UNT | HEALTH SCIENCE CENTER

Sponsored Project Handbook

Office of Sponsored Programs

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University of North Texas Health Science Center
Office of Sponsored Programs
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1) Introduction

Sponsored Project Administration is a shared responsibility between the Principal Investigator (PI), department and dean administrative staff and central administrative staff in the Office of Sponsored Programs (OSP).

The purpose of this handbook is to provide guidance to PIs, and department/dean administrative staff in the management of sponsored project activity within their respective departments and colleges to ensure that funds provided from external sources to support research and other sponsored projects are administered in accordance with established University policies and procedures. External sources include both governmental (federal and/or state) and private organizations (not for profits and industry).

Faculty and staff members who conduct and manage sponsored projects under University auspices have an important responsibility to manage those projects carefully. This handbook will assist in fulfilling that responsibility. Please be mindful that portions of this handbook may be superseded by updates to University of North Texas Health Science Center (UNTHSC) policy or changes in sponsor guidelines. While every attempt will be made to keep the materials herein timely, ultimately, the most current information will be found in specific sponsor documentation, award documents and executed contracts/agreements.

2) Roles and Responsibilities

a) Principal Investigator Eligibility

Persons holding the following positions may be designated as Principal Investigators (PI) in applications for externally sponsored funding:

i) All tenured and tenure-track Assistant, Associate, and Full Professors and Librarians. All persons holding appointments as Research Assistant Professor, Research Associate Professor and Research Professor, and Clinical Professors.

ii) All persons holding Adjunct, Visiting, Emeritus or other faculty positions at the UNTHSC not included under 1 or 2, and who have the written approval of the department chair the Dean of the relevant School or College, and the VPR. PI's in one of these categories should also include a Co-Investigator from appointment types included in (i) above. In the event a Co-Investigator is not named, the Department Chair and, also, the Dean of the relevant School or College shall accept full fiscal and administrative liability and responsibility for the actions of

the Principal Investigator included in this category.

iii) All Post-Doctoral Fellows who have the written approval of the department chair the Dean of the relevant School or College, and the VPR. ***The Post-Doctoral Fellow's mentor must be listed as a co-investigator.***

iv) All Professional Staff (ex. Directors), employed in a full-time position, who are not also students, provided they have the written approval of the department chair, the Dean of the relevant School or College, and the VPR. PI's in one of these categories should also include a Co-Investigator from appointment types included in (i) above.

Note: Neither undergraduate nor graduate students may be designated as PIs. When a Sponsor's program guidelines require the student to be listed as PI on the Proposal application, the student's mentor/advisor shall be the PI of record on External Proposal Transmittal Form and responsible for the conduct and oversight of the project.

For Principal Investigator Responsibilities for Financial Oversight of Grants and Contracts see UNTHSC Policy Manual, Chapter 13, Grants Management, policy number 13.116 in Policy Tech

For Overdraft Write-Off Policy see UNTHSC Policy Manual, Chapter 13, Grants Management, policy number 13.113 in Policy Tech

General Duties

The principal investigator is directly responsible for performing the project within any administrative constraints imposed by the sponsor and the University. The principal investigator directs the technical aspects of the project effort within the scope authorized by the sponsor and authorizes any and all expenditures of project funds subject to OSP approval, or when necessary, sponsor approval. The principal criterion for assuring that costs charged to a sponsored project are appropriate is that they are directly related to the scope of work, are incurred within the start and end date of the project, are in the approved sponsor budget, approved by the accountholder, and sufficient funds are available at time of purchase.

The Principal Investigator (PI) is responsible for following award terms and conditions, directing the technical aspects of the project, timely submission of all required technical or programmatic reports, and coordination with departmental personnel to define administrative support for each project. The principal investigator is also responsible for hiring, training and managing project personnel, monitoring accuracy of payroll allocations, maintaining sufficient documentation to support salary paid to all project employees, following UNTHSC guidelines for expenditure approvals, closely monitoring encumbrances and direct expenditures using COGNOS reporting and alerting OSP if changes occur in project activities.

b) Department, School, College, and/or Institute Administration

Administrative staff at the department, school, college, institute or other unit level are a critical component of successful sponsored project administration and therefore are strongly encouraged to provide administrative support to their faculty and staff for all research and sponsored project activity within that unit. Included in this staff category are department administrators, study coordinators, research assistants, accounting specialists, office specialists, et al. It is essential that administrative staff maintain current knowledge of sponsor regulations and UNTHSC policies and procedures related to sponsored projects management and research compliance.

Administrative staff may assist PIs by:

i) Preparing and reviewing documents including budget, budget justifications, effort report data, non-competitive renewals, interim and final financial reports, other closing reports, and the appointment of individuals to the project;

ii) Preparing in a timely manner, original and continuing documents for review by the PI for submission to appropriate research compliance committees.

iii) Insuring that adverse event and protocol deviation reports associated with human and animal subjects research or rDNA/infectious agent research are completed, reviewed by the PI and filed with the Office of Research Compliance (ORC) within required timelines;

iv) Insuring the Conflict of Interest disclosures are completed and current for all persons working on a protocol;

v) Developing and maintaining department processes for reviewing payroll allocations on a regular basis, preferably monthly, preparing timely ePARs to document changes, ensuring only people working on the project get paid on the project, and ensuring the % of time paid on the project accurately reflects the % of time actually worked on the project.

vi) Gathering information to assist in the establishment of subcontracts and identification of matching funds;

vii) Documenting cost sharing, proposal preparation, and compliance committee reviews:

viii) Processing financial transaction requests ;

ix) Assisting with allocating costs across multiple projects.

x) Analyzing financial reports and resolving overdrafts in a timely manner;

xi) Reconciling project accounts in a timely manner;

xii) Monitoring and resolving outstanding encumbrances in a timely manner; Initiating requests for cost transfers including payroll re-allocations in a timely manner;

xiii) Notifying the PI of any problems regarding grants or contracts management;

xiv) Notifying the PI of any changes in UNTHSC policies and procedures;

xv) Developing and maintaining internal systems for ensuring regulatory compliance and that prevent compliance approval lapses;

xvi) Forwarding project modifications along with supporting documents in advance of the PI implementing any modifications or change to rDNA, animal, or human research protocols;

xvii) Notifying OSP or ORC of changes in key personnel; and

xviii) Performing duties delegated by the PI, including but not limited to data collection and analysis, interaction with auditors, and preparation and maintenance of documentation.

c) Office of Sponsored Programs (OSP)

The Office of Sponsored Programs, a division of the UNTHSC Research Office under the direction of the Vice President for Research and Innovation, provides central administration level pre-award, post-award, and accounting services to support faculty and department and dean administrative staff in managing externally sponsored projects within their areas of expertise while promoting compliance with federal and state agency requirements, private sponsor agreement terms and conditions, and UNTHSC standard operating procedures and research policies.

i) What we do

OSP serves as facilitator and liaison for PIs in all matters pertaining to the non-technical management of their grants and contracts. OSP assists with interpretation of sponsor guidelines, federal and state regulations, and UNTHSC policies and procedures.

Pre Award Analysts support the pre-award proposal process by reviewing completed proposal applications for compliance to federal, state, sponsor and UNTHSC requirements, policies and procedures.

Contract Administrators support development, negotiation and execution of research related agreements including federal, state, private industry and non-profit contracts, subcontracts and subawards on state and federal grants, intellectual property, material transfer, and non-disclosure agreements.

Post Award Analysts support the post-award management process by establishing new awards in the accounting system, reviewing effort commitments, payroll forms, requests for award extensions, budget revisions, changes in PI or other significant personnel, changes in effort, and facilitates project close-out.

OSP Accountants and Financial Analysts support the accounting process by reviewing and approving all project expenditures including payroll forms and

appointments, purchase orders, purchasing card transaction logs, and travel forms, and cost transfer requests. They prepare sponsor billings, track reimbursements, prepare accounting journals, financial reports, including invention and patent disclosures, reconciling accounts receivables.

Awards for sponsored projects are made to the UNTHSC, which is identified as the grantee or contractor in the official award document. It is the primary responsibility of OSP, as designated institutional representative, to serve as the intermediary between the sponsor and the PI for the purposes of negotiating changes in the project budget (reallocations), modifications, date extensions, changes in PIs and Co-Is, and other items of an administrative nature.

OSP, in cooperation with the PI and the department, center, or institute administration, is responsible for ensuring compliance with sponsor regulations and guidelines.

ii) Support for Proposal Development, Review, and Submission

(1) Notify researchers regarding funding opportunities and sponsor policies and procedures
(2) Assist with Proposal development (if requested by PI or Department Administrator Staff)
(3) Review solicitations for limited submission restrictions
(4) Review complete proposals for sponsoring agency compliance
(5) Review budgets prior to proposal submission
(6) Submission of final proposals to sponsor
(7) Conduct status checks on pending proposals to determine funding outcomes
(8) Provide communication between sponsor and PI for award negotiations
(9) Reviews and ensures proper follow-up to agency requests
(10) Develop and coordinate training and workshops
(11) Maintains current SAM registration required for doing business with the federal government

iii) Support for Award Management

(1) Award set up including generating account numbers to input budgets into accounting system and begin processing expenditures

(2) Captures sponsor and institutional committed effort percentages from awards and enters into EIS Effort Reporting System (ERS) for PI/Departments to track effort across multiple workloads, i.e. instruction, research, and public service
(3) Prepare and distribute award acknowledgements to designated officials
(4) Conducts Project Initiation Meeting for all new budget setups and annual budget loads, informing the PI and administrative team of relevant terms and conditions and any special concerns related to their project and addressing any questions or concerns about the project management.
(5) Official liaison between sponsoring agency and principal investigators
(6) Provides support of project management tasks including no cost extensions, budget transfers, cost transfers, reminder notices of upcoming grant termination dates and reporting requirements
(7) Review financial report data upon final submission to sponsoring agency

iv) Support for Project Accounting

(1) Completes all financial reports
(2) Prepares all billing/invoices
(3) Prepare and submit cash draws
(4) Complete F & A set-up and distribution
(5) Assist PI with budget projections
(6) Interpret and coordinate grant closeout processes and forms
(7) Obtains cost sharing information from departments to include in financial reports as required by the sponsor

v) Support for Contracts

(1) Official University Liaison for contract development, review, negotiation, execution, amendments and terminations
(2) Prepares and/or reviews all contracts resulting from sponsored projects with external sponsors, including private industry, subcontracts, material transfer agreements, non-disclosure agreements, and other research related agreements
(3) Negotiates all terms and conditions according to federal, state and university guidelines

vi) Support for Compliance:

(1) Assist in interpreting federal and state agency guidelines, including Uniform Guidance 2 CFR 200, OMB Circulars A-21, A-110, and A-133, and Uniform Grant Management Standards
(2) Manages the distribution and certification of effort reports. Works with PI/Department Administrative Staff to address questions and issues involving payroll allocation and certification of effort
(3) Develops mitigation plans for at-risk subrecipients

(4) Coordinates the development and reporting of subcontracting plans for federal contracts
(5) Coordinates and responds to internal and external audit requests
(6) Completes administrative review of subcontract invoices and forwards to PI for comparison to technical reporting activities and final approval. Works with PI to address any concerns.
(7) Facilitates questions from Business Support Services (BSS) related to subcontract invoices and purchase orders

d) Deans, Department Chairs and Center and/or Institute Directors

Deans should review for eligibility of PI and Co-I, and agree with the cost sharing commitments and F&A allocations.

Department Chairs and/or Institute Directors have a general responsibility for promoting the scholarly and research activities of their departments, as well as fostering sound stewardship of funds. They review applications for research projects for their appropriateness and transmit those approved through the appropriate Dean to OSP, making sure that the faculty assignments and release time, administrative support, cost sharing commitments, F&A allocations, and space demands of all such projects are in the best interests of both their department and the University as a whole.

3) Governing Authorities

Sponsored projects are required to adhere to Federal, State, Sponsor and University guidelines.

a) Federal Authority

Federal guidelines for sponsored projects fall under the authority of the Office of Management and Budget (OMB).

The "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" or "Uniform Guidance" or "UG" was adopted to consolidate and streamline the regulatory framework governing the administration of federal grants and cooperative agreements as well as create efficiencies and increased transparency. It replaces and consolidates eight (8) Office of Management and Budget (OMB) circulars, including those circulars that have guided receipt and administration of federal grants for

the past several decades—specifically, OMB A-21 (Cost Principles), OMB A-110 (Administrative Requirements) and OMB A-133 (Audit Requirements). **The Uniform Guidance applies to new grants and cooperative agreements awarded or incremental funding on existing awards received after December 26, 2014:**

Uniform Guidance:
http://www.ecfr.gov/cgi-bin/text-idx?SID=ee873e1aa906cf3b0d7474d25be3b5a9&node=2:1.1.2.2.1&rgn=div5

Federal awards that were fully funded prior to December 26, 2014 will continue to be governed by the following:

A-21 Cost Principles for Educational Institutions

A-110 Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations

A-133 Audits of States, Local Governments, and Non-Profit Organizations

b) State Authority

State of Texas Uniform Grant Management Standards (UGMS)
https://comptroller.texas.gov/purchasing/grant-management/

As a State of Texas Institution of Higher Education, the UNTHSC cannot accept a provision that provides that the sponsored research agreement is governed by the laws of another state or country.

c) Sponsor Authority

Sponsor specific guidelines are found in the Notice of Award.

Detailed information regarding Grants Policy and Guidance for UNTHSC's leading funding source of sponsored projects, National Institutes of Health, the Department of Justice can be found at the following sites:

http://grants.nih.gov/grants/policy/policy.htm

https://ojp.gov/funding/Explore/SolicitationRequirements/MandatoryTermsConditions.htm

d) Institution Authority

UNTHSC Grants Management Policies applies to all sponsored projects and can be found in Chapter 13 of the UNTHSC Policy Manual

4) Acceptance Terms for Grants, Contracts, and Gifts

a) Sponsored Project Definition

Any project, which meets any of the following criteria, is considered to be a "sponsored project" and will be administered accordingly:

(1) The project commits the University to a specific line of scholarly or scientific inquiry, typically documented by a statement or scope of work;
(2) A specific commitment is made regarding the level of personnel effort, deliverables, or milestones;
(3) Project activities are budgeted, and the award includes conditions for specific formal fiscal reports, and/or invoicing;
(4) The project requires that unexpended funds be returned to the sponsor at the end of the project period;
(5) The award provides for the disposition of either tangible property(e.g., equipment, records, technical reports, theses or dissertations) or intangible property (e.g., inventions, copyrights or rights in data) which may result from the project; and
(1) The sponsor identifies a period of performance as a term and condition.

b) Award Goes to Institution

Extramurally sponsored projects are made to the University in its corporate name, University of North Texas Health Science Center. Therefore, awards of funds for sponsored projects are awards to the University and commitments under agreements are commitments of the University. Any work performed by a faculty member of the University under such a project must be considered as work performed for the University.

c) Authorized Signatures

Sponsor award notifications can take many forms such as grant award, contract, subcontract or cooperative agreement depending upon the type of sponsor and project. These documents require review and signature by the authorized institutional authority to sign on behalf of UNTHSC.

Authority to accept awards has been granted by the Board of Regents and President to OSP and such signature authority delegated to the Assistant Vice President for Research responsible for oversight of OSP. If the PI receives a notice directly, OSP should be immediately contacted.

Many awards are received which require both sponsor and University signatures. PIs are not authorized to sign award documents on behalf of the University.

d) Necessary Documentation

Every research agreement must be evidenced by a formal document that outlines the research objectives and administrative requirements of the project. Informal (oral) agreements are the personal responsibility of the individual faculty member making such arrangements and may not be binding on the University.

e) Gift vs. Grant Definition

Gifts to the University of a restricted or unrestricted nature which do not include any of the above conditions are not viewed as sponsored projects and are not processed through OSP, but rather through the normal gift transmittal procedures.

In cases where there is a question whether a particular project should be treated as a sponsored project or gift, contact the Executive Director of Sponsored Programs who will consult with representatives of the Institutional Advancement Office to determine its appropriate classification.

For clarification on the definition of a gift versus a grant, please refer to UNTHSC Policy #13.123 entitled *Management of Gifts and Grants* found in Policy Tech

f) Contracts Policy

All research and research related agreements and contracts shall be submitted to the Office of Sponsored Programs (OSP) or the Office of Research Development & Commercialization for review, negotiation and to obtain required institutional signatures.

This is defined in UNTHSC Policy #10.110 found in Policy Tech

5) Award Management

a) Documents needed for Proj ID set up

i) Fully executed award document/contract
ii) Verification of Annual Financial Conflict of Interest Disclosure and Training (see requirements in Research Policy 12.101)
iii) Cost sharing authorization form, if applicable
iv) Defined commitment of effort for key personnel
v) Budget breakdown
vi) Subcontract information, if applicable
- **(1)** Statement of Work
- **(2)** Budget
- **(3)** Contact Information

b) Preaward Authorization

If a project needs to be started prior to the receipt of formal sponsor notification, a Proj ID number may be requested from OSP via email. Establishing pre-award grant accounts, when appropriate, can prevent the necessity of making cost transfers. Pre-award accounts allow the PI to begin work and record charges against the proper account related to a project before the start of the award. If the award is not ultimately received or if sponsor conditions preclude pre-award spending, the department is responsible for covering any unreimbursed expenses.

c) Award Set Up Process

i) Review terms and conditions
ii) Enter budget detail in accounting system
iii) Enter effort information in grants module
iv) Email ProjID# notification which includes:
- **(1)** Fully executed award document/contract
- **(2)** Period of performance
- **(3)** Authorized (or committed) award amount
- **(4)** Cost sharing, if applicable
- **(5)** Specialized information requiring specific PI attention

d) ProjID Number Assignment

ProjID Numbers are assigned by OSP according to funding source:

https://www.unthsc.edu/research/wp-content/uploads/sites/21/Proj-ID-Number-Ranges-5.20.16.pdf (link to PDF document)

e) Acknowledgment of Sponsored Project Funding

In any oral or written communication intended for public consumption or distribution – including but not limited to presentations and PowerPoint presentations, testimony, journal article or other types of printed material, news stories, and posting information on a website – the content of which is based on the results of sponsored research, a faculty member or other employee or appointee of an institution of higher education who conducted or participated in conducting the research shall conspicuously disclose the identity of each sponsor of the research.

f) Project Changes - Allowability Checklist

Initial steps for PI when contemplating project change

i) Review the terms of the specific award notice
ii) Check sponsor general terms and conditions and any referenced regulations, laws, and guidelines
iii) Ensure changes are consistent with project objectives and statement of work, and document this information
iv) Review OMB Circular A-21: Cost Principles for Educational Institutions: Section J or the Uniform Guidance, General Provisions for Selected Items of Cost, Section 200.420 to 200.475.
v) Review UNTHSC policies and procedures to ensure the proposed transaction is consistent with University policies
vi) Review any sponsor prior approval restrictions

g) Expenditure/Encumbrance Tracking COGNOS

Once a ProjID has been established, project expenditures can begin. COGNOS budget reports are the University's official record of the PI's account activity. COGNOS reports should be reviewed at least monthly to ensure expenditures and encumbrances are accurate, reasonable and allowable under the terms of the award. LINK TO COGNOS Training can be found at: https://www.unthsc.edu/administrative/office-for-finance/office-of-financial-planning-and-budget/budget-office/resources-and-training/

h) Allowable Costs

UNTHSC Cost Policy for Federal Grants Policy #13.106 found in Policy Tech

ii) Direct Costs are expenses that are specifically associated with a particular sponsored project or other direct cost objective, or expenses that can be directly assigned to such activities relatively easily with a high degree of accuracy.

EXAMPLE: cost of materials used on a project

iii) Indirect Costs are expenses that cannot be identified specifically with a particular project or activity. They are expenses that benefit more than one activity.

EXAMPLE: costs of buildings/lab space or costs of utilities

iv) Allowability - Rules for allowability are covered in OMB Circular A-21 and Uniform Guidance, Basic Considerations, Section 200.403. In general, expenses are chargeable only if they are:

a. **Reasonable** - A prudent person would have purchased this item and paid this price.
b. **Allocable** - Expenses can be allocated to the government activity based on benefit derived, cause and effect, or other equitable relationship.
c. **Consistently Treated** - Like expenses must be treated the same in like circumstances.
d. **Allowable** - Allowable or not unallowable as specified by government regulations. If an expense cannot meet the above criteria, it is not eligible to be charged to a federal grant or contract no matter what its purpose.

i) Major Budget Categories

Allowable costs are defined by the sponsor in the approved budget. Several expenditure categories have special requirements and considerations. Major categories are summarized below.

i) Faculty/Staff Salary

Sponsored projects should be charged with a portion of each employee's salary equal to the effort devoted directly to that project. Sponsor funds may not be used to pay a PI above the full-time base salary.

ii) Fringe Benefits

Fringe benefits are budgeted as an estimated percentage of salaries, but are charged directly as an actual expense. Estimated percentages are for budgeting purposes only, all sponsored projects will be charged for actual fringe benefits incurred.

iii) Travel

Travel requests and reimbursements for sponsored projects are processed in accordance with University travel procedures. Each travel request should clearly state the relationship of the trip to the sponsored project effort. Tips and alcohol are not allowable expenses.

iv) Equipment

Capital equipment is defined by the State of Texas as any single item costing $5,000 or greater. Multiple items of lesser value that are added to another piece of equipment are also considered capital equipment if the combined cost is over $5,000. The federal definition of capital equipment is an item costing $5,000 or more and with a useful life of more than two years.

General purpose equipment and all items over $5,000 need to be specifically identified in the budget (general purpose items are things used for purposes other than scientific research). Equipment is typically not included in the modified total cost base thus indirect cost is not allowed.

Large Equipment Purchases

The Director of Purchasing must be notified prior to purchase of equipment of $25,000 or greater. The UNT System Business Support Services (BSS) is responsible for the bid process as required by federal and state purchasing guidelines.

See UNTHSC Policy #13.111 Equipment and Supplies Acquired on Grants

All equipment acquired on Federal grants is subject to citations in the Code of Federal Regulations as listed in UNTHSC Policy#13.111:
http://www.hsc.unt.edu/policies/PolicyStorePDF/Equipment%20and%20Supplies%20Acquired%20on%20Grants.pdf

UNT System guidelines for purchasing equipment can be found at:
http://bsc.untsystem.edu/purchasing

v) Subawards/Subcontracts

OSP is responsible for issuing and monitoring sub-award agreements. These agreements will comply with all standard and special provisions of the prime award. OSP is responsible for contacting someone within the principal investigator's department to create a requisition(s) for the current year subcontract amount with dates matching the subaward document.

It is important to review sponsor terms and conditions before entering into contractual relationships especially if the contract will be non-competitive in bids as some sponsors require prior approval regardless of proposal details. For example, the Department of Justice requires prior approval to enter into a non-competitive contractual relationship with a contractor under a grant where the contracted cost exceeds $150,000.

After the sub-award agreement is fully executed, OSP will send a copy of the agreement to the principal investigator and to the Purchasing Department to issue a purchase order from the previously created requisition. Once work has started, OSP receives invoices and reviews and addresses any issues with invoice format, supporting documentation, or budget categories. The invoice is then sent to the principal investigator for further review. After PI approves, the invoice is routed to BSS Payment Services to process the payment. It is the responsibility of the principal investigator to review and approve all invoices from the sub-recipient to determine if the charges are appropriate, allowable, in line with the agreement and within the approved scope of work and set of deliverables expected.

If for some reason, upon review of an invoice, the principal investigator determines that what has been invoiced does not accurately reflect the work anticipated, communicated or received for the stated time period, it is the principal investigator's responsibility to notify OSP and together determine a plan of action.

vi) Consultants

A consultant performs a professional activity related to the person's field or discipline, where a fee-for-service or equivalent relationship with a third party exists. As it pertains to a proposal or sponsored project, they have little or no responsibility for overall project effort and are usually retained on a short- term basis. Compensation by grant and cooperative agreement recipients for individual consultant services is to be reasonable and consistent with that paid for similar services in the marketplace. Some grant-making agencies periodically establish consultant rate maximum limits so it is very important to review sponsor terms and conditions to determine if prior approval is required and to determine if compensation limits for consultants are imposed

by the sponsor. For example, effective June 1, 2014, the OJP consultant rate maximum limit is $650 per day or $81.25 per hour.

Both NSF and DOJ have consultant rate limits. Additional information on their policies can be found below:

https://www.nsf.gov/careers/rotator/salary_ad_rates.jsp

https://ojp.gov/financialguide/PostawardRequirements/chapter11page4.htm#f

j) Rebudgeting of Funds

During the course of the project, the principal investigator may determine budget changes are necessary. Many sponsors allow flexibility in how project funds are expended and permit budget changes needed to meet project requirements. PIs need to be aware of the specific requirements for their awards and to request prior approval for budget changes when necessary. Rebudgeting to include animal care costs or human subject costs is not permitted without prior IRB and or IACUC approval.

When budget revisions are made in direct cost categories, there may also be an impact on the F&A to be charged to the project. As an example, if funds budgeted for equipment were not included in the MTDC base for calculating indirect costs, are expended for materials and supplies, then F&A will be assessed against those expenditures. Generally, budget changes involve moving funds from one budget category to another, without increasing the total amount of the award.

k) Cost Transfers

A cost transfer is any adjustment or transfer of expenditure to/from an externally funded contract or grant. Cost transfers include reallocation of salary, wages and other direct costs (M&O and travel). Diligent review of financial records should prevent the necessity for transfers; however, transfers may be appropriate under rare circumstances.

Costs directly charged to sponsored awards must comply with the cost principles outlined in the Office of Management and Budget (OMB) Circular A-21 or Uniform Guidance. The circular explicitly states that expenses "....may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience."

Expenditures should be direct charged to the appropriate project account. Expenditures are project specific and therefore should not be moved to other sponsored projects. In certain situations, such as sharing chemicals or correcting a posting error, it may be considered.

i) Cost Transfer Guiding Principles

(4) Cost transfers are for correcting errors
(5) Cost transfers should not be used as a means of managing available cash balances
(6) Project funds are not interchangeable (the integrity of each grant account must be maintained)
(7) Fundamental reasonableness, allowability, allocability, and consistency of costs must still be established
(8) Costs allocable to several projects cannot be charged solely to a single project
(9) Costs not allocable to a project cannot be charged to that project even temporarily

l) Time and Effort Reports

See UNTHSC Policy 13.121 Time and Effort Reporting

i) Purpose and Scope

The Federal government requires an effort report when an individual is compensated by or has agreed to contribute time to a sponsored project. All faculty who serve as investigators on sponsored projects are personally responsible to certify the amount of time they and their employees spent on project activities.

The Effort Reporting System (ERS) within EIS provides the mechanism for generating and distributing to PIs an after-the-fact payroll report by semester for every federal and state sponsored project to be reviewed for accurate payroll allocation. .

It is essential the effort report data accurately reflects the actual amount of time an individual spent working on a sponsored project and that sufficient technical documentation is maintained at the PI/Department level to provide proof of work for the payroll percentages certified on the effort report.

ii) Effort Reporting and the Importance of Accurate Reporting

Federal awards reflect the majority of total grant and contract award activity at UNTHSC. Salary expense represents the largest direct cost component on these projects. In recent years, the federal government and its auditors have become much more active in their review of internal controls around the effort reporting process. Documentation on how individuals spend time on sponsored projects is subject to federal audit and can be cause for institutional and investigator disallowances resulting in serious financial penalties for institutions. Criminal charges may be brought against an individual certifying to falsified effort. Recent cases of audit disallowances have resulted in settlements ranging from $2 Million to $19 million dollars. It is incumbent

upon institutions that received federal funding to maintain strong internal controls that provide accurate and auditable systems and records.

iii) Effort Percentages Must Total 100%

Effort Reports must account for 100% of an individual's effort at UNTHSC. This includes all time spent on teaching, sponsored projects, service, and administrative appointments. **A 40 hour week is NOT the definition of 100% effort from which percentage of research effort is certified.** Each individual's total effort must equal 100% whether 20 hours a week or 80 hours a week is worked and regardless of the percent FTE listed on the appointment.

iv) Reviewing and Changing Effort Percentages

Effort Reports are populated with the actual payroll data recorded in the general ledger. The Principal Investigator is required to review the percentages listed in the effort report to the percentage of time actually spent working on the project to ensure it is accurate and sufficient documentation exists to support the payroll allocation to the project.

Payroll % column identifies a percentage of that person's total salary paid from that project. The balance of that person's salary is expressed as the remaining percentage in the Other Sources column. The percentages must equal 100%. For some individual's, there will also be a percentage under Salary Cap Cost Share, which is the percent of salary exceeding a sponsor's salary cap that is required to be covered by the institution and/or regular Cost Share, which is cost share committed in the proposal narrative or budget at the time of proposal submission. The Salary Cap Cost Share % and the Cost Share % cannot exceed the total % paid from deptids.

If the payroll percentages charged to the project are inaccurate based on actual time worked on the project, the PI must request the department administrator to process a salary re-allocation to move the salary to the projid/deptid where the work was actually performed.

Monthly management reports are available within EIS under Campus Self- Service to assist investigators with the monthly review of payroll allocations for all key individuals on the project. The report provides all funding sources by deptid or projid that equals the 100% distribution an individuals' paid compensation.

Monitoring payroll allocations on a monthly basis enables the investigator to identify any inaccuracies and initiate timely cost transfers as necessary which mitigates the chance of erroneous costs being included on monthly and quarterly billings and financial reports submitted to the sponsor.

m) Cost Sharing

Some sponsors require the University to contribute to the cost of the project and will require a financial accounting of the University's contribution. In addition to such mandated cost sharing, any contribution to a project included in the proposal, either in the budget or the text will be considered voluntary committed cost-sharing which the University must track and document. The University account(s) to which such cost sharing will be charged must be identified during the award set up process.

University contributions in terms of personnel effort and the associated employee benefit costs, other direct expenses and the F&A cost calculated on these expenses at the approved F&A cost rate can be shown as cost sharing. Any difference between F&A costs at the sponsor limited rate and the University's negotiated rate can also be used as cost sharing if permitted by the sponsor. The University discourages cost sharing unless mandated by the sponsor. All proposed cost-sharing must be approved by the responsible Chair and Dean. For further information on cost sharing see the UNTHSC Cost Sharing Form found at:
http://www.hsc.unt.edu/research/gcm/documents/Forms-and-Templates/

n) Extensions

For Federal awards that allow Expanded Authority, UNTHSC has the option of extending the project end date for a period up to 12 months with only a notification to the sponsor. For federal awards not subject to expanded authority or subsequent extension requests after the first extension period, requires sponsor approval. The request should be in writing, addressed to the sponsor, with a justification for the extension and routed through OSP to the sponsor. The justification should relate to the completion of the remaining project objectives and include an explanation of how the remaining funds will be spent. No-cost extensions must be submitted at least 60 days prior to the expiration date of the grant.

o) Project Reporting

i) Progress Reports

The PI is responsible for preparing and submitting progress reports in the correct form (manual or electronic) and by the prescribed deadline. OSP requests that a copy of the report be forwarded to our office for placement in the project file.

ii) Invention Reporting

Many sponsors require that discoveries and inventions realized from the work being completed on the project, be disclosed. The PI is responsible for adhering to a sponsor's invention reporting requirements and UNTHSC's policies regarding

disclosure of intellectual property. (See https://www.unthsc.edu/research/research-development-and-commercialization/ for more information.)

At the completion of a project, OSP will notify the PI when invention reports are required and will supply the necessary forms.

iii) Financial

OSP has primary responsibility for preparing and submitting all interim and final financial reports; however, timely reporting usually requires assistance from the PI through their input prior to the reporting deadline. The PI is responsible for ensuring that all expenses charged are accurate and allowable under the terms of the award. For final reports, the PI plays a vital role in assuring that the report (and final invoice) is accurate and submitted by the deadline. Any trailing charges not included in the final invoice will become the responsibility of the PI.

p) Change of PI or PI absence

Prior approval from the awarding agency is needed if there is a change of PI/Co-I or other key personnel listed in the notice of award document. The awarding agency also needs to provide approval if there will be an absence of the PI/Co-I for more than three months, or a 25 percent reduction in effort spent on the project by the PI/Co-I.

q) Facilities & Administrative Costs (F&A)

Facilities and Administrative (F&A) costs are real expenses. From the salary of the accountant who draws down funds and the admin who submits ePars for your project, to the electric bill to keep lights on in the lab, F&A covers a wide range of expenses that are difficult to allocate accurately to individual projects. As such, the government has negotiated a rate with UNTHSC that we charge against direct project costs in order to recover any expenses that are categorized as F&A. You can find a current copy of our rate agreement on the OSP website under the Forms page.

UNTHSC Policy 13.120 Facilities and Administrative Costs Recovery and Distribution states that UNTHSC applies the currently negotiated Federal Facilities and Administrative (F&A) rates to all federal, state and private funded grants, contracts and other agreements. In the event a sponsor limits or prohibits the full federal F&A recovery; the institution will recover the full amount allowable.

Funds to be returned to the appropriate Dean, Chair and Principal Investigator would be distributed from the institutional local F&A recovery account (DeptID), on at least a semi-annual basis. Funds being returned to these individuals will only be distributed for active grant accounts.

From time to time the Office of the VPR receives requests to voluntarily reduce or waive the F&A rate on a particular project for cause: in effect a request for the institution to invest resources into the particular project in question in the form of Facilities and Administrative expenses. In order to make such a request, the PI must submit the F&A Voluntary Waiver Form to the Office of Sponsored Programs (found on the OSP website):

- at least two weeks in advance of the proposal deadline in order to be considered.
- accompanied by two (2) copies of the detailed budget: one (1) at the full allowable F&A rate, and one (1) at the requested reduced rate.
- with a detailed justification for the request included on the form.
- with signatures of the PI, the Department Chair, the Institute/Center Director if applicable, and the Dean obtained prior to submission to OSP for VPR consideration. By signature, each of these individuals are agreeing to waive their F&A return if the voluntary waiver is approved.

r) Award Close-Out

90 and 30 days prior to the end of an award, a notification is sent to the PI by an OSP Grant Specialist requesting that that all required activities be completed to ensure an efficient and timely close out of the project. At this time, a full review of all direct cost categories (salaries, P-Card, equipment, travel, supplies, tuition, etc.) should be completed in preparation for close-out. Generally, all materials and supplies must be received and services rendered prior to the expiration date of the project. It is the PI's responsibility to carefully review the related COGNOS report to verify accuracy of all expenses. All e-pro requisitions and purchase orders must be liquidated prior to the award end date. Vendors should be contacted regarding the status of any unpaid invoices.

PI salary/effort should be reviewed to ensure it has been charged according to the sponsor authorized budget. Applicable HRM forms should be ordered to remove payroll encumbrances, if necessary. Payroll appointments continuing past the award end date should be transferred to a different funding source. Verify that hourly employees have been fully paid. Cost sharing should also be reviewed to ensure the fully committed amount will be expended by the award end date.

Subawards are usually concurrent with the award period of the prime award. Subrecipient invoices should be received by the date specified in the award agreement. Subrecipient invoices that are not received, approved and paid by the required deadline are subject to non-payment and de-obligation.

s) Billing and Financial Reporting

As required by the terms of a sponsored project, periodic billing, financial reporting

and withdrawals against letters of credit are initiated by OSP. These transactions are based on the official University accounting system records. The PI's primary responsibility in this area is to ensure that expenses charged to the project account are accurately reflected in the accounting system in a timely manner. The PI should review the project account at least monthly.

The PI is also responsible for working with his/her department administrator to assure that a project is ready for close-out and final expenditures are reflected on the account within 60 days after the stated termination date. If the final reporting date is less than 90 days after the termination date, the project must be ready for close-out reporting at least 30 days prior to the final reporting date. Should there be any questions, contact OSP.

t) Over-expenditures and Collections

If a deficit or disallowance to the project account occurs, the principal investigator, in consultation with the department chair is responsible for identifying a deptid to cover the expense. Occasionally, a sponsor may fail to reimburse the University for legitimate expenditures made for a project. While it is the responsibility of OSP to submit invoices or financial reports as required in the award document, the principal investigator, his/her department and college play an important role in resolving situations where a sponsor will not or cannot reimburse the University. The PI should work closely with OSP to come up with a viable solution.

u) Residual Cash Balance

A fixed fee agreement is an agreement that requires UNTHSC to meet deliverables in order to be paid for work performed. When a firm-fixed fee award or a contract with specific terms to keep residual funds is fully funded and available funds are not fully expended, a cash balance will exist at the end of the project. The PI is required to allocate all project expenses to their fixed fee Sponsored Project account.

After the PI certifies that all project expenditures have been fully charged, if a remaining balance of less than 25% of the original budget remains, OSP will collected all F&A, a request can be made to roll a reasonable remaining balance to the PI's discretionary account. If a remaining balance of more than 25% exists, amounts over 25% of the original budget will be swept and will not be eligible for rollover to the PI.

Any residual funds shall be applied to any deficit Sponsored Project accounts for that account holder prior to any rollover being approved. Any residual funds shall be used to support the mission of the Health Science Center and in accordance with any applicable policies.

Cost Transfer request made more than 60 days after the expiration or termination of the

agreement (i.e. the project end date) will not be approved.

v) Audit

When UNTHSC accepts funds from external sponsors, those organizations presume the University will expend the funds for the purposes for which they were given and in accordance with any terms and conditions set forth in the award agreement. Similarly, the federal and state government has an obligation to taxpayers to assure that recipients of federal or state funds are providing proper stewardship of those funds.

OSP is responsible for coordination of all audits related to externally sponsored awards. If an audit is requested by Internal Audit or an external entity, the PI/Department may be called upon to participate in the audit and provide documentation. If the PI is contacted directly regarding any type of external audit, OSP should be immediately informed.

OSP will coordinate the start date for any external audits (entrance conference) and will act as liaison between the auditor and the PI/ Department. During an external audit, OSP will provide explanations and documentation in support of claimed costs.

OSP will coordinate the exit conference at the end of the audit. OSP will review findings and recommendations and provide UNTHSC's official response and corrective action plan, if needed. Expenditure disallowance in the audit that cannot be refuted must be funded from an institutional source of funds.

6) Research Compliance

a) IRB

The purpose of UNTHSC's human research protection program is to review and approve all research involving human subjects. This program has two components: the Office for the Protection of Human Subjects (OPHS) and the Institutional Review Board (IRB).

The OPHS conducts initial review for all research projects involving human subjects and refers their findings and recommendation to the UNTHSC IRB for formal in-depth review and approval. On behalf of the IRB, OPHS is authorized to monitor all research involving human subjects. OPHS provides administrative support to the IRB committees, provides assistance to investigators who are preparing IRB applications, and maintains records of IRB reviews and approvals for investigators.

Before *any* human subject research project is initiated, it must be reviewed and approved by the OPHS and where appropriate, the IRB. While the principal investigator has primary responsibility for the conduct of the study, the UNTHSC OPHS and IRB are responsible for protecting the rights and welfare of study subjects. For more information refer to UNTHSC Policy # 12.201 entitled "Protection of

Human Research Subjects" and go to: http://www.hsc.unt.edu/sites/ophs-irb/

b) IACUC

The Institutional Animal Care and Use Committee (IACUC) is responsible for oversight and evaluation of the animal care and use program and its components. Its federally mandated functions include: inspection of the facilities, evaluation of animal care programs and study areas no less than once every six months, submission of reports to responsible institutional officials, review of proposed uses of animals in research, teaching, and education, and review concerns involving the care and use of animals at the institution. For more information refer to UNTHSC Policy #12.401 IACUC Functions and Responsibilities and go to http://www.hsc.unt.edu/research/lam/

c) Export Control and Biosafety

i) All UNTHSC personnel, including faculty and staff, visiting scientists, postdoctoral fellows, students, and other persons working at or for UNTHSC must conduct their research in accordance with federal export control laws and regulations. UNTHSC Policy #12.103 *Export Controls* specifically applies to all UNTHSC employees with managerial or supervisory authority over foreign nationals or projects involving materials or technology subject to export control laws or regulations. Export regulations apply whether or not the research is funded and, if funded, whether or not the EAR or ITAR regulations are referred to in the award document.

ii) Proposals for activities involving the use of recombinant DNA techniques or use of infectious agents, teratogens, mutagens, and carcinogens must be reviewed by the Biohazards Safety Committee. In addition, the use of certain biologic agents (*Select Agents*) is strictly regulated by law. Information and questions concerning the use of biohazardous materials should be directed to the Institutional Biosafety Committee. For more information please refer to http://www.hsc.unt.edu/Sites/Biosafety/

d) Radiation Safety

i) Faculty who wish to use radioactive materials or sources of radiation in research, which does not involve administration of isotopes to humans must become "authorized users" as outlined in the health science center's Radiation Safety Manual and in the institution's radioactive materials license from the Texas Department of State Health Services, which is administered by the Safety Office.

ii) The procedures for application are located in the Radiation Safety Manual and are posted on the web. Faculty applying for grants that need documentation to support the use of radioactive materials in a grant application should call the Safety Office. For more information refer to http://safety.hsc.unt.edu/

e) Conflict of Interest

i) The University Conflict of Interest Policies for Faculty Members as amended by the Financial Disclosure Policy are available at: http://www.hsc.unt.edu/research/compliance/ConflictofInterestinResearch.cfm . The policies require all faculty members (as well as any other key individual who has a role in the design, conduct or reporting of a sponsored project) to disclose any financial holdings that may be or appear to be a conflict of interest in the conduct of the proposal if funded.

7) Technology Transfer and Intellectual Property

The Office of Technology Transfer and Commercialization assists UNTHSC researchers and community partners with the development and promotion of biomedical innovations as detailed at https://www.unthsc.edu/research/research-development-and-commercialization/

UNTHSC's Intellectual Property Policy 8.101 promotes the progress of basic and clinical science and the development of the institution and faculty through the provisions of an established policy. Patents, copyrights, and technology transfer provide a means for developing and using Inventions and Creations.