Introduction to Sponsored Projects

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<u>Course Description:</u> This course provides an overview of research administration and sponsored projects. Topics include: an introduction to the university offices involved in sponsored research, the types of sponsored projects, the award lifecycle, and a discussion on the importance of compliance.

<u>Objectives:</u>
After completion of this course, you will be able to:
1. Discuss the university's research mission, supporting organizational structure, and sponsored research portfolio
2. Distinguish between grants, cooperative agreements, and contracts
3. Describe the life cycle of a sponsored project
4. Explain the importance of compliance with sponsor requirements

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Introduction to Sponsored Projects

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1. Sponsored Projects at the University of Colorado

1.1 What are Sponsored Projects?

Sponsored projects are externally funded or supported projects conducted by the university.[1] Sponsored funding may come from the federal government, either directly from an agency or indirectly through subawards, or from non-federal sources, such as private foundations or corporations.

The University of Colorado is one of the nation's leading research universities. The University of Colorado System has four campuses, each with a distinct role and mission. The University of Colorado Denver | Anschutz Medical Campus' mission statement specifically charges the faculty, staff, and students to advance knowledge through research and training. To accomplish our mission, the university actively pursues and engages in sponsored research projects.

Sponsored Projects benefit the university, our faculty, and community. The amount of sponsored awards and the resulting research and innovation improves a university's reputation and prestige. This enables a university to attract the best students and faculty and further increases the potential for future awards.

> **University of Colorado Denver | Anschutz Medical Campus Mission Statement**
> The University of Colorado Denver | Anschutz Medical Campus is a diverse teaching and learning community that creates, discovers and applies knowledge to improve the health and well-being of Colorado and the world.

In fiscal year 2017, the university received more than $500 million in sponsored funding. The following graph depicts the amount and source of sponsored funding the university has received over the last five fiscal years.

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[1] Appendix A on page 28 contains a list of commonly used acronyms for sponsored projects. Appendix B on page 31 contains a glossary for terms used in this course.

Sponsored Project Funding to the
University of Colorado Denver | Anschutz Medical Campus

(Funding in Millions, by Fiscal Year)

Fiscal Year	Non-Federal	Federal
2013	$167	$244
2014	$183	$259
2015	$173	$270
2016	$210	$269
2017	$239	$277
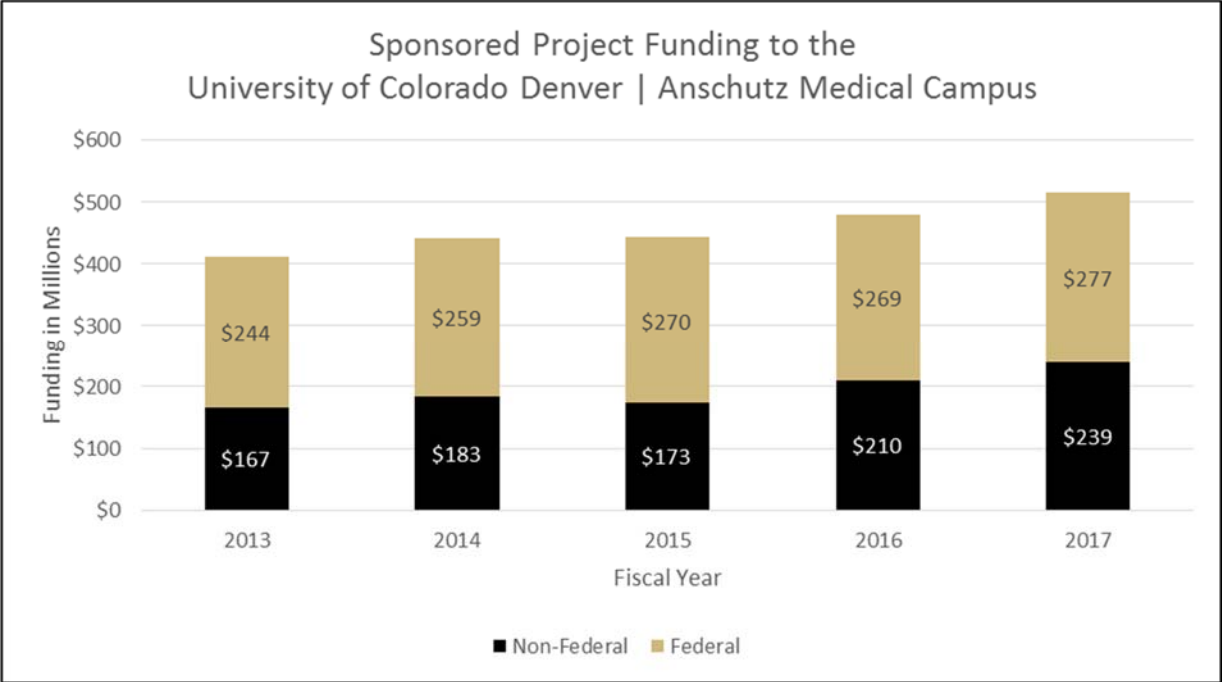
1.2 University Achievements

The university's tradition of innovation has created several groundbreaking achievements, including the first liver transplant in the world, the first vaccine for shingles, and the first to use human cell cloning to study genetics and cancer.

Discoveries on the Anschutz Medical Campus have led to new medical devices, pharmaceuticals, diagnostic methods, treatment of debilitating conditions, and improved quality of life for patients and consumers worldwide. Since 2002, the university's technology has led to the filing of 1,300 patent applications and the formation of 53 new companies, funded by more than $914 million in venture capital and public and private equity investment and grants.

1.3 The Role of the Research Administrator

Research administrators have a crucial role in obtaining and managing sponsored projects.[2] While your specific role will vary depending on your administrative unit, two primary responsibilities of research administrators are:

- Providing resources and support to principal investigators for sponsored projects
- Ensuring ethical and fiscal compliance with sponsor requirements, university policies, and federal and state law

Research administrators serve as a link between the key actors involved with sponsored projects, including:

- The faculty researcher, known as the **principal investigator (PI),** who is responsible for conducting the research and for the overall management of the project
- The sponsor, which provides funding and establishes compliance requirements
- The Office of Grants and Contracts (OGC), a central administrative office that provides support services to PIs and research administrators, and serves as the university's **Authorized Organization Representative (AOR)**

Resource

The Office of Grants and Contracts (OGC) is the central administrative office for externally funded activities at the university. The mission of OGC is to provide service to faculty and administrators in obtaining and administering extramural funds in compliance with university and sponsor guidelines.

OGC is located at:
http://www.ucdenver.edu/research/OGC/Pages/default.aspx

Establishing effective interpersonal relationships and communicating with all the individuals involved in sponsored projects will make your job easier. In addition, learning the work style of your departmental faculty, their knowledge base, and their expectations of your role will enable you to work more efficiently.

Since a research administrator's job is often deadline driven, you should be prepared for quick turnaround times for many activities. Meeting internal and external deadlines is crucial to preventing processing delays within the university's systems, ensuring proposals are accepted by sponsors, and complying with sponsor requirements. To be successful, you should identify and adhere to all deadlines related to a sponsored project, and clearly and professionally communicate those deadlines to others involved in the project.

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[2] Appendix F on page 43 provides the University's policy on Roles and Responsibilities for Sponsored Project Administration.

A research administrator should be focused on providing timely and quality customer service. You are also responsible for conveying accurate information, even when you have to tell a PI "no."

You should never make assumptions or guesses when responding to an answer. When you have a question, you should:
- Review the award terms and conditions for award administration requirements
- Review the sponsor guidelines and supplemental instructions for proposal preparation and submission information
- Read the applicable federal regulations, university policy, or sponsor requirements
- Ask a coworker, fellow research administrator, or manager
- E-mail or call OGC
- Ask the sponsor

You should always document any communication you have with a sponsor. If you called a sponsor, be sure to follow up with a summary email that outlines your understanding of the conversation. This documentation will be helpful if future questions or concerns arise.

Five Key Competencies for Research Administrators
The National Council for University Research Administrators (NCURA) is professional organization that advances the field of research administration. NCURA identifies five key competencies and skills essential for all research administrators:
1. Developing and maintaining strong working relationships
2. Earning and keeping the trust of sponsors, PIs, and colleagues
3. Successful collaboration and teamwork
4. Effective communication
5. Providing helpful and timely customer service

Benefits of Being a Research Administrator

Virginia Commonwealth University published the following list highlighting the benefits of being a research administrator.

1. **It is interesting profession.** Every day includes common tasks; reviewing proposals, handling transactions, and talking faculty off ledges. But every one of those tasks might be wildly different from one grant or PI to the next.
2. **It allows you to use a broad range of skills.** Research administration lets you apply different skills: judgement, creativity, reading comprehension, critical thinking, math, computer skills, public speaking, training development, project management, and communication.
3. **There is a high demand for it.** Research administration is a niche field, it is highly specialized, and the need for qualified employees continues to increase.
4. **Relative autonomy.** Research administrators often have more autonomy to use professional judgement and work without close supervision than many other occupations.
5. **Mobility.** There are research administration positions all over the world.
6. **Potential for professional growth.** There are different areas of research administration, and you can choose a career path that really speaks to you. Few fields allow this level of flexibility.
7. **It has the best and largest collection of acronyms anywhere.** NIH, NSF, USDA, GMS, ACM$, RPPR, FDP, IRB, IACUC, ITAR, FAR, CFR, and UG.
8. **The research administration community.** There are online communities, annual meetings, and conferences that offer different ways to get involved and learn from others.
9. **The faculty.** There is nothing like the excited email or phone call from a PI who has just received their first award. Plus, as a function of our jobs, we get a sneak peek at all the newest research in the pipeline.
10. **It makes a difference.** Research administrators have an essential role in assisting researchers in their discoveries.

1.4 University Systems and Email Lists

The following list identifies some of the university's systems that research administrators frequently use:

- InfoEd eRA (InfoEd) is primarily used during the pre-award phase to develop and route a proposal. InfoEd is also used for conflict of interest (COI) compliance and for managing human subjects reporting
- CU Data is the financial system portal that contains m-Fin reports and the PeopleSoft Grant Module
- Marketplace is the university's eProcurement system
- Concur Travel and Expense is the university's travel management system

- Human Capital Management (HCM) is the human resource management system. Research administrators can access employee job codes and classifications, benefits information, and compensation and payroll data.
- OnCore is the clinical trial management system

The following table identifies some of the commonly used email accounts:

Subject	Email
Award Status	OGC.4status@ucdenver.edu
Billing	OGC.billing@ucdenver.edu
Contracts	OGC.contracts@ucdenver.edu
Fiscal Roles	OGC.fiscalroles@ucdenver.edu
General Inquiries	xenia@ucdenver.edu
Notification for final proposal submission	eapp.xenia@ucdenver.edu
Payments	OGC.4payments@ucdenver.edu
Post Award	OGC.PostAward@ucdenver.edu
Pre-Award	xenia@ucdenver.edu
Subcontracts	OGC.subcontracts@ucdenver.edu

Resources
The federal government currently uses over 25,000 terms, data elements, and attributes for federal financial assistance programs. The Common Data Element Repository (CDER) is searchable database providing an explanation for each data element. The CDER is located at:
https://repository.usaspending.gov/cder_library/

The National Institutes of Health provides an agency-specific glossary and acronym list located at:
https://grants.nih.gov/grants/glossary.htm

1.5 Exercise – Introductory Meeting with Dr. Mary Smith

<u>Directions</u>: Review the blog article found in Appendix E on page 41. Then read the following scenario and answer the questions.

> **Scenario**
> Dr. Mary Smith is a new faculty member in the Department of Immunology & Microbiology. Dr. Smith has recently completed her postdoctoral research and is beginning her research career. As a new research administrator, you decide to meet with the PIs in your department to introduce yourself.

1. How would you describe your role to Dr. Smith?

2. What questions would you ask Dr. Smith?

3. During your meeting, Dr. Smith tells you about her research idea, however, she is unfamiliar about potential funding opportunities. How would you respond?

4. As the blog article states, awards are made to the university, not to a specific PI. Why might this be an important point to emphasize?

2. Types of Sponsored Projects

Award requirements vary significantly. When administering an award, it is crucial to identify:
- The type of sponsor
- The type of award
- The type of program
- The payment method for the award
- If the award is a subaward

2.1 Sources of Sponsored Funding

The type of sponsor making an award has an impact on how a project must be administered. University policies and compliance requirements vary depending on the sponsor type.

Sponsored projects can be broadly categorized based on the original source of funding and resources as either federal awards or non-federal awards.
- **Federal awards.** The university may receive a federal award either directly from a federal agency or indirectly from an award recipient, such as another university.
- **Non-federal awards.** Two primary sources for non-federal awards include:
  - Non-profit organizations and foundations
  - Industry and corporate sponsors

The university also receives awards from the state of Colorado. State agencies may sponsor projects using federal money, state money, or a combination of both funding sources.

> **Notable Sponsors for the University**
>
> The primary federal sponsors for the university are the Department of Health and Human Services (HHS), the National Science Foundation (NSF), and the Department of Defense (DOD).
>
> Some notable non-federal sponsors include the American Heart Association, Merk, Pfizer, the Muscular Dystrophy Association, the American Cancer Society, the Colorado Health Foundation, and the Gates Foundation.

Federal and non-federal sponsored projects have different application forms, compliance requirements, funding mechanisms, and award closeout procedures. Federally sponsored projects generally have standard requirements and procedures, while the requirements for non-federal sponsors will vary based on the specific sponsor.

To determine the type of award, you should determine where funding orginiated. The award terms and conditions will indentify the source of funds. Federal grant awards

must identify a Catalog of Federal Domestic Assistance (CFDA) number. If the award document does not identify a CFDA number, then the award is probably a non-federal award.

Resource
The Catalog of Federal Domestic Assistance (CFDA) is the federal government's directory of federal assistance programs. Each program is assigned a five digit number in the format XX.XXX. The first two digits identify the award agency and the last three digits identify the program.

The CFDA is officially called the Assistance Listings and is located at: https://beta.sam.gov/

The federal government has established uniform requirements applicable to most federal awards. 2 CFR 200 establishes governmentwide requirements for federal grants and cooperative agreements and the Federal Acquisition Regulation (FAR) establishes requirements for federal contracts.

For non-federal awards, sponsors establish their own requirements.

In addition to adhering to sponsor requirements, all sponsored projects must also be compliant with applicable university policies.

2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

2 CFR 200 establishes requirements for federal grant and cooperative agreements. Also known as the Uniform Guidance, 2 CFR 200 became applicable to federal awards on December 26, 2014.

Each federal awarding agency has adopted implementing regulations to apply the requirements under 2 CFR 200 to their own awards. A federal awarding agency will generally reference their own implementing regulations in the award terms and conditions. For example, the implementing regulations for the U.S. Department of Health and Human Services is located at 45 CFR 75.

When managing awards, you must adhere to the federal agency's implementing regulations, as an agency's regulations may deviate slightly from 2 CFR 200.

2.2 Types of Awards

For federal awards, there are three primary types of sponsored projects:
- Contracts
- Grants
- Cooperative Agreements

Federal law requires federal agencies to use the **primary purpose test** when determining whether a grant, cooperative agreement, or contract should be used.
- A **contract,** or a procurement**,** is used when the primary purpose of the award is to acquire property or services for the direct benefit or use of the federal government.
- A **grant** or **cooperative agreement** is used when the primary reason for the award is to provide funding or resources to support or stimulate a public purpose.

The difference between a grant and a cooperative agreement is the role of the government. A federal awarding agency will use a cooperative agreement when agency personnel will be substantially involved with the project. If the agency's role is limited to oversight, then a grant is the appropriate award type.

Examples of substantial involvement include:
- Participating in project design, data collection, and data analysis
- Reviewing and approving a stage of work before the next stage can commence
- Coordinating or providing training to recipient staff
- Coauthoring papers
- Helping to select contractors or other project staff

Non-federal sponsors may name and use award types differently from the federal government. The following list identifies common awards the university receives from non-federal sponsors.
- **State of Colorado.** The state may use grants and cooperatives agreements, similar to the federal government. State agencies also award interagency agreements and purchase orders to the university.
- **Non-profit organizations and foundations.** The two primary award types from non-profit organizations and foundations are grants and gifts.
- **Industry.** Private sector companies may make Sponsored Research Agreements (SRA), Clinical Trial Agreements (CTA), Investigator Initiated Studies (IIS), Collaborative Agreements, Material Transfer Agreements (MTA), and Confidential Disclosure Agreements (CDA) with the university.

NIH and NSF Use of Cooperative Agreements

National Institutes of Health

The NIH use a "U" activity code to indicate a cooperative agreement. NIH uses cooperative agreements for high-priority research areas requiring a level of involvement from NIH staff not associated with a typical research project. For example, when the NIH uses a cooperative agreement for a clinical trial, the recipient staff should expect NIH staff to work closely together for several hours a week to develop and execute a trial and associated studies.

National Science Foundation

The NSF uses cooperative agreements when a project's objectives requires substantial ongoing agency involvement. Examples of projects include:

- Management of research centers
- Large curriculum projects
- Multi-user facilities
- Projects which involve complex subcontracting
- Construction of operations of major in-house university facilities and major instrumentation development
- Projects in which NSF participates with other stakeholder agencies or organizations that have influence over project direction and/or development

Fellowships and training grants are not award types. Instead, they are a type of grant, contract, or cooperative agreement. Federal and non-federal sponsors both award fellowships and training grants.

What is a Gift?

Non-federal entities, such as corporations and foundations, may make a gift to the university. It may be the job of a research administrator to aid in determining whether an award is a sponsored project or gift. In some cases, the distinction is difficult to determine.

A **gift** is anything of value, given to the university, by a donor who expects nothing of significant value in return.

2.3 Types of Sponsored Programs

Sponsored programs fund a variety of projects. The following list identifies some of the types of funding programs the university applies for and receives.

- **Research grants and contracts** are faculty research projects designed to expand the body of scientific knowledge and to develop new technologies.
- **Training grants** provide funding to develop or enhance research training opportunities, usually for pre- or post-doctoral work. Training grants generally provide funding for stipend and tuition support.

- **Instructional grants** are designed to improve and enhance the quality of teaching.
- **Career development awards** are usually provided to new researchers to foster their research opportunities.
- **Fellowships** generally provide support to pre- and post-doctoral students at various stages of their career to obtain individualized, mentored research training.
- **Conference and travel grants** help provide funding for recipients to attend conferences or to travel for research and training.
- **Equipment grants** provide funding for researchers to obtain necessary equipment for their studies.
- **Clinical trials** fund the evaluation of medications, medical devices, or behavioral interventions on a population.
- **Non-research project grants** fund a variety of non-research based activities.
- **Construction grants** fund the construction, modernization, or major alterations and renovations of facilities.

> **Expanded Authorities Under Federal Research Awards**
> The terms and conditions for federal research awards generally includes **Expanded Authorities**. Expanded Authorities waive certain prior approval requirements and provide greater flexibility in administering awards.
>
> Expanded Authorities are not provided to non-research federal awards.
>
> The National Science Foundation provides a matrix of Expanded Authorities incorporated into the federal research terms and conditions at:
> https://www.nsf.gov/awards/managing/rtc.jsp

2.4 Types of Payments
Sponsored projects can also be classified based on how an award is funded. The following list identifies common types of award payments:
- **Advanced payments** are when the sponsor provides funding on a predetermined payment schedule
- **Cost reimbursable awards** are used when the sponsor provides funding to repay the university for costs incurred for a project
- **Fixed amount awards** are used when the sponsor provides a specific amount of funding based on the university meeting predetermined milestones
- **Fixed rate awards** are generally used for clinical trials and the sponsor provides a predetermined amount of funding per patient

2.5 Subawards

Sponsored funding does not always come directly from the original sponsor. A sponsor may make an award to a recipient, which then awards a portion of that funding to another recipient to carry out a portion of the project. In this situation the original recipient, or prime recipient, is a **pass-through entity** and the secondary recipient is known as a **subrecipient.**

For sponsored projects, the university receives subawards and makes subawards. The following table defines the roles of pass-through entities and subrecipients.

University Role	Action	Responsibility	Funding Flow for the University
Pass-through entity	Makes subawards	Monitors subrecipients	Outgoing
Subrecipient	Receives subawards	Complies with pass-through entity's requirements	Incoming

Significance
Understanding the difference in award instruments is critical when applying for and managing sponsored projects. Compliance requirements and the role of the sponsor depends on the type of award.

When determining whether the university is a pass-through entity or a subrecipient, you need to determine the flow of funding. Ask yourself: "Is the university receiving funding, or is the university awarding funding."

The university may use sponsor funds for procurement contracts to obtain goods and services for a project. The university's compliance responsibilities differ depending whether a subaward or contract is awarded. In complex situations, when a determination of the correct award instrument may not be clear, research administrators must use their best judgement regarding the substance of the relationship between the university and the other entity. OGC will review proposed subawards and contracts to verify the correct award type has been selected. A sponsor may restrict the use of subawards or contracts.[3]

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[3] Appendix C on page 36 can serve as a job aid for contract / subrecipient determination.

You should be aware of any restrictions in the award agreements under your portfolio and ensure compliance with each agreement.

> **Auditors Question University's Use of Contracts Awards**
> The Department of Health and Human Services (HHS) Office of Inspector General (OIG) examined the University of South Florida's grants management policies and practices. Among other items, auditors questioned 16 contracts that should have been classified as subawards. The auditors found that the university used contracts to claim a full reimbursement of indirect (F&A) costs. The auditor report stated: "By classifying subcontract costs as vendor purchases, the University claimed F&A on costs for which it should not have received F&A."

2.6 Exercise – Applying Grant Terms

Directions: Read the scenario and answer the questions.

Scenario: Dr. Mary Smith received notification that she will receive a grant award from the National Institutes of Health (NIH), an agency within the U.S. Department of Health and Human Services, for $250,000. To implement the project, Dr. Smith identified a researcher at the University of Washington who will assist in collecting and analyzing samples. The award to the University of Washington is for $50,000. Dr. Smith also plans to use $15,000 in award funds to purchase equipment from GE Healthcare.
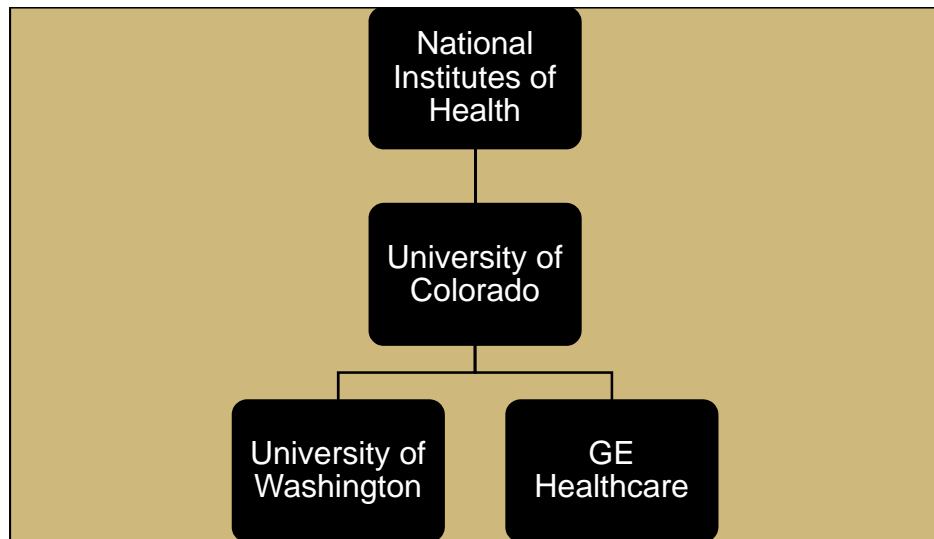
1. What is the role of the National Institutes of Health?

2. What is the role of the University of Colorado?

3. What type of award should be made to the University of Washington?

4. What type of award should be made to GE Healthcare?

3. The Award Lifecycle

3.1 Introduction to the Award Lifecycle
The **award lifecycle** describes the process in which sponsored awards are made and administered. The award lifecycle can generally be categorized by two distinct phases:

- **Pre-award.** The pre-award phase encompasses the process in which a sponsor announces funding opportunities, applicants apply for funding, and the sponsor selects recipients for funding.
- **Post Award.** The post award phase relates to project implementation, compliance with all award requirements, the monitoring of award recipients, closing out the project, and post-closeout responsibilities.

The following graphic depicts the common activities in the award lifecycle.
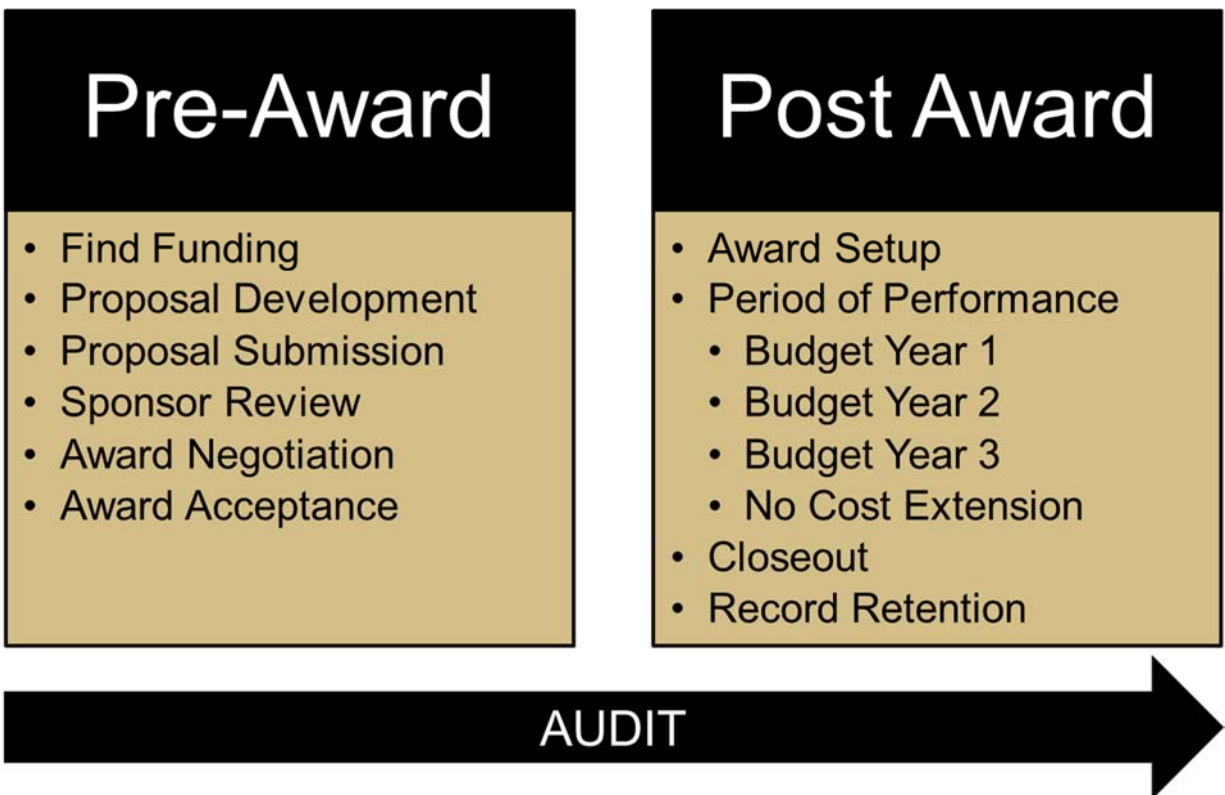
3.2 The Award Lifecycle at the University
Implementing the award lifecycle at the university is a collaborative effort between the PI, administrative units, and OGC. The following table provides a high-level summary of the roles and responsibilities of the actors involved in award management at the university throughout the grant lifecycle.[4]

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[4] Appendix D on page 38 provides a roles and responsibilities matrix.

<table>
<tr><td></td><td>Significance
Each department operates differently. Your specific role and responsibilities may vary depending upon the type of sponsored project and your department.</td></tr>
</table>

Role	Pre-Award	Post-Award
Principal Investigator	• Identifies funding opportunities • Prepares proposal	• Manages day-to-day activities of the project • Monitors subrecipients, if applicable • Prepares progress reports
Administrative units	• Assist PIs in developing proposals • Routes proposal to OGC for review • Finalizes proposals after OGC review and may submit final proposals when AOR submission not required	• Manages finances and direct charges to awards • Coordinates with OGC to correct accounting errors • Prepares prior approval requests • Prepares award closeout
Office of Grants and Contracts	• Reviews proposals • Submits final proposals to sponsors when AOR submission is required	• Submits final financial reports • Submits prior approval requests • Completes award closeout

The following list details the general procedures for sponsored projects at the university.

1. **Locating funding opportunities.** The Office of Research Development and Education (ORDE) and administrative units can assist PIs in locating funding opportunities.

2. **Proposal development.** The PI, with assistance from research administrators, will develop the proposal, which includes: the budget, scope of work, and project aims. PIs have the responsibility in obtaining all approvals required by the InfoEd approval flow.

Resource
The Office of Research Development and Education (ORDE) provides assistance to faculty members in locating funding opportunities and developing proposals. Research administrators may direct PIs to ORDE for assistance.

ORDE is located at:
http://www.ucdenver.edu/research/ORDE/Pages/default.aspx

3. **Proposal Review and Approval.** The PI, or administrative unit, will submit the proposal to OGC for review and approval. OGC will return the proposal to the PI to finalize the application.
4. **Proposal Submission.** Depending on submission requirements, OGC, the administrative unit, or PI will submit the proposal to the sponsor.
5. **Notice of Award, Review, and Acceptance.** OGC will review award documents and, as necessary, negotiate award terms and conditions and budgets. The PI and administrative units should review the award terms and conditions before OGC executes the award.
6. **Award Set-up**. OGC sets up the award in the financial system.
7. **Award programmatic administration**.
   - The PI executes the project and complies with all award requirements
   - The PI develops the scope of work and budget for incoming subawards
   - OGC is responsible for reviewing and negotiating subaward agreements
   - The PI conducts subrecipient monitoring, including
     - Reviewing invoices
     - Reviewing and approving subrecipient reports
   - The PI will obtain necessary approvals for equipment purchases, travel, and other items requiring sponsor approval
   - The PI and administrative units will prepare progress reports
8. **Award financial administration.**
   - OGC is responsible for most managing billing and cash collection activities
   - OGC will submit interim financial reports in coordination with administrative units

- The PI and administrative unit review monthly accounting statements
- Administrative units are responsible for managing award finances, budget, purchasing, payroll, and other expenses

9. **End-of-award.**
   - Depending on the award type, the administrative unit or OGC will obtain approvals for carry forward requests and no-cost extensions, as necessary
   - The PI and administrative unit will prepare and submit final progress reports
   - OGC and Financial Services completes invention and property reports, as necessary
   - OGC, in coordination with the administrative unit, will submit final financial reports and close the account

10. **Audits.** OGC coordinates all audit matters related to sponsored projects.

Resource
Federal laws and regulations require the university to meet with a number of regulatory compliance requirements related to sponsored projects. The Office Regulatory Compliance provides compliance assistance with:
- Colorado Multiple Institutional Review Board (COMIRB)
- Conflict of Interest
- Export Control
- HIPPA Privacy and Compliance
- Research Integrity

The Office of Regulatory Compliance is located at:
http://www.ucdenver.edu/research/ORC/Pages/ORC.aspx

4. Complying with Award Requirements

4.1 Obligations to Sponsors

An award between the university and a sponsor is legally binding, with both parties agreeing to the terms and conditions of the award. By accepting sponsored funding, the university agrees to comply with all requirements for each award. OGC will review an award to evaluate the terms and conditions before the agreement is executed.

Federal awards contain standard governmentwide terms and conditions common to all federal awards, as well as standard agency terms and conditions. The terms and conditions of non-federal awards will vary based on the sponsor. Research administrators should review the terms and conditions for each award under their portfolio and convey to a PI any nonstandard, or award-specific, requirements.

4.2 How Compliance is Monitored

Monitoring refers to the activities a sponsor takes to ensure recipient compliance. The specific actions a sponsor may utilize will vary. Some common monitoring activities include:

- Providing technical assistance
- Communicating with recipients
- Reviewing and approving financial and progress reports
- Analyzing expenditures
- Authorizing prior approval requests
- Conducting site visits or desk reviews

The university also engages internal and external auditors to verify compliance with sponsor requirements, federal and state law, and university policies. Federal law requires the university to have an annual audit of federal awards, which examines both financial and regulatory requirements. Federal agencies may also conduct an audit through their Office of Inspector General (OIG). An OIG audit will examine the university's compliance with that agency's requirements.

4.3 Consequences of Noncompliance

Whether intentional or unintentional, failure to comply with award requirements can have ramifications for not only a specific award and PI, but also for the university as a whole. Sponsors may take a variety of actions to correct noncompliance, including:

- Requiring additional, more detailed financial reports
- Disallowing costs, which requires the university to absorb those costs
- Establishing additional prior approvals
- Mandating training
- Temporarily withholding cash payments
- Wholly or partly suspending or terminating an award

- Suspending or debarring the PI or university from receiving federal funds
- Civil and criminal legal proceedings

> **Example - Board of Regents Agree to Pay the Federal Government to Resolve Allegations of False Statements**
>
> In 2014, the Regents of the University of California agreed to pay $499,700 to resolve civil allegations under the False Claims Act that the University of California Davis (UC Davis) submitted false and misleading statements in connection with obtaining grants from the Department of Energy (DOE) and the National Science Foundation (NSF).
>
> The settlement resolved claims that UC Davis:
> - Failed to disclose the duplicative and overlapping nature of the NSF grant, the DOE grant, and a previously funded award
> - Failed to accurately describe the research that had been funded by previous grants
> - Failed to disclose that the NSF grant and a previous grant were responsible for specific research being funded by the DOE
> - Submitted progress reports to DOE that listed accomplishments under the NSF grant

4.4 Common Noncompliance Issues

The following list identifies common problems in research administration. This list is designed to explain some of issues auditors and sponsors examine closely.

- **Charging unallowable costs**. All costs charged to an award must be: allowable, reasonable, and allocable. Of particular concern for auditors and sponsors are large equipment purchases at the end of an award. Such purchases raise questions about the necessity of the equipment.
- **Misallocation of costs.** Project costs must be associated with the project. Two common problems with allocating cost include: charging a cost to a project that did not benefit from that cost and incorrectly allocating costs among multiple projects.
- **Excessive cost transfers.** A **cost-transfer** is a reallocation of a cost from one fund to another. Frequent or insufficiently justified cost transfers raise serious questions about the propriety of the transfers, the overall reliability of the university's accounting system, the ability of the PI to manage the account, and the adequacy of the university's internal controls.
- **Inaccurate effort reporting**. Salaries and associated fringe benefits constitute a significant portion of many sponsored projects. Compensation costs must be an accurate, after-the-fact reflection of the time and effort expended on an award.
- **Failure to obtain prior approval.** Deviations from an approved project may require written authorization from the sponsor. Failure to obtain prior approval

may result in a disallowed cost. The award terms and conditions identify prior approval requirements.

- **Inadequate subrecipient monitoring**. The university has a fiduciary responsibility to ensure subrecipients are:
  - Using sponsored funds for authorized purposes
  - In compliance with the terms and conditions of the subaward agreement
  - Progressing towards performance goals
- **Delinquent reporting.** Progress and financial reports must be submitted on time. Sponsors may withhold funding for a project until reports are submitted.
- **Inadequate documentation.** All costs must be adequately documented. An auditor or outside monitor must be able to recreate a transaction solely by using existing documentation. A cost may be questioned and disallowed if documentation is missing.

For federal awards, federal awarding agencies and pass-through entities may apply specific conditions on awards, as identified at 2 CFR 200.207, or impose sanctions, as identified in 2 CFR 200.308, to remedy noncompliance.

Example – NSF Questions Purchases Near the End of an Award

The NSF conducted an audit of the University of New Mexico. The auditors questioned $28,733 for the following purchases near the end of the award:

Item	Question Cost	Days Remaining in Award
Microscope	$19,038	8
Optical Beam	$3,693	1
Translation stage	$3,042	10
Translation stage	$2,960	8

The auditors justified the questioned costs by stating: "These purchases were not reasonable or necessary considering the limited time remaining on the awards."

The following table identifies best practices that can prevent noncompliance issues

Situation	Best Practices
Charging unallowable costs	• Read award terms and conditions • Understand and follow sponsor guidelines and university policies • Ensure all costs are incurred during the allowed periods
Misallocation of costs	• Review costs to the award • Be consistent in cost allocations • Document the allocation methodology
Excessive cost transfers	• Identify and correct problems in a timely manner • Fully explain and justify why original charge was incorrect • Fully document cost transfer requests
Inaccurate effort reporting	• Ensure time and effort is reported correctly • Charges must reflect actual, after-the-fact effort on the award
Failure to obtain prior approval	• Read award terms and conditions • Communicate prior approval requirements to the PI
Inadequate subrecipient monitoring	• Communicate subrecipient monitoring requirements to the PI
Delinquent reporting	• Identify reporting deadlines from the award terms and conditions • Plan ahead
Lack of documentation	• File receipts and other cost-related documents • Provide and keep written justification of unusual or extraordinary situations

4.5 Exercise – Responding to PI Questions and Requests

<u>Directions:</u> Dr. Mary Smith recently received an NIH award. Dr. Smith sent you the following email. Explain what you would do and how you would respond to her email.

Smith, Mary

From:	Smith, Mary
Sent:	Saturday, March 17, 2018
	10:41 PM
To:	Research Administrator
Subject:	Grant Charges

Hello,
I am attending the 8th Global Summit on Microbiology and Infectious Diseases in Paris next week. Please charge the airfare and hotel to my NIH grant. The airfare was $2582 and the hotel was $1782.

Also, my laptop is inadequate and I need to purchase a new one. How this will affect my budget?

Mary Smith, PhD
Assistant Professor
Department of Immunology & Microbiology
Anschutz Medical Campus
Email: mary.smith@ucdenver.edu
303-555-0317

Appendix A – Acronyms

Acronym	Term
AA	Animal Assurance
AAALAC	American Association of Animal Laboratory Accreditation Council
ACM$	Award Cash Management Service
ADA	Americans with Disabilities Act of 1990
AOR	Authorized Organization Representative
BAA	Broad Agency Announcement
CAS	Cost Accounting Standards
CDER	Common Data Element Repository
CFDA	Catalog of Federal Domestic Assistance (now known as the Assistance Listings)
CFR	Code of Federal Regulations
CO	Contracting Officer
COGR	Council on Government Relations
COI	Conflict of Interest
COMBIR	Colorado Multiple Institutional Review Board
Co-PI	Co-Principal Investigator
CRADA	Cooperative Research and Development Agreement
DARPA	Defense Advanced Research Projects Agency
DOD	Department of Defense
DUNS	Data Universal Numbering System
ED	U.S. Department of Education
EIN	Entity Identification Number
EPA	Environmental Protection Agency
F&A	Facilities and Administration
FAIN	Federal Award Identification Number
FAPIIS	Federal Awardee Performance and Integrity Information System
FAR	Federal Acquisition Regulation
FDP	Federal Demonstration Partnership
FFATA	Federal Funding Accountability and Transparency Act
FFR	Federal Financial Report
FOIA	Freedom of Information Act
FR	Federal Register
FTE	Full-time Equivalent
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAO	Government Accountability Office
GMO	Grants Management Office
GPRA	Government Performance and Results Act
HBCU	Historically Black Colleges and Universities
HHS	U.S. Department of Health and Human Services

HIPAA	Health Insurance Portability and Accountability Act
HRSA	Health Resources and Services Administration
HUD	U.S. Department of Housing and Urban Development
IACUC	Institutional Animal Care and Use Committee
IBS	Institutional Base Salary
IHE	Institute of Higher Education
IP	Intellectual Property
IPA	Intergovernmental Personnel Act
IRB	Institutional Review Board
ITAR	Institutional Traffic in Arms Regulations
JIT	Just-in-Time
LOI	Letter of Intent
MOU	Memorandum of Understanding
MTA	Material Transfer Agreement
MTDC	Modified Total Direct Costs
NGA	Notice of Grant Award
NHGRI	National Human Genome Research Institute
NHLBI	National Heart, Lung, and Blood Institute
NIA	National Institute on Aging
NIAAA	National Institute on Alcohol Abuse and Alcoholism
NIAID	National Institute of Allergy and Infectious Diseases
NIAMS	National Institute of Arthritis and Musculoskeletal and Skin Diseases
NIBIB	National Institute of Biomedical Imaging and Bioengineering
NICHD	Eunice Kennedy Shriver National Institute of Child Health and Human Development
NICRA	Negotiated Indirect Cost Rate Agreement
NIDA	National Institute on Drug Abuse
NIDCD	National Institute on Deafness and Other Communication Disorders
NIDCR	National Institute of Dental and Craniofacial Research
NIDDK	National Institute of Diabetes and Digestive and Kidney Diseases
NIEHS	National Institute of Environmental Health Sciences
NIGMS	National Institute of General Medical Sciences
NIH	National Institutes of Health
NIHGPS	National Institutes of Health Grants Policy Statement
NIMH	National Institute of Mental Health
NIMHD	National Institute on Minority Health and Health Disparities
NINDS	National Institute on Neurological Disorders and Stroke
NINR	National Institute of Nursing Research
NIST	National Institutes of Standards and Technology
NOAA	National Oceanic and Atmospheric Administration
NOFA	Notice of Funding Availability
NOFO	Notice of Funding Opportunity
NPS	National Park Service

NSF	National Science Foundation
OGC	Office of Grants and Contracts
OIG	Office of Inspector General
OMB	Office of Management and Budget
ONR	Office of Naval Research
ORDE	Office of Research Development Education
PA	Program Announcement
PAPPG	Proposal & Award Policies & Procedures Guide (NSF)
PHI	Protected Health Information
PHS	Public Health Service
PI	Principal Investigator
PII	Personally Identifiable Information
PMS	Payment Management System
PO	Program Official / Officer
PTE	Pass-through Entity
R&D	Research and Development
R&R	Research and Related
RFA	Request for Applications
RFP	Request for Proposal
RPPR	Research Performance Progress Report
RTC	Research Terms and Conditions
S&W	Salaries and Wages
S2S	System to System
SAM	System for Award Management
SAMHSA	Substance Abuse and Mental Health Administration
SBIR	Small Business Innovation Research
SF-424	Standard Form 424
SF-424 (R&R)	Standard Form 424 (Research and Related)
SNAP	Streamline Non-Competing Application Process
SO	Signing Official
SOW	Statement of Work
SRO	Scientific Review Officer
STTR	Small Business Technology Transfer Program
TDC	Total Direct Costs
U.S.C.	United States Code
USDA	U.S. Department of Agriculture
VA	U.S. Department of Veterans Affairs

Appendix B – Glossary

This appendix contains acronyms and terms commonly used in research administration.

2 CFR 200 (Uniform Guidance)
2 CFR 200 is the governmentwide guidance that establishes the administrative requirements, cost principles, and audit requirements for most federal grants and cooperative agreements.

> **Resource**
> The Chief Financial Officers Council developed a Frequently Asked Questions resource for 2 CFR 200 located at:
> https://cfo.gov//wp-content/uploads/2017/08/July2017-UniformGuidanceFrequentlyAskedQuestions.pdf

Administrative Unit
Part of a school, department, division, center, or institutional section of a large program.

Authorized Organization Representative (AOR)
The Authorized Organization Representative (AOR) is an individual who has the authority to sign sponsored awards on behalf of the university.

Award Terms and Conditions
The legally binding provisions between two parties, the sponsor and the university, for sponsored projects.

Budget
The financial plan for a sponsored project that identifies estimated and proposed spending.

Capital Equipment
An article of non-expendable, tangible equipment having a useful life of more than one year and an acquisition cost of $5,000 or more.

Catalog of Federal Domestic Assistance (CFDA)
The governmentwide directory containing information for federal financial assistance programs. As of May 2018, the CFDA is now known officially as the Assistance Listings.

Closeout
The activities taken after a sponsored project has ended. The university must submit all required reports for sponsor approval.

Code of Federal Regulations (CFR)
The Code of Federal Regulations (CFR) contains the codification of the general and permanent rules and regulations of the federal government. Title 2 of the CFR contains federal grant regulations.

> **Resource**
> The Electronic Code of Federal Regulations (e-CFR) is located at: www.eCFR.gov
>
> The eCFR is not an official legal version of the CFR; however, it is a useful resource that provides the most recent regulatory updates.

Co-Investigator
An individual involved with the principal investigator in the development or execution of a project. Some sponsors will refer to a Co-Investigator as a Co-PI.

Conflict of Interest
Any action which would affect, or could appear to affect, an individual's financial interest, or would cause the individual's impartiality to be questioned.

Contract
A type of award used to obtain goods and services for the benefit of the sponsor.

Cooperative Agreement
A type of award used to support or stimulate a public or specific purpose in which the sponsor is substantial involvement in the implementation of the project.

Direct Cost
Costs that can be specifically and easily identified with a particular project or activity.

Disallowed Costs
Charges that a sponsor has determined to be unallowable. The university must repay those costs.

Federal Award
Financial assistance or resources that the university receives directly from a federal awarding agency or indirectly from a pass-through entity.

Federal Awarding Agency
A federal agency that provides funding to a non-federal entity.

Federal Financial Report (FFR)
The standard form used to summarize the financial state of a federal award for a period of time.

Gift
Anything of value given to the university by a donor who expects nothing of significant value in return.

Grant
A type of award used to support or stimulate a public or specific purpose.

Indirect (F&A) Costs
Costs that benefit multiple activities and cannot be readily assignable to a project. Indirect costs are sometimes called facilities and administrative costs (F&A), because the costs are generally associated with facilities or are related to business administration. Indirect costs support the operations of the university, not a specific project, and would exist in absence of a sponsored project.

InfoEd eRA
The official electronic research administration system used by the university to manage sponsored projects. InfoEd provides for routing of all sponsored proposals for internal review and approvals.

Institutions of Higher Education (IHEs)
Colleges, universities, or other institutions defined by 20 U.S.C. 1001.

Monitoring
The activities a sponsor takes to ensure recipient compliance with award terms and conditions.

Non-Federal Awards
The financial assistance or resources that the university receives either directly or indirectly from a sponsor that is not a federal agency and does not include any federal funding.

Non-Federal Entity (NFE)
Any state, local government, Indian tribe, institution of higher education, or nonprofit organization that applies for or receives federal funding as either a recipient or subrecipient.

Notice of Funding Opportunity (NOFO)

A publicly available document a federal awarding agency uses to notify potential applicants of the availability of federal funding. Federal agencies may also use the following terms: notice of funding availability (NOFA), funding opportunity announcement (FOA), request for funding applications (RFA), or solicitations. Non-federal sponsors use similar names.

> **Resource**
> 2 CFR 200 requires federal awarding agencies to post NOFOs for competitive awards on:
> www.Grants.gov

Pass-Through Entity (PTE)

A non-federal entity that provides sponsored funding through a subaward agreement to another entity to carry out a portion of a sponsored project.

PeopleSoft Finance System

The financial system used by the university to manage financial information. It is used to transact, post, calculate, reconcile, store, and report all financial activity of the university.

Pre-Award Phase

The activities related to sponsored projects before the award is executed by the university.

Post Award Phase

The activities related to sponsored projects after the award is executed to by the university.

Principal Investigator (PI)

The primary individual responsible for the preparation, conduct, and administration of a sponsored project.

Proposal

A detailed request for funding usually prepared in accordance with the sponsor's instruction. A PI documents proposed research ideas and methodology in a detailed proposal to ask for a sponsor's financial support. The proposal and budget are submitted to the sponsor for funding consideration.

Sponsored Projects

Research, instructional, or public service activities that are sponsored by external entities.

Subaward

A written formal agreement made between the university and another entity to perform a significant portion of a sponsored project.

Subrecipient

A non-federal entity that receives a subaward from a pass-through entity to carry out part of a sponsored project.

Appendix C – Contract and Subaward Determination

The following table provides guidance in determining which instrument is appropriate. The classifications in this table must be used for all federal awards. For non-federal awards, university policies and sponsor requirements will govern.

Contract	Subaward
Contract means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward. (2 CFR 200.22).	**Subaward** means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. (2 CFR 200.92).
A contractor, as described at 2 CFR 200.330(b): - Provides goods and services within normal business operations - Provides similar goods or services to many different purchasers - Normally operatives in a competitive environment - Provides goods or services that are ancillary to the operation of the project - Is not subjected to compliance requirements of the project	A subrecipient, as described at 2 CFR 200.330(a): - Determines who is eligible to receive what federal assistance - Has its performance measured in relation to whether objectives of a federal project were met - Has responsibility for programmatic decision making - Is responsible for adherence to applicable compliance requirements specified in the award - Uses federal funds to carry out a project for a public purpose specified in the program's authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity
A contract may be appropriate when: - The entity has not significantly participated in the design of the research, but is implementing the research plan - Little or no independent decision-making is involved in the design and conduct of the research work being completed - The agreement only specifies the types of goods or services provided and the associated costs - The expectation is that work will not result in patentable or copyrightable technology or products that would be owned by the entity - The entity markets its services to a range of customers, including those in non-academic fields	A subaward may be appropriate when: - The research project is within the research objectives of the entity - The entity participates in designing and/or conducting the research - The entity retains discretion over how the work is completed - The entity makes independent decisions regarding how to implement the requested activities - Publications may be created or co-authored at the entity - A principal investigator has been identified at the entity and functions as a Co-PI

APPENDIX D - SPONSORED PROJECTS ROLES AND RESPONSIBILITIES MATRIX

This matrix provides an overview of the roles and responsibilities related to sponsored projects. Please note, responsibilities may vary by administrative unit.

Pre-Award Activities	Principal Investigator	Administrative Unit	OGC
Identifies funding opportunities	X		
Assists in identifying funding opportunities*		X	
Prepares proposal documents	X	X	
Routes proposal to OGC through InfoEd		X	
Reviews proposal application for compliance with sponsor terms and conditions and UC Denver policies and may return to PI and administrative unit for changes			X
Submits applications to federal sponsors			X
Submits applications to non-federal sponsors	X	X	X
Responds to "Just-in-Time" requests	X	X	
Reviews Notice of Awards and negotiates terms and conditions, as applicable	X	X	X
Completes award setup in PeopleSoft			X

Post Award Project Management	Principal Investigator	Administrative Unit	OGC
Responsible for managing project and personnel	X	X	
Reviews and certifies personnel effort reports	X	X	
Prepares progress reports and submits reports not requiring AOR signature	X	X	
Submission of annual progress reports requiring AOR signature			X
Prepares subaward requests and scope of work and submits to OGC	X	X	
Processes non-personnel transactions in Marketplace/Concur	X	X	
Reviews and executes incoming subawards			X

* The Office of Research Development Education can assist in locating funding opportunities.

Post Award Financial Management	Principal Investigator	Administrative Unit	OGC
Ensures cost share requirements are met, if applicable	X	X	X
Reviews monthly financial statements	X	X	
Submits journal entries to correct identified errors in non-personnel expense allocations		X	
Reviews and approves non-personnel journal entries impacting sponsored projects			X
Submits funding distributions and Payroll Expense Transfers (PETs) for approval		X	
Reviews and approves (PETs) for sponsored projects			X
Submits no-cost extension requests to OGC		X	
Submits prior approval for no-cost extension requests, when applicable.			X
Reviews expenditures after the budget period		X	X
Submits financial reports to Sponsors			X
Submits prior approval requests for carryforward balances, when applicable			X

Post Award Subaward Management	Principal Investigator	Administrative Unit	OGC
Reviews and negotiates subaward agreements			X
Conducts subrecipient risk assessment for federal awards			X
Conducts subrecipient monitoring	X	X	

Closeout	Principal Investigator	Administrative Unit	OGC
Prepares equipment disposition reports and submits to OGC	X	X	
Prepares and submits final progress reports not requiring AOR signature	X	X	
Removes unallowable expenses via PET or journal entry		X	
Submits final progress report requiring AOR signature			X
Prepares Final Invention Statements	X	X	
Submits Final Invention Statements			X
Closes project accounts in PeopleSoft			X
Submits final equipment disposition reports			X

Audits	Principal Investigator	Administrative Unit	OGC
Coordinates all audit matters			X

Record Retention	Principal Investigator	Administrative Unit	OGC
Retains project-related documents	X	X	X

Appendix E – NIH Blog Post

This appendix contains a blog article posted by the NIH Deputy Director for Extramural Research. The original article is located at: https://nexus.od.nih.gov/all/2018/05/29/waitits-not-my-grant/.

Wait…It's Not MY Grant?

Posted on May 29, 2018 by Mike Lauer

Remembering back to my days as a PI, I can recall myself saying something like "yea, on my NIH grant…" when discussing my research. This may have been okay over coffee, but it is technically incorrect. We hear this confusion a lot. So, we thought it would be worthwhile to remind you about some of the respective roles of institutions and investigators working on an NIH award.

For the most part, *NIH makes awards to institutions*, not people. This may seem counterintuitive since the idea for the research may have come from the investigator. Why do we do it this way? The rules for all Federal awards- including uniform administrative requirements, cost principles, and audit requirements anticipate that an institution/organization carries out a Federal award as the "recipient" of the award. The institution designates individuals, including an "authorized organization representative" (AOR) the program director/principal investigator (PD/PI), to assume the responsibilities described below, in fulfilling the terms and conditions of their award. The NIH Grants Policy Statement (NIH GPS), which is a term and condition of all NIH awards, summarizes these responsibilities and the respective roles of the institutions and individuals.

Among other obligations, the applicant organization must certify, and in some cases submit assurances, that they comply with the public policy requirements provided in the NIH GPS. These requirements are intended to ensure fairness, equity, fiscal stewardship, and other protections in activities that receive NIH support. They include measures to promote objectivity in research, civil rights protections, human subjects protections, consideration of environmental impacts, animal welfare, compliance with PHS policies on research misconduct, maintaining a drug-free workplace, prohibitions on lobbying with Federal funds, and many others. While NIH maintains oversight of our awards, we entrust our recipient organizations with the responsibility and accountability for successfully administering their grant award, including prudent fiscal management and other requirements spelled out in the NIH GPS. The NIH Welcome Wagon letter also provides a concise overview of institutional responsibilities.

NIH staff work with designated AORs for compliance matters related to the award. Also known as the Signing Official within the eRA Commons, the AORs are pivotal partners with us, as they are the persons authorized to act for the institutions. They assume the obligations imposed by Federal laws, regulations, requirements, and conditions that apply to grant applications and awards. Further, they assure the materials submitted to NIH are the original work of the PD/PI as well as certify that the institution is accountable for the appropriate use of federal funds and performance of the grant-supported project.

We rely on our recipient institutions to be responsible stewards of taxpayer funds and to ensure the same of the PD/PIs identified on an application to intellectually and logistically direct the proposed research. The qualifications of the investigators are evaluated during peer review to ensure they have the appropriate expertise and skills to serve on the leadership team and execute the project before any funding is awarded. Key among their responsibilities, consistent with those of the institution, is

fostering trust and transparency in the research enterprise. Generally achieved through [ethical scientific conduct](#) as provided in the NIH GPS, the investigators foster research integrity when they uphold shared values, adhere to requirements and policies for scientific practices, and maintain high standards of scientific rigor and transparency when proposing, conducting, and reporting research.

The designated PD/PIs closely partner with their institutional officials to ensure appropriate responsibility and accountability for the proper conduct of research. They collaborate when creating and maintaining technical and administrative reports, preparing justifications, as well as ensuring compliance with the financial and administrative aspects of the award. Importantly, the PD/PIs must appropriately [acknowledge Federal support](#) of their research in publications, announcements, news programs, and other media, including when they or their institutions issue statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal money.

The key to success in grants management is a close working relationship between institutional officials and investigators, and communication and coordination with NIH. If an investigator has questions about their roles and responsibilities on an NIH grant, their first stop should be the sponsored programs office at their institution. If there are questions about a specific grant award, we encourage you next to reach out to the assigned NIH program official for scientific and technical questions, or the grants management staff for issues related to its business and administrative aspects.

Appendix F – University Policy for Roles and Responsibilities for Grant and Contract Administration

This appendix contains the university's policy for Roles and Responsibilities for Grant Contract Administration. Please note, the policy references OMB Circular A-21, which has been superseded by 2 CFR 200.

University of Colorado Denver

Campus Guidelines

Title: Roles and Responsibilities for Sponsored Project Administration, 4-13

Source: Office of Grants and Contracts

Prepared by: Director, Office of Grants and Contracts

Approved by: Vice Chancellor for Research

Effective Date: May 1, 2011

Replaces: May 1, 2009

Applies: All Campuses

A. Introduction

The purpose of this policy is to establish guidelines for the roles and responsibilities of Principal Investigators (PIs), their administrative units, and the Office of Grants and Contracts in the administration and management of sponsored projects. An understanding of the roles and responsibilities for sponsored projects will result in more effective and efficient management including meeting of project deadlines, reducing duplicate efforts, complying with regulations and grant/contract terms, achieving budget expectations, and establishing accountability.

The University of Colorado Denver (UCD) Principal Investigator (PI) and the UCD administrative unit (i.e., part of a school, department, division, center, institution section or large program) are jointly responsible for complying with and enforcing the following policies and procedures. Any penalties, disallowance, or losses of funding caused by non-compliance with this policy will be the responsibility of the administrative unit in violation of the policy.

This policy applies to all PI's, personnel delegated responsibility to handle PI roles and responsibilities (hereinafter referred to as "designee"), appropriate administrative unit(s), and OGC staff.

B. Table of Contents

C. Definitions

1. Application is the form(s) or document(s) required by external agencies or entities when applying for funding for a sponsored project. The words "application" and "proposal" are used interchangeably in this policy.

2. Facilities and Administrative Costs, for sponsored project costing purposes, are those that are incurred for common or joint objectives (research, instruction, public service, or patient care) and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other UC activity. Federal guidelines refer to these costs as "Facility and Administrative" (F&A) costs.

Office of Management and Budget (OMB) Circular A-21 defines facility costs as "…depreciation and use allowances; interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses and library expenses". Administrative costs are defined as "…general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, and all other types of expenditures not listed specifically under one of the subcategories of Facilities."

If UCD treats a particular type of cost as an F&A cost for sponsored projects, then all costs incurred for the same purpose, and in like circumstances, must be treated as F&A for all activities at the UCD.

3. Electronic Personnel Effort Reporting (ePER) System is University of Colorado system, web-based method used to document and certify the level of effort that has been devoted by an individual to a sponsored project(s) during a specific period of time. ePERs are reported on a semester, after-the-fact basis (i.e., fall, spring and summer).

4. Postaward is the period from actual receipt of an award document or fully executed agreement through final project technical and financial reporting, closeout from the accounting system, and audit resolution.

5. Preaward is the period of time during which a proposal is developed, reviewed, submitted to a funding agency, and, if necessary, negotiated prior to actual receipt of an award document or fully executed agreement.

6. Principal Investigator is typically a faculty member who submits or submitted an application or proposal that was accepted and funded by a sponsoring agency. The Principal Investigator has primary responsibility for technical compliance, completion of programmatic work, and fiscal stewardship of sponsor funds.

7. Proposal is a document in which the prospective PI describes a plan for a research, training, or other project and requests financial support. The words "proposal" and "application" are used interchangeably in this policy.

8. Sponsored Projects are research, instructional, or public service activities that are related to the mission of the UCD and sponsored by external agencies or entities.

If an award meets at least one of the following criteria, it is likely a Sponsored Project. However, the existence of any one of the criteria may not be determinative.

a. The award is a grant or contract from a governmental entity, unless exempted under OMB Circular A-21.

b. The proposal responds to a Request for Application (RFA), Request for Proposal (RFP), or other formal solicitation, and the project is initiated by notice of award. Certain RFPs issued by private charitable foundations may not qualify as a Sponsored Project.

c. The award includes terms that bind the university to a list of scholarly or scientific inquiry.

d. The Statement of Work specifies programmatic objectives mutually agreed upon by the university and the sponsor, which are to be accomplished within a specific period of time or within a detailed budget framework.

e. The sponsor is entitled to receive the following types of deliverables: a detailed technical report of research results, milestone reports, or a required report of allowable expenditures. Certain reporting requirements of private charitable foundations that are stewardship- or accountability-oriented may not qualify as Sponsored Projects.

f. The award requires separate accounting procedures and detailed financial reports.

g. The sponsor requires the return of unexpended funds or only reimburses for incurred costs (expenditure-driven).

h. The award provides for compliance audits by or on behalf of the sponsor, which may or may not include a financial audit.

i. The award is for a project requiring compliance oversight including, but not limited to: human subjects, animal use, biohazards, or bio-safety.

j. The award terms include publication or data restrictions or monitoring.

k. The sponsor requests intellectual property rights or controls the disposition of capital equipment.

l. The award is by a sponsor who has licensing rights to inventions from the same lab/researcher benefiting from the award.

m. The sponsor designates a sponsor employee (agent) as project technical monitor (as opposed to designating a contact person to improve communications).

n. The award is for a sub-award project under a federal award.

o. The award requires a matching or cost sharing commitment on the part of the university.

p. The award generates program income to a federal award.

q. The award from the sponsor is for membership fees to centers and affiliate programs. The university may receive membership fees for its centers and affiliate programs, as characterized by any one of the following examples:

  i. The member agreement imparts "Center Member" status to the sponsor.

  ii. The member receives the right to exert any type of control over the operation of the institute, center or program.

  iii. The member receives special or discounted access to laboratories or other university facilities for its use.

  iv. The member receives patent, licensing rights, or other intellectual property rights provisions benefiting the sponsor.

E. Policy Statement

1. General

Grants and Contracts is the coordinating office for externally funded activities at UCD. Grants and Contracts assists UCD faculty and staff in the review and execution of applications and proposals, negotiation and execution of mutually binding agreements, and the administration of UCD funded projects. The following is provided to clarify the responsibilities of OGC, PIs and the PI's administrative units performing Preaward and Postaward activities on behalf of the PI/PI's sponsored project.

2. Preaward and Contracting Responsibilities

Sponsored projects are funded by a variety of sponsors including Federal, state and local governments; non-profit associations, foundations and organizations; and for-profit corporate entities. The application process varies depending on the sponsor, and each sponsor may have unique requirements. The Preaward process requires OGC, the PI, and the academic unit pursuing the sponsored project funding to be responsible for various activities in the process.

  a. Grants and Contracts

    i. Provide pre-submission assistance and review of applications/proposals.

    ii. Review application/proposal documents to ensure that institutional concerns and sponsoring agency rules and regulations are observed.

    iii. Provide institutional approval of proposals.

    iv. Review award documents for completeness, appropriate language and compliance with guidelines and requirements set by the sponsoring agencies, the UCD and the State of Colorado.

    v. Negotiate terms and conditions and budgets for all UCD sponsored program awards.

    vi. Execute sponsored program agreements on behalf of UCD.

vii. Act as primary administrative contact point for all sponsoring agencies.

viii. Interpret and disseminate major sponsor policies and forms within UCD.

ix. Provide assistance with the transfer of PI awards from other grantee organizations to UCD as needed.

x. Maintain administrative and costing information necessary for the proper preparation of an application/proposal for extramural funding.

xi. Prepare routine and ad-hoc reports.

xii. Facilitate submission of timely information requested by sponsoring agencies.

b. Principal Investigator(s), Designee(s) and Administrative Unit

i. Contact Dean's Office or OGC to inquire about funding opportunities.

ii. Contact sponsor for appropriate application forms.

iii. Prepare application/proposal to sponsoring agency, including the budget and technical portions of application/ proposal and all appropriate assurances for UCD approval and submission to sponsoring agency.

iv. Prepare institutional forms and coordinate process for internal approval ("routing") of application/proposal. Include all sponsor specific application/proposal guidelines to facilitate the review process.

vi. Communicate with OGC if there is a question regarding the appropriate Facilities and Administrative cost rate (e.g., on- or off-campus rate).

v. Obtain all required approvals on the *Approval of Application for Grant or Contract* (Routing Form). Include in routing materials any additional forms and any special approvals for human subjects, lab animals, hazardous materials, bio-safety agents, or cost share (refer to Fiscal Policy 4-5, *Application and Proposal Approval Process for Sponsored Projects*). At the time of submission, the proposal should be complete administratively for the final review and signature.

vi. Answer project-specific questions of the sponsoring agency.

vii. Prepare, obtain OGC institutional approval, and submit or assist OGC with the timely submission of information requested by sponsoring agency (e.g., Just-In-Time requests by NIH).

viii. Communicate to OGC deadlines which impact submission of materials requested by sponsoring agency.

3. Award Responsibilities

Postaward administration is a joint effort on the part of the PI, PI's designee, departmental administration, and OGC. Each area has specific responsibilities to ensure that UCD complies with Federal, state and sponsor guidelines. Failure to comply with the required guidelines or regulations may jeopardize the UCD's ability to qualify for future funding.

Sponsored project grants and contracts are legally and mutually binding agreements between the sponsoring agency and the Regents of the University of Colorado. Although the agreement is with the institution, the PI maintains primary responsibility for achieving the technical success of the project, and for compliance with the financial and administrative policies and regulations associated with the award. Although PIs may have administrative staff designated to assist them with the management of work and project funds, the ultimate responsibility for the management of all technical and financial aspects of the sponsored project resides with the PI. With this responsibility comes the obligation to adhere to all terms and conditions of the award and to adequately document all expenditures and budget modifications in accordance with sponsor regulations.

    a. Grants and Contracts

        i. Review the award notice for special terms and conditions, including but not limited to prior approval requirements, matching funds, and cost sharing.

        ii. Set up project in the financial system and establish the appropriate budget for the project, in accordance with the sponsor's award notice.

        iii. Review, at time of closeout and within established parameters, the allowability, allocability, and appropriateness of selected expenditures in the financial system.

        iv. Work with PI or designee as needed to obtain approvals for equipment purchase(s), travel, no-cost extensions, or other items that may require sponsor approval.

        v. Research, analyze, and clarify for UCD faculty and staff various University, State, Federal, and sponsor policies, procedures, and regulations.

        vi. Review and negotiate subaward agreements(s), prepare subaward agreement(s) when subrecipient is documented in the award or when requested by the PI or designee, verify budgets, assure compliance with policies and guidelines as they relate to subaward agreements, and serve as a liaison between funding agencies, academic unit and PIs.

        vii. Manage billing and cash collection activities (except on non-federal clinical trials and awards with a periodic payment schedule as a condition of the award) and perform appropriate follow-up when payments are past due.

        viii. Prepare interim and final financial reports.

ix. Work with PIs and/or UCD State/Federal Reporting/Property Accounting as necessary to complete invention and/or property reports when specifically requested by sponsors.

x. Follow up on outstanding effort reports.

xi. Coordinate all audit matters relative to sponsored projects.

xii. Prepare routine and ad-hoc reports.

b. <u>Principal Investigator(s), Designee(s) and Administrative Unit</u>

i. Execute the technical aspects of the project as presented in the proposal and award.

ii. Adhere to UCD requirements, including but not limited to human subjects, animal care, hazardous materials, and bio-safety.

iii. Carry out the project's financial plan as presented in the proposal and as awarded, or make changes to the plan following sponsor policies and procedures.

iv. Adhere to required hiring practices and personnel policies, initiate employment and payroll actions, and supervise project personnel.

v. Review and approve, as appropriate, all subrecipient invoices related to the project ensuring compliance with Sponsor cost principles.

vi. Identify, ensure receipt of, and approve, as appropriate, all subrecipient reports or other subrecipient deliverables related to the project.

vii. Monitor Subrecipient's performance to ensure that Subrecipient's invoices for services provided and/or deliverables submitted are in agreement with Subrecipient's request for payment.

viii. Certify to personnel effort on the project as required and ensure effort is in agreement with sponsor terms (e.g., effort of any individual does not exceed 100%, effort does not significantly deviate from that which was reflected in the proposal/award).

ix. Maintain fiscal stewardship over the sponsored project to ensure the reasonable and prudent use of the sponsor's funds.

x. Invoice sponsor on non-federal clinical trials and review the monthly accounting statements to ensure that sponsor payments have been received and reflected in the accounting system, i.e., follow up on accounts receivable.

xi. Limit the authorization of requisitions, PeopleSoft human resources authorizations, and other spending actions to what is necessary for the conduct of the sponsored project.

xii. Review the monthly accounting statements to determine that all charges and credits are appropriate.

xiii. Assure that any errors involving the allocation of expenses are corrected in a timely manner.

xiv. Work with OGC to obtain approvals for equipment purchase, travel, no-cost extensions, or other items that may require sponsor approval.

vx. Prepare and submit all technical reports, project reports, and deliverables required by the sponsor. Work with OGC to prepare unique and/or detailed financial reporting requirements.

xvi. Maintain all technical documents and reports related to the project.

xvii. Advise OGC of any proposed sponsor audits, financial reviews, or any other financial or administrative inquiry from sponsors.

xviii. Work with OGC, UCD State/Federal Reporting/Property Accounting and /or University of Colorado Technology Transfer Office as needed to complete financial, invention, and/or property reports when specifically requested by sponsors.

xix. Disclose to the University of Colorado D Technology Transfer Office any invention or intellectual property as required under the Regents policy on Patents and Inventions and assist in making necessary disclosures to sponsor.