

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

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

The ORA is responsible for monitoring compliance with applicable regulations, policies, and terms and conditions of the award. See [BPM 210, Sponsored Programs](#) for detail requirements and responsibilities.

1. Project Planning/Proposal Submission

In this phase, the PI is expected to:

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

2. Award Set-Up

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

The following information is expected to be maintained for each award during the life of the award:

- Notice of Grant Award (NGA): A legal document that notifies the grantee a proposal has been awarded which includes all terms and conditions of the award, and obligates funding by the sponsor. The NGA specifies special requirements, deliverables, and disposition of remaining balances.
- Grant Award Summary: A form issued by ORA indicating award begin and end dates, budget, cost sharing, program income, and other critical award information, including the new project number.
- Copy of subawards.

See [APM 60.35 Establishing an Award](#) for details.

3. Operations During the Award

The PI should work with the FA to:

- Plan that all important grant dates and activities are met. These include competitive renewal, progress report due dates, and other deliverables.
- Monitor expenses on awards and discuss issues with the FA on a monthly basis to avoid unnecessary cost transfers, such as costs added within the last 90 days of the award. Such adjustments are scrutinized in an audit and difficult to justify.
- Make timely transfers to appropriate sources for unallowable costs.
- Monitor award budget to avoid deficit spending.
- Maintain written documentation of all expenditures directly charged to the award demonstrating:
 - Authorization by the PI or delegate,
 - Expenditures are allowable, allocable, and reasonable.
 - Track and make sure committed cost sharing requirements are met.
 - Review and approve changes to the award. The following require prior approval from the sponsor and should be coordinated with ORA:
 - a) Change in the scope or direction;
 - b) Absence of the PI or key personnel for more than three months;
 - c) Significant changes in PI and/or key personnel effort; and
 - d) Significant re-budgeting of funds.
- Consider the need for a no-cost time extension from the sponsor if work is not completed within the period of availability.

4. Award Closeout and Reporting

To prepare for award closeout and reporting, the PI should work with the FA and the ORA to ensure the following:

- All costs are allowable, allocable, reasonable, and within the period of availability.
- The notices of award closings are timely reviewed. These are provided at 60 and 30 days prior to the scheduled end of the award.
- Documentation exists for all costs.
- All invoices and deliverables are received from subrecipients.
- New Payroll Action Forms are processed, all purchase orders and requisitions are closed, funding sources for feeder systems are changed, and all P-card charges are posted.
- Cost sharing requirements are met.
- Final reports, including technical and financial reports, are submitted.
- Copies of the first three pages of the final technical report are provided by the PI to the ORA.

•The PI needs to certify all costs charged to the award. See [APM 60.07.01 Allowable Costs and Cost Principles](#) and [APM 60.20 Award Closeout](#) for details.

Award Terms and General Concepts

All awards are made to “**The Curators of the University of Missouri.**”

Authorized Signer or Authorizing Official – The ORA is the designee for UMSL to approve all awards. Authorization on an award:

- Commits the University to be accountable for the appropriate use of funds awarded and the performance of the project or activities resulting from the award.
- Attests that all information contained in the proposal is accurate, complete, and in conformance with sponsor and University requirements.

OMB – Office of Management and Budget. Federal agency that ensures federal monies are spent in accordance with federal regulations.

Facilities & Administrative Costs (F&A) – Costs incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored award such as lab space, utilities, and other administrative costs. F&A costs are real costs to the University and are allocated to the award as a percentage of each direct expenditure.

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

Direct Costs

Direct costs are identified specifically with a particular award. Direct costs must be:

- Allowable - directly related to the performance and permitted under the terms of an award and OMB Circulars.
- Allocable - incurred specifically for the program or for several activities and can be distributed between them in reasonable proportion to benefits received, and is clearly necessary to the program.
- Reasonable - necessary for the performance of the award.
- Timely and within the period of availability.
- In conformity with any limitations or exclusions in the sponsor agreement.
- Should be charged correctly the first time to avoid unnecessary cost transfers.

Direct costs typically cannot include costs normally included in the University’s F&A cost rate (i.e. administrative staff salaries or utilities).

Effort Verification Reports (EVRs)

To be consistent with OMB Circular A-21, employees with payroll costs charged to an award are to comply with the following:

- Employee’s effort must reflect 100% of all University compensated activity, and is not based on a 40-hour workweek.
- Financial records must be updated timely via Payroll Correcting Entries (PCEs) if variances between paid salary and estimated effort exceed 5%.
- EVRs need to be verified by a person with direct knowledge or other means of verification that work was performed. The employee, PI, or other responsible official needs to sign the EVR indicating that the effort was reviewed and the salary distribution is reasonable.
- Failure to complete an EVR correctly and timely could lead to unallowable costs and repayment to the sponsor. The PI’s department is responsible for repayment of any unallowable costs.

See [APM 60.32 Effort Verification Reports](#) for details.

Cost Transfers

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

• Cost transfers have to be directly related to the project and be:

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

• Cost transfers should never be used to:

- Meet deficiencies caused by overruns in other awards or other funds, such as general operating.
- Avoid restrictions imposed by law or by terms of the agreement.

See [BPM 213 Correction of Income & Expense Items](#) for details.

Cost Sharing

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

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

See [APM 60.30 Cost Share-Matching, Level of Effort, and Ear Marking](#) for details.

Subrecipient Monitoring

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

- Subrecipients are subject to the same compliance requirements as the University.
- PIs have primary responsibility for review of invoices and ensuring subrecipient's completion of programmatic activities and other deliverables.

See [APM 60.85 Subrecipient Monitoring Procedures](#) for details.

Other Requirements

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

Conflict of Interest. Faculty are required to disclose potential conflicts of interest related to sponsored activity. See

[Conflict of Interest Policy and Requirements for Public Disclosure.](#)

Research Misconduct. Fabrication, falsification, or plagiarism in proposing, performing, or reporting research. See [Collected Rules and Regulations, Chapter 420.](#)

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

Protocols and Approvals. PIs need to have the appropriate protocols and approvals for conducting activities before any work begins. The following may apply to a specific project:

- Human subjects (IRB)
- Animal subjects (IACUC)
- Radiation and Biosafety
- Export Controls
- Others as applicable

Intellectual Property and Copyrights. See [Collected Rules and Regulations, Chapter 100.](#)

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

References

[Accounting Policy Manual \(APM\)](#)

[Business Policy Manual \(BPM\)](#)

[Collected Rules and Regulations](#)

Office of Research Administration (ORA)

Wesley Harris, Ph.D.
Interim Vice Provost for Grad Studies & Research/
Dean of the Graduate School
314-516-5331 harriswr@umsl.edu

Abigail Schulte
Executive Assistant II
314-516-5899 schulteab@umsl.edu

Cynthia Schulte
Lead Grant Writer
314-516-5674 jobec@umsl.edu

Pre and Post Award
Karen Boyd
Sr. Director, Program/Project Operations
314-516-5923 boyd@umsl.edu

Melissa Laurenti
Business/Fiscal Operations Coordinator
314-516-5894 laurentim@umsl.edu

Brenda Stutte
Grants and Contracts Specialist
314-516-5897 stutte@umsl.edu

Kathleen Gund
Senior Accountant
314-516-5893 gundk@umsl.edu

Rochelle Robinson
Senior Accountant
314-516-5862 robinsonroc@umsl.edu

Technology Transfer
Tamara Wilgers
Director of Technology Transfer
314-516-6884 wilgerst@umsl.edu

Craig Weilbaeher
Licensing and Business Development Associate
314-516-4248 weilbaeherc@umsl.edu

Animal Welfare
John Hancock
Manager, Animal Welfare Unit and Compliance
314-516-5928 hancockjc@umsl.edu

Larry Hinkle
Animal Technician II
314-516-5867 hinklelg@umsl.edu



University of Missouri - St. Louis

Office of Research
Administration

341 Woods Hall
One University Boulevard
St. Louis, MO 63121-4400

Reference Guide for Sponsored Programs

<http://www.umsl.edu/services/ora/index.html>

314-516-5899

Fax: 314-516-6759

ora@umsl.edu

Revised July 27, 2016