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Quick Reference Guide
For Sponsored Programs

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Award Cycle

The financial administration of sponsored awards is a shared responsibility and collaboration among the Principal Investigator (PI), academic unit, campus, and University of Missouri System. The University realizes the importance of research and, as a result of accepting federal awards for sponsored activity, there comes certain obligations and responsibilities outlined in Office of Management and Budget (OMB) Circulars and University Policies and Procedures. The PI should seek guidance from the Office of Sponsored Programs (OSP) on these requirements. This guide is a reference for PIs and other research administrators on major topics included in the federal regulations to help the University remain compliant with these regulations.

The PI coordinates proposal submission, operation, and closeout activities with the Department’s Administrative Staff (DAS) and OSP. The PI is expected to ensure compliance with applicable regulations, policies, and terms and conditions of the award from the DAS. Researchers and the University set a tone for compliance by communicating with those working on awards that 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 OSP is responsible for monitoring compliance with applicable regulations, policies, and terms and conditions of the award. See JPAM 20.01 Establishing an Award for details.

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 OSP 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.
- Monitor expenses on awards and discuss issues with the DAS.
- Monitor award budget to avoid deficit spending.
- Make timely transfers to appropriate funding 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 ensure 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 OSP:
  - 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.

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 OSP indicating award begin and end dates, budget, cost sharing, program income, and other critical award information, including the new project number.
- Copies of subawards.
- See JPAM 60.31 Establishing an Award for details.

3. Operations During the Award
The PI should work with the DAS to:
- Meet all important grant dates and activities, including competitive renewal, progress report due dates, and other deliverables.
- Monitor expenses on awards and discuss issues with the DAS.
- Make timely transfers to appropriate funding 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 ensure 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 OSP:
  - Change in the scope or direction;
  - Absence of the PI or key personnel for more than three months;
  - Significant changes in PI and/or key personnel effort; and
  - 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 DAS and OSP to ensure the following:

- All costs are allowable, allocable, reasonable, and within the period of availability.
- Notices of award closings are reviewed timely. These notices are provided 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 (PAFs) 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 provided to OSP.
- All costs charged to the award are certified. See APM 60.07.04 Allowable Costs and Cost Principles - Certifying for details.
- See APM 60.30 Closing Sponsored Awards 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 Office of Sponsored Programs is the designee for Missouri S and T to Authorized Signer or Authorizing Official. All awards are made to “The Curators of the University of Missouri” with the DAS and OSP to ensure the following:

- 4. Award Closeout and Reporting
- Notice of award closings are reviewed timely. These notices are provided 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 (PAFs) 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 provided to OSP.
- All costs charged to the award are certified. See APM 60.07.04 Allowable Costs and Cost Principles - Certifying for details.
- See APM 60.30 Closing Sponsored Awards for details.

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.

Cost transfers must 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 Policy BPM 212 Adjustment of Income & Expense Items for details.

Effort Verification Reports (EVRs)
To be consistent with OMB Circular A-21, employees with payroll costs charged to an award must comply with the following:

- Employee’s effort must reflect 100% of all University compensated activity.
- Effort 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 the effective effort distribution is reasonable.
- 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 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.

Subrecipient Monitoring
The University is required to monitor subrecipients, third-party organizations performing part of the University’s funded awards.

- 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 Policy APM 60.45 Subrecipient Monitoring Procedures for details.

Other Requirements
PIs and DAS need to be familiar with the following additional requirements to conducting sponsored activity:

- Conflict of Interest Form. Faculty are required to disclose potential conflicts of interest related to sponsored activity. See Conflict of Interest Form at http://facultysenate.mst.edu/documents/MST.CO1.PolicyandForm4.9.08.pdf.


- 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
  - Other as applicable


- 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. See OMB Circular A-110, section 53 for exceptions.

References
Accounting and Procedures Manual (APM)
http://www.umsystem.edu/ums/departments/fa/controller/accountingmanual.html

Business Policy Manual (BPM)

Financial Compliance Training
http://www.umsystem.edu/ums/departments/fa/controller/compliance/