Procedures for Correcting Cost Overruns on OSP Funds

It is the responsibility of the PI to ensure that their sponsored program fund/index is not overspent. On occasion expenditures for a particular project may exceed the funds received or awarded. In such instances, the PI must take appropriate action to address the overdraft condition immediately.

The procedure to be followed once a cost overrun or deficit is identified is for the PI and/or Departmental Accountant to identify the specific costs and reason for the overrun and to initiate either a payroll correction or financial correction form to return the fund/index to a zero or positive balance. The PI or authorized signature is required and then the proper form is submitted to the Office of Sponsored Programs Fiscal Manager for review and approval. Unresolved cost overruns may also be the personal responsibility of the PI.

Overrun or deficit balances cannot be transferred to another OSP fund, but can be transferred to a state fund/index as appropriate. Federal circulars A-21 and A-110, as well as the federal agency handbooks must be followed in the review of these cost transfers and care must be taken to remove these expenditures from the F&A proposal.