his or her Department chair for approval.
- D. The department chair should feel free to consult with a member of the Research Administration staff for guidance on the status of any sponsored project prior to signing the **Account Authorization Form**.

**IV. Related Policies:**

[Deficit Spending & Cash Balance Review](#)  
[Tulane University Investigator's Manual](#).

Requesting Support from Corporations and/or Foundations

**V. Related Forms**

[Authorization for a New Account or Extension of an Existing Account Form](#)