University of Missouri

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Principal Investigator

Roles and Responsibilities

for Sponsored Programs

Objectives

- To discuss:
  - Principal Investigator (PI) roles and responsibilities for sponsored programs including:
    - Pre-award activities
    - Post-award management
  - Key fiscal compliance requirements
  - Common issues and impact of non-compliance

PI Responsibility

- Overall responsibility for compliance
- Allowability of all expenditures on the award
- Know and follow:
    - Specific limitations and restrictions of the sponsor and award documents
    - All technical reporting and deliverable requirements
    - University accounting policy manual (APM) and business policy manual (BPM)
    - See BPM 210 – Sponsored Programs

Roles and Responsibilities

Activity	PI	Research Admin
Overall Compliance Responsibility	X	
Attend Compliance Training	X	X
Administrative Financial Management	X	X
Monthly Managerial Review	X	
Allowable Costs	X	X
Documentation to Support Costs		X

Award Processes

1. Project Planning and Proposal Submission
2. Award Set-up
3. Management During the Award
4. Effort Verification Reports
5. Cost Transfers
6. Cost Sharing
7. Subawards
8. Award Closeout and Reporting

1. Planning/Proposal Submission

- Complete timely and accurate proposals

- Determine need for pre-award Project

- Ensure all costs are allowable

  - Per federal regulations and/or sponsor

  - <u>Unlike</u> circumstances are documented and justified

1. Planning/Proposal Submission-cont'd

- Ensure costs are Allowable direct costs:
  - Reasonable
  - Allocable
  - Consistent treatment
  - Conform to limitations or exclusions

  See APM 60.07 – Allowable Costs and Cost Principles

2. Award Set-up

- Ensure awareness of award

- Determine payroll distribution of effort

- Delegate authorization:

  - Direct knowledge of the sponsored award

  - Awareness of terms and conditions

  - Awareness of compliance requirements

See APM 60.35 – Establishing an Award and

APM 2.25.55.02 – Delegation Form

3. Management of Award

- Managerial review monthly
  - All costs are allowable and authorized
  - In the period of availability
  - Proper documentation is maintained
  - Address budget deficits or excess costs
  - Notify sponsor of significant changes
    - Scope of work
    - Budget
    - Effort of PI or key individuals
  - Sign/date documentation evidencing review
    - Budget Variance Report #8 _and_ Transaction Checklist

See Segregation of Duties – _APM 2.25.55_ _and_ _APM 2.25.55.01_

3. Management of Award-cont'd

- Items to consider in the review:
    - Expenditures reasonable based on time period and/or status of the research
    - Allowable expenditures
    - Appropriate individuals charged to award
    - PI meeting committed effort
    - Subrecipients deliverables are met
    - Cost sharing commitments are met
    - Evaluate need for no-cost time extension

4. Effort Verification Reports (EVR)

- All EVRs are reviewed, signed, and submitted by due date

- Signed by person with suitable means of verification

- PI reviews accuracy of effort in monthly review

- Payroll Correcting Entries are made timely

See APM 60.32 – Effort Verification Reports

5. Cost Transfers

- Ensure all cost transfers are:
  - allowable and allocable
  - properly documented
  - made timely in compliance with BPM-213

See BPM 213 – Adjustment of Income and Expense Items

6. Cost Sharing

- At proposal:
  - Determine costs are allowable
  - Obtain approvals for funding source
- During the award:
  - Ensure requirements are met
  - Supporting documentation exists

See [APM 60.30](#) – Cost Share

7. Subawards

- Subject to same compliance requirements
- PI responsibilities
  - Determine need, include in budget, and scope
  - Proper classification of subrecipient vs. vendor
  - Monitor progress and deliverables
  - Approve payments

See APM 60.85 – Subrecipient Monitoring Procedures

8. Award Closeout & Reporting

- Close timely
- Provide final technical reports
- Certify allowability of costs
- Retain documentation

See APM 60.20 – Closing Sponsored Awards and
APM 60.07.01 - Certification

Common Issues

- Unallowable costs on projects
- Lack of documentation
- Late cost transfers
- Late or incomplete EVRs
- Purchases in last 3 months of award
- PI 100% funded on award

Impact of Non-Compliance

- Questioned or unallowable costs
- Repayments to the sponsor
- Fines and/or sanctions
- Subject to additional external audits
- Jeopardize future funding opportunities
- Damage to reputation

Concluding Points

- Aware of federal, sponsor, and University requirements

- Participate in training

- Review projects monthly

Knowledge check

- The following are three questions to reinforce concepts from this session.

Question 1:

- The PI can delegate authorization to purchase goods and/or services on his/her behalf for an award.

  a. True
  b. False

Question 2:

- The PI can delegate responsibility for the monthly managerial review of activities on his/her award.
    a. True
    b. False

Question 3:

- Which of the following statements is **not** true?
  a) The PI or supervisor would be an appropriate person to sign a subject's EVR if unavailable.
  b) Cost transfers should be made within 2 months after the month of the transaction.
  c) Subrecipients are subject to the same compliance requirements as the University.
  d) Time spent by the PI preparing proposals is an allowable direct cost.

Additional Information

- PI Roles and Responsibilities

- Reference Guide for Sponsored Programs

- Accounting Policy and Procedure Manual

- Other related training available:

  - Financial Compliance Training Website

  - Contact your Sponsored Programs Office for departmental training sessions or further discussion