The financial administration of sponsored awards is a shared responsibility and collaboration between the Principal Investigator (PI), Campus, and University of Missouri System. The University realizes the importance of the PI performing research and as a result of accepting federal awards for sponsored activity; there are certain obligations and responsibilities that need to be adhered to in the form of the Office of Management and Budget (OMB) Circulars and University Policies and Procedures. The PI should seek advice and guidance from the Office of Sponsored Programs who has knowledgeable experts on these requirements. This guide is meant as a reference for PIs and other research administrators on major topics included in the regulations to assist the University in remaining compliant with federal regulations.

The PI coordinates proposal submission, operation, and closeout activities with the Fiscal Assistants (FA) and the Office of Research Administration (ORA). The PI is expected to ensure compliance with applicable regulations, policies, and terms and conditions of the award with assistance from the FA. This is done by setting a “tone at the top” where the researchers and the University communicate that all transactions are to be recorded accurately and in compliance with all agreements and OMB Circulars. Please take the time to express this expectation to colleagues and those working on awards.

The ORA is responsible for monitoring compliance with applicable regulations, policies, and terms and conditions of the award. See BPM 220, Sponsored Programs for detail requirements and responsibilities.

1. Project Planning/Proposal Submission
In this phase, the PI is expected to:
- Be aware of and adhere to all deadlines associated with the proposal. Involve ORA as soon as practical.
- Plan and prepare a proposal that incorporates all necessary approvals, certifications, and assurances, including those from other collaborating institutions.
- Evaluate the level of effort required to complete the proposed project relative to existing effort commitments.
- Sign the proposal indicating his/her commitment to the sponsoring agency to comply with its requirements.
- Ensure appropriate individuals review and sign the Proposal Signature Routing Sheet (PSRS) prior to submission.
- Recognize responsibility is shared with the FA for the administrative management of the project.

2. Award Set-Up
Pre-Award. In certain cases, a pre-award project may be set up when an executed award is not yet in place. Appropriate approvals are required.

The following information is expected to be maintained and reported during the award:
- Notice of Grant Award (NGA): A legal document that notifies the grantee a proposal has been awarded which includes all terms and conditions of the award, and obligates funding by the sponsor. The NGA specifies special requirements, deliverables, and disposition of remaining balances.
- Grant Award Summary: A form issued by ORA indicating award begin and end dates, budget, cost sharing, program income, and other critical award information.
- Final reports, including technical and financial reports, are submitted.
- Final reports, including technical and financial reports, are received from subrecipients.

3. Operations During the Award
The PI should work with the FA to:
- Plan that all important grant dates and activities are met. These include competitive renewal, progress report due dates, and other deliverables.
- Monitor expenses on awards and discuss issues with the FA on a monthly basis to avoid unnecessary cost transfers, such as costs added within the last 60 days of the award. Such adjustments are scrutinized in an audit and difficult to justify.
- Make timely transfers to appropriate sources for unallowable costs.
- Monitor award budget to avoid deficit spending.
- Maintain written documentation of all expenditures directly charged to the award. Authorization by the PI or delegate, Expenditures are allowable, allocable, and reasonable.
- Track and make sure committed cost sharing requirements are met.
- Review and approve changes to the award. The following require prior approval from the sponsor and should be coordinated with ORA:
  a) Change in the scope or direction;
  b) Sign the proposal of the PI or key personnel for more than three months;
  c) Significant changes in PI and/or key personnel effort; and
  d) Significant re-budgeting of funds.
- Consider the need for a no-cost time extension from the sponsor if work is not completed within the period of availability.

4. Award Closeout and Reporting
To prepare for award closeout and reporting, the PI should work with the FA and ORA to ensure the following:
- All costs are allowable, allocable, reasonable, and within the period of availability.
- The notices of award closings are timely reviewed. These are provided at 60 and 30 days prior to the scheduled end of the award.
- Document exists for all costs. All invoices and deliverables are received from subawards.
- New Payroll Action Forms are processed, all purchase orders and requisitions are closed, funding sources for feeder systems are changed, and all I-CARD charges are posted.
- Cost sharing requirements are met.
- Final reports, including technical and financial reports, are submitted.
- Copies of the first three pages of the final technical report are provided by the PI to ORA.
- The PI needs to certify all costs charged to the award. See BPM 210, Sponsored Programs for detail requirements.

Modified Total Direct Cost (MTDC) - A commonly used expenditure base consisting of all salaries, wages, fringe benefits, materials, supplies, services, travel, and up to the first $25,000 of each subaward. MTDC generally excludes capital expenditures, charges for patient care, tuition remission, rental costs for off-site facilities, scholarships, and fellowships.
Cost Transfers

Cost transfers are the reallocation of costs directly charged to an award after the initial transaction has occurred.

- Cost transfers have to be directly related to the project and be:
  - Allowable, allocable, reasonable, and within the period of availability.
  - Clearly documented as to why the transfer was necessary.
  - Timely (no later than two months after original charge was incurred). Transfers not made timely require additional documentation and approvals.

- Cost transfers should never be used to:
  - Meet deficiencies caused by overruns in other awards or other funds, such as general operating.
  - Avoid restrictions imposed by law or by terms of the agreement.

- See Policy BPM 213, Adjustment of Income & Expense Items for details.

Cost Sharing

Cost sharing is the specific portion of awards not funded by the sponsor but borne by the University or a third party.

- Cost sharing offered voluntarily in the proposal needs to be provided by the University or third party and documented.
- Proposed cost sharing should have departmental authorization from an approved internal funding source.
- Cost sharing cannot include unallowable costs.
- Cost sharing on a federal project cannot be funded from another federal source, unless permission is granted in writing by the sponsor.
- Cost sharing cannot include costs benefiting another award.
- Cost sharing may include salaries over the NIH cap if applicable.
- See APM 60.30, Cost Sharing, for details. (in draft)

Subrecipient Monitoring

The University is required to monitor subrecipients - a third-party organization performing part of the University's funded award.

- Subrecipients are subject to the same compliance requirements as the University.
- PIs have primary responsibility for review of invoices and ensuring subrecipient's completion of programmatic activities and other deliverables.
- See Policy APM 60.85 Subrecipient Monitoring Procedures for details.

Other Requirements

PIs and FAs need to be familiar with the following additional requirements related to conducting sponsored activity:

- **Conflict of Interest Form**. Faculty are required to disclose potential conflicts of interest related to sponsored activity. See Conflict of Interest Form at: http://www.umsl.edu/services/ora/pdfs/COI%20Disclosure%20Form_UMSL.pdf

- **Research Misconduct**. Fabrication, falsification, or plagiarism in proposing, performing, or reporting research. See Collected Rules and Regulations, Chapter 420.

- **Authorship**. All individuals listed as authors should have made a substantial, direct, intellectual contribution to the work.

- Protocols and Approvals. PIs need to have the appropriate protocols and approvals for conducting activities before any work begins. The following may apply to a specific project:
  - Human subjects (IRB)
  - Animal subjects (IACUC)
  - Radiation and Biosafety
  - Export Controls
  - Others as applicable

- **Intellectual Property and Copyrights**. See Collected Rules and Regulations, Chapter 100.

- **Record Retention**. Supporting documentation for expenditures charged to an award needs to be maintained by the department during and after the award period for three years from date of submission of final expenditures report.

- **Subrecipients**. Subrecipients are subject to the same compliance requirements as the University.

- **PIs** have primary responsibility for review of invoices and ensuring subrecipient's completion of programmatic activities and other deliverables.

- **See Policy APM 60.85 Subrecipient Monitoring Procedures for details.**

References

- **Accounting Policy and Procedures Manual (APM)**
- **Business Policy Manual (BPM)**
- **Collected Rules and Regulations**
  - http://www.umsl.edu/ums/departments/ge/rules/