Sponsored Projects Compliance Certification Program

PI Transfers
and
Related Issues
Welcome to the University of Pennsylvania’s Sponsored Projects Compliance Certification Program. The Program is designed to facilitate compliance with sponsored programs administrative requirements by addressing concepts critical to their proper management.

This module is designed to assist Research Administrators in addressing critical issues faced when a PI having sponsored projects transfers to another organization.
Notify ORS and Sponsor

If a principal investigator plans to leave the University, s/he must contact ORS and the project officer/grants manager at the sponsoring agency to determine whether or not the grant or contract can be transferred to the new institution. The situation must be communicated to the department chair and the dean, who will recommend appropriate disposition. Typically, a formal written request for transfer is written to the sponsor which must be signed by ORS on behalf of the University.

See Sponsored Projects Manual – Section 9.7

In many cases, the transferring institution has the prerogative to nominate a replacement PI (with sponsor approval), request that the grant be terminated, or transfer the award. In all cases, check the terms and conditions of the award.
Critical Steps

This module addresses specifically when a award transfers with the PI. When a PI announces his/her departure from Penn the process for a smooth transition to the new organization should be set in motion. A trouble-free transition not only benefits the faculty member and the conduct of the research but benefits Penn and the receiving organization.

The PI and the BA should work closely to assure a trouble-free transfer.

What are the critical steps that need to be followed to accomplish a smooth transfer?
Critical Steps

- PI notifies the relevant Business Administrator
- Notify ORS and Sponsor
- Orderly termination of staff
- Timely close-out of awards
- Completion of an Effort Report
- Completion of non-financial reports
- Closing of research protocols
- Close-out and completion of financial reports
- EHRS issues
- Termination of subawards
- Disposition of equipment, data and materials retention
Notify ORS and Sponsor

• Determine the date the award will be transferred

• Some sponsors may have a specific form to complete when transferring an award. For example, NIH requires the completion of form PHS 3734.

• NSF requires that the transfer of an award be requested via FastLane and submitted through the Notification and Request module. (For additional information click here.)

• Some sponsors may require:
  • the estimated award balance remaining as of the date of transfer
  • list of equipment transferring with the project

• Sponsor approval may be required if the PI leaves Penn prior to the effective date of transfer
Orderly Termination of Staff

Staff supported with sponsored projects funding should have received an appointment letter indicating that the position is contingent upon continued funding of the award.

When a PI and his/her awards transfer to another institution, Penn must terminate the employee unless the employee is hired into another position. The appropriate Human Resources coordinator should be notified so that the termination is reflected in the Payroll system.

The BA is responsible for determining the employee payout amount (i.e. vacation pay) that will be charged against a terminated award.

- See HR Termination & Separation policies and Payroll termination policies
Timely Close-out of Awards

The impending departure of a PI does not relieve him/her of their responsibilities as they relate to the proper administration of an award.

• The PI continues to be:
  – Directly responsible for the management and administration of the award.
  – Responsible for the direct charges applied against the award.

• The BA must:
  – Assure that all costs have been properly allocated by the end of the effective transfer date to any awards being transferred.
  – Assure that once awards are transferred no further adjustments can be made in increased costs.

• The normal University financial close-out process must be completed within the sponsor required timeframe (generally 90 days) of the new termination date
  Review Sponsored Projects Policy Nos. 2106, 2127 and 2128
Financial Closeouts

• Begin with notification of award transfer
  – Project period updated in PennERA

NIH Awards
  – The project end date and final report due date will be updated upon recipient of a notice of award (NOA) from the sponsoring agency

Non-NIH Awards
  – The project end date and final report due date will be updates immediately upon notification of relinquishment
Financial Closeout Procedures

• Communication with ORS
• Review expenditures/obligations
  – Reasonable, allocable, consistently treated
  – Allowable
  – Compliance with university and sponsor policies and procedures
• Review encumbrances/Po’s
• Review equipment
• Confirm final outlays to report /Freeze fund
• ORS Post award will finalize all expenditures and submit the final report to the sponsor
  – Any expenditures which are incurred on the fund (before and after the relinquishing statement submission) which are not reimbursed by the sponsor, will be the responsibility of the department.
Financial Closeout Procedures

- Unobligated balances will be transferred in accordance with terms and conditions of the award
  - Federal LOC Awards—balance from prior period transferred via FSR
  - Other Federal unexpended cash will be remitted per terms & conditions
  - Non-Federal unexpended cash will be remitted per sponsor instructions
- Monitor fund to ensure that all transactions are complete and accurate and funds is ready for disabling
Completion of an Effort Report

A PI leaving the University prior to the end of an effort reporting period will need to complete a paper form for him/herself. In addition, the PI will need to complete forms for those individuals where a determination was made that the PI is the appropriate certifier.

Click forms and instructions to review the instructions and accompanying effort form.
Completion of Non-Financial Reports

When an award is transferred to another institution prior to the project’s end date, the following reports may be required to be completed by the PI:

– Progress, programmatic, or technical report
– Sponsor-owned equipment inventory
  • normally are prepared and submitted by Research Services in cooperation with the principal investigator and his/her department.
– Invention reports
  • All such reports are to be generated by the PI and must be signed on behalf of the University by Research Services after verification from the Center for Technology Transfer.

Review Sponsored Projects Policy No. 2127
Closing of Human Subjects Protocols

Determining the disposition of a human subjects protocol is accomplished by consulting with the Office of Regulatory Affairs.

The PI is responsible for submitting the notification to the Office of Regulatory Affairs which in turn will notify the appropriate IRB.

Transfer of Protected Health Information obtained in research studies may require the prior consent of the subject.
Closing of Animal Use Protocols

The PI is responsible for notifying ORA that they are leaving the University. The notification to the Office of Regulatory Affairs should be in writing and which in turn will notify the IACUC.

Closure of the animal use protocol is accomplished by immediate notification of the Office of Regulatory Affairs, Institutional Animal Care and Use Committee (IACUC), and University Laboratory Animal Resources as appropriate.

Additionally, the PI is responsible for addressing the final disposition of the remaining animals by completing the necessary ULAR paperwork.
Are there EHRS issues?

According to the EHRS *Close-out Procedures for Laboratory Operations using Hazardous Materials*

"Responsible individual" can include, but is not limited to: faculty, staff, post-doctoral, and *graduate students*

The closing of a lab containing hazardous materials involves the participation of not only the PI but the Office of Environmental Health and Radiation Safety (EHRS). If a PI is closing his/her lab and moving to another institution and the lab was used for research involving:

- Chemicals
- Radioactive materials
- Biohazards
- Select agents

The PI should contact EHRS immediately and consult the:

*Close-out Procedures for Laboratory Operations using Hazardous Materials*
Terminate Subawards

Subawards existing on an award that is transferring to another organization must also go through the close-out process. The appropriate ORS staff must be notified so that the subawardee can be terminated.

The subawardee must:
- Be notified and receive a modification to the subaward terminating the subaward agreement between Penn and subawardee. This modification must be generated by ORS.
- Submit all required reports to Penn as stipulated in the subaward agreement: programmatic/technical, financial/final invoice, patent and invention, equipment

BA should work with subawardee to insure closeout documents are received, including final invoice.

NOTE: In general, Penn subawards contain a 30 day termination clause. It is imperative that the PI notifies ORS of his/her transfer at least 45 days prior to the award transfer date in order to terminate any subawards.
PI/BA should consult with ORS to determine proper treatment of equipment.

- Who owns the equipment?
  - If Penn, does Penn want to keep the equipment or sell the equipment to the other institution at fair market value?
- Will the receiving institution pay for shipping of the equipment?
- If renovations of a lab are required to move the equipment will the receiving institution pay for the renovations?
- Are there any maintenance contracts associated with the equipment?
  - If yes, the contracts need to be cancelled
What Equipment Leaves/Stays?

The determination on the disposition of the inventoried equipment is not a single person’s responsibility. The decision can involve:

– Chair and/or Dean
– Treasurer if greater than $50,000
– Vice President for Finance if greater than $250,000
– Typically all equipment purchased at Penn in prior competing segments of an award remain the property of Penn and cannot be transferred without Penn’s prior approval
– Update Penn’s Property Management Systems

See Accounting Policies 1106.3, 1106.31 and contact the Property Management Group for assistance.
Data Retention

The PI is responsible for ensuring that all data relating to the research conducted under a sponsored project is retained by the University for all awards under the direction of the PI.

The University must have at its disposal any data, Protected Health Information (PHI), records, or samples necessary to comply with sponsor requirements, such as those for patent applications or research integrity issues.
Lessons Learned

- Delays are normally caused by
  - Untimely notice to sponsor & university administration
  - Incomplete or inaccurate relinquishment statements/notification of transfers
  - Outstanding final reports
    - Progress, inventions, and/or financial
  - Over/underestimated unobligated balances
  - Lack of monitoring of grant expenditures upon notification that PI is transferring the award
  - Untimely submission of transfer application to sponsor (new institution)
  - Untimely submission of FSR from prior institution
Best Practices

- Review sponsor requirements

- Begin the transfer process prior to effective date of transfer or as soon as PI notification is received

- Send all forms and documents to ORS together

- Review expenditures

- Freeze fund as soon as possible

- Communicate with ORS accountant / contract administrator regarding transfer & closeout issues
Transfer Checklist

☑ Notify the appropriate Business Administrator

☑ Notify ORS of the transfer immediately
  - Complete any Sponsor forms
  - Contact Pre-Award to terminate any subawards

☑ Notify Sponsor with ORS approval
  - PI works with BA and ORS to complete appropriate financial requirements and provide equipment information

☑ Determine if staff termination is necessary
  - Update Payroll System accordingly
  - Process vacation/severance pay as appropriate

☑ Complete Effort Reports

☑ Complete technical/programmatic reports

☑ Determine if equipment (property) reports are required by the sponsor
Transfer Checklist

- Determine if an patent/invention report is required by the sponsor
- Notify the IRB if the research involves human subjects
- Notify the IACUC if the research involves animal subjects
  - Determine disposition of animal subjects
- Notify EHRS if research involves the use of chemicals, radioactive materials, biohazards, and/or select agents for proper disposal
- Close out subawards
  - Receive all required reports both financial and non-financial
- Inventory equipment to determine title and transfer capability
- Ensure Penn has access to all data
- Fund should be frozen upon finalization of expenses to ensure that no future expenses can be applied to the award.
PI’s Transferring “TO” Penn

Though this module is dedicated to activities related to a PI leaving Penn, the following list of activities should be considered when a PI transfers TO Penn.

The PI and BA should:

– Work with the PI and his/her former institution regarding the transfer.
  • Request a copy of the notification/transfer letter or Relinquishing Statement (NIH)
  • If applicable, inquire if all subawards have been terminated
– Assist the PI in submitting and receiving appropriate approvals for human/animal subjects, biohazards, conflict of interest concerns, etc.
– Submit required applications/forms to sponsor
  • e.g., NIH completion - PHS398, SF-424, or 416-1
– Complete required university & school documents
  • Proposal must be complete upon notification of award transfer
– Review award notice /agreement
– Forward documentation including carryover from prior institution to ORS
  • FSR when available
– Determine if an advance account should be requested
– Route the proposal within Penn for appropriate approvals
– Monitor award (PBIL/PBUD) to ensure that carryover from prior institution received
– Monitor cash to ensure that unexpended funds from prior period received
PIs Transferring “TO” Penn

• ORS is responsible for:
  
  – Reviewing an approving the proposal
  – Reviewing, approving and creating an advance account request when appropriate
  – Determining if subawards should be issued
Other Transfer Issues

• Transfer of award prior to official award notice to the University
  – PI must communicate with Chair, Dean, BA, & ORS
  – Prepare formal request to the Sponsor and have it countersigned by ORS
    • Relinquish right to proposal
      – When PI leaves Penn before a proposal is funded
    • Indicate desire to continue research at new institution
    • Provide new institution & effective date of transfer
Quiz on Next Slide

On the next slide you will enter a quiz for this module. Click here to return to the beginning of the module.
Articulate Quizmaker Quiz
Placeholder - PITransfer