

The Principal Investigator is responsible for ALL aspects of the grant — (both the science and the proper fiscal stewardship of grant)

DIRECT COSTS: (SEE OMB CIRCULAR A-21)

- Must be specifically identified with a particular project — Charge it where you used it!
- Must be allocable (i.e., costs must be charged in proportion to their benefit to a particular project).
- Must be reasonable (i.e., charging costs to a particular project must be conservative and reflect the actions of a “prudent person”).
- Must be allowable (i.e., certain costs, such as entertainment, may not be charged to a Federal grant under any circumstances).
- Costs normally included in the institution’s research F&A cost rate CANNOT be direct charged to a federal grant, e.g., administrative staff or office supplies.
- Must be timely (cost transfers should occur as soon as error is discovered but no later than 90 days after original charge was incurred).
- Must conform to any Limitations or Exclusions in the Sponsored Agreement.

NOTE:

See OMB Circular A-21, Section J, for a list of selected items of cost which cannot be charged to grants.

<http://www.whitehouse.gov/OMB/circulars/a021/a021.html>

EFFORT CERTIFICATION:

This section applies only to those required to provide effort certifications. Those activities include direct instructional effort, research administration, departmental business, proposal preparation and instructional administration (i.e., teaching, instruction, clinical activities, unsponsored research).

- Must be certified by employee or someone with firsthand knowledge of all employee’s activities.
- Certify how time was actually spent, NOT how payroll was distributed.
- Perform periodic certification after effort was performed, per University guidelines in percentages adding up to 100%.
- Sponsor approval needed for significant changes in effort (even under FDP – refer to Sponsor requirements).
- Effort reports should capture all University compensated activities.
- Effort certification is NOT based on a 40-hour work-week; rather, it should capture all hours expended on University activities.

CONFLICT OF INTEREST:

Faculty must disclose significant financial interests that would reasonably appear to affect or be affected by the funded activity.

For details regarding Conflict of Interest, see

<http://www.med.upenn.edu/facaffrs/policies>

<http://www.upenn.edu/almanac/v43/n22/conflict.html>

<http://www.upenn.edu/research/COI.htm>

GRANTS MANAGEMENT BEST PRACTICES:

Principal Investigator (PI) coordinates proposal submission, project planning, operation, and close-out activities with the Business Administrator (BA).

1. Project Planning / Proposal Submission

- PI is aware of important research related due dates requiring attention.
- Develop a plan to prepare proposal that incorporates all necessary sign-offs, including: Animal Protocols, Radiation Safety licenses and certifications, Human Subject Protocols, Departmental, School, and Business Office sign-offs.

2. Account Set-up / Documentation: The following information should be accumulated for each grant and be referred to during the life of the project:

- Notice of Grant Award: Some things to look for – a) What project changes are allowable? b) Are there deliverables? c) Is there a “75% spent” requirement?
- Account Information Sheet (AIS): AIS is a Penn form which accumulates important grant information such as start & end date, Award Amount, FinMIS#, Summary of Special Grant Terms & Conditions and whether expanded authority applies.
- Budget Template: a tool which maps the proposal budget to the budget amount awarded to the specific amount entered into FinMIS.
- BA analysis of spending patterns and interpretation of financial data.
- See the School of Medicine’s Research web site for examples of each of the forms listed above. <http://www.med.upenn.edu/research/penn>

3. Operations

- Grants are reconciled by the Business Office and/or BA and reviewed and verified monthly by PI.
 - PI discusses project status with BA on a monthly basis and is aware of the funds available to support the research project.
 - When changes to current project are necessary, adequate documentation of change is accumulated by BA and reviewed and signed-off on by PI. Some changes require prior approval from the sponsoring agency such as – a) Change in key personnel; b) absence of the PI for more than 3 months; c) significant changes in PI effort.
 - Develop a grant check list that accumulates all important grant dates and activities such as: Competitive Renewal.
 - Due dates for periodic and final scientific progress reports and other deliverables.
- 4. Grant Close-out:** PI should review and sign-off on annual financial status reports submitted to sponsors.
- 5. PI and BA should manage the grant to ensure timely financial and technical reporting.**

COMPLIANCE CHECK:

Questions to Consider:

- Have I lived up to my fiscal stewardship responsibilities through diligent oversight of my sponsored research?
- How would this transaction be perceived if it were reported in the newspaper?

RESOURCES:

Internal

Corporate Compliance Office
215-573-4806

<http://www.upenn.edu/audit>

Faculty Handbook
<http://www.upenn.edu/assoc-provost/handbook>

Office of Regulatory Affairs
215-898-2614
<http://www.upenn.edu/regulatoryaffairs>
(includes IRB and IACUC references)

Research Services
215-898-7293
<http://www.upenn.edu/researchservices>

School of Medicine Compliance Office
215-573-8800
<http://uphsnet.med.upenn.edu/comply>

School of Medicine Research Support Services
215-573-2290
<http://uphsnet.med.upenn.edu/orss>

Vice Provost for Research
215-898-7236
<http://www.upenn.edu/research>

External

OMB Circulars
<http://www.whitehouse.gov/OMB/circulars>, includes A-21
(cost principles), A-110, A-133

NIH Grants Policy Statement
http://www.nih.gov/grants/policy/nihgps/nih_gps.pdf

NSF Grants web site
<http://www.nsf.gov/home/grants.htm>

FEDERAL DEMONSTRATION PARTNERSHIP (FDP):

- For NIH, FDP applies to all “R” series grants (except R41 & R43), Program Project Grants (P01), and “K” series grants, unless excluded on Notice of Grant Award.
- Waives many, but not all Federal requirements for grants (i.e., not applicable to contracts).
- Prior approval still required for significant project changes such as changes in scope, objectives or total cost and PI effort.
- Can incur pre-award costs 90 days before the start of the award (with prior institutional authorization, i.e. advance accounts).
- Unobligated balances can be carried over to the next funding period.
- Can extend the project expiration date by 12 months with no additional funding, if requested in advance.

NOTE:

See more details about FDP and view a prior approval matrix (listed by Federal sponsor), from the University's Office of Research Services.

<http://www.upenn.edu/researchservices/spmanual/changes.html#fdp-matrix>

SEE ALSO:

The NIH Grants Policy Statement, Part II pages 57-58 for a complete list of NIH requirements.

Federal Demonstration Partnership (FDP)
<http://www.FDP3.org>

COST SHARING:

- Definition: specific portion of the project or program costs which are not funded by the sponsor; cost sharing cannot come from another Federal project.
- If proposed, cost sharing MUST be performed — you must have prior institutional authorization.
- Unallowable costs CANNOT be included in the portion of costs shared by the University (see A-21 Sec. J).
- Costs benefiting another project CANNOT be included as cost sharing, e.g., costs benefiting Project A CANNOT be included as part of the costs that are shared by the University on Project B.

NOTE:

OMB Circular A-110, Subpart C. 23, discusses the requirements for cost sharing.

<http://www.whitehouse.gov/OMB/circulars/A110/A110.html>

COST TRANSFERS:

- Must comply with principles of direct costs.
- Project funds are NOT interchangeable.
- Transfers are a means of correcting errors NOT managing project funds.
- Must be supported with a full, detailed explanation – Not just what was done but why the transfer was necessary.
- Costs allocable to several projects CANNOT generally be charged solely to a single project.
- Costs not allocable to a project CANNOT be transferred to that project, even temporarily.

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Corporate Compliance Reporting Line 1-888-BEN-TIPS