



Yale University

SPONSORED PROJECTS
POCKET GUIDE
FOR PRINCIPAL INVESTIGATORS

OFFICE OF RESEARCH ADMINISTRATION
OCTOBER 2006

Principal Investigators (PI) are ultimately responsible for ALL aspects of their sponsored project(s), including the scholarly activity and proper stewardship of their awards. Working with PIs to support their role in award management, the University is responsible for establishing effective administrative systems and processes. This booklet identifies a number of key responsibilities of the PI as they relate to the administration of an award.

PROPOSAL AND AWARD MANAGEMENT

The PI coordinates proposal development, submission, account management and closeout activities with the department Business Office.

1. Proposal Development and Submission

The PI should:

- Work with the department Business Office to develop proposals that include sufficient time for necessary review and approval from the HIC, IACUC, OEHS, Department, School, and University.
- Meet University, sponsor or other project related due dates.
- When considering a new project, determine that the level of effort required to complete the project can be met relative to existing effort commitments.
- Receive departmental approval for all cost sharing (mandatory and voluntary) at the time of proposal preparation.
- Recognize that his or her signature on a submitted proposal demonstrates that s/he has a responsibility to the sponsoring agency.
- Recognize that s/he shares responsibility with the department Business Office and staff for the ongoing administrative management of sponsored projects.

2. Award Documentation

The following information should be reviewed and maintained for each award:

- Notice of Award: Confirm: a) project deliverables, b) any restrictions on project changes, c) return of balances or carryover authority, and d) possible associated program income.
- Communications: Any correspondence among Yale University, the sponsor and other related parties (e.g., subrecipients) that is related to the award.
- Expenditure Documentation: Documentation that demonstrates that the expenditure charged to the award was appropriately approved by the PI and that the expense is allowable, allocable and reasonable.
- Financial Accounting Information: Account Holder Reports and other similar reports.

3. Account Management

PIs should:

- Identify significant dates and activities such as due dates for interim reports, final progress/technical reports, completed milestones and competing renewals.
- At least quarterly, review and verify award expenditure reports prepared by their Business Offices.
- Always be aware of the funds available to support their projects.
- Review and approve documentation of project changes prepared and maintained by their Business Offices. Some project changes require prior approval from the sponsoring agency:
 - Changes in key personnel; and
 - Significant changes in PI effort (often defined as the absence of the PI from a project for more than 3 months and/or a reduction in effort of 25% or more).

4. Award Closeout

At least 3 months prior to expiration of the award, the PI and the business manager should review the project's financial status. All necessary adjustments (e.g., journal entries, payroll adjustments) should be made to ensure an orderly closeout.

In closing out an award, particular attention should be given to:

- Ensuring completeness, accuracy and allowability of all categories of direct costs before the close of the budget period;
- Planning for updates to both payroll and procurement systems to ensure a smooth transition of financial activities to a new account number, if appropriate; and
- Assuring that subrecipients have or will submit all required deliverables and invoices.

Additionally, when a sponsored project ends (or is transferred/terminated), certain other actions are required to ensure an orderly closing of the award. While these actions may vary by sponsor, the following are necessary for most projects:

- Final technical or progress report
- Final report of inventions
- Final inventory of equipment
- Final financial report (including with regard to any required cost sharing)

EFFORT REPORTING

Universities must maintain an effort reporting system that allows responsible individuals to reasonably certify the portion of effort devoted to each sponsored project.

- Effort reports must include effort devoted to sponsored projects and all other activities for which the individual is *compensated* by the University.
- Effort reports should be completed using reasonable estimates of actual effort, not payroll distributions. Yale University uses payroll distributions to initially

estimate effort. These distributions must be changed if the distribution differs from the actual effort expended.

- Effort reports must total 100% of Yale compensated effort regardless of the number of hours or the appointment status of the individual.
- All faculty must certify their own effort reports.
- Some sponsors (including NIH, AHRQ, and SAMHSA) set a reimbursement cap on the salary that can be paid from an award. Specific attention must be given to these sponsors so as to not overcharge the award. Salary over the cap must be captured in a cost sharing account.
- Non-faculty effort reports must be certified by a responsible individual using a suitable means of verification that the work was performed.

DIRECT COSTS

Some types of expenses can never be charged to federal awards, and others can only be charged in certain circumstances. In general, direct costs:

- Must be *specifically identified* with a particular project;
- Must be *allocable*, or charged in proportion to their benefit, to a project;
- Must be *allowable* (i.e., certain costs, such as entertainment, may not be charged to a Federal grant under any circumstances);
- Must be *reasonable*, reflecting the conservative actions of a “prudent person”;
- Should be charged correctly the first time to avoid cost transfers; and
- Must conform to any limitations or exclusions in the award agreement.

Costs included in the University’s F&A cost rate cannot normally be direct charged to a federal award. Such costs include administrative staff, cell phone charges, and office supplies, etc.

COST TRANSFERS

Cost transfers are a means of correcting errors and should not be used as a method of managing sponsored awards. The following information is provided for consideration when executing a cost transfer:

- Costs not allocable to a project cannot be transferred to that project, even temporarily. Instead, request the creation of an “at risk account.”
- Appropriate cost transfers must be made within 90 days of the end of the calendar month in which the expense was incurred.
- Cost transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge. An explanation merely stating that the transfer was made “to correct error” or “to transfer to correct project” is not sufficient.
- Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable.

SUBRECIPIENT MONITORING

Monitoring the performance of a subrecipient is the responsibility of the PI. Therefore, the PI:

- Must review and approve all subrecipient invoices for reasonableness.
- Must ensure that all required deliverables are met and/or received.
- Should work with the department Business Office to ensure that the subrecipient has submitted required closeout reports.
- Should immediately notify Grants and Contracts Administration regarding concerns about possible non-compliance by the subrecipient.

COST SHARING

Cost sharing is defined as the specific portion of the project or program costs which are not funded by the sponsor, and which

are funded by the University. If a sponsored project has a cost sharing component the following applies:

- Departmental approval is required for all cost sharing (mandatory and voluntary) at the time of proposal preparation.
- Cost sharing cannot come from another federal project.
- If proposed, cost sharing must be provided.
- Unallowable costs cannot be included in the portion of costs shared by the University.
- Costs benefiting another project cannot be counted to fulfill a cost sharing requirement, i.e., costs benefiting Project A cannot be included as part of the costs that are shared by the University on Project B.

RESPONSIBLE CONDUCT OF RESEARCH

Yale's commitment to research and to the sponsors that support the research enterprise goes well beyond financial and administrative obligations. Faculty and their staff must be familiar with the following policies and guidelines which support Yale's research integrity commitment:

- Conflict of Interest
- Research Misconduct (Academic Fraud)
- Authorship
- Mentorship
- Human Subjects
- Animal Subjects
- Data sharing, management and ownership
- Environmental Health and Safety
- Intellectual Property (Patent and Copyright policies)
- Sharing of Research Resources

Policies and guidelines are located at:

Provost Office website

<http://www.yale.edu/provost/html/policies.html>

PI Handbook

<http://www.yale.edu/provost/pih/>

RESOURCES

Internal:

Office of Research Administration (ORA)

Phone: 203.432.8049
<http://www.yale.edu/research-administration/contact.html>

Office of Grant and Contract Administration Central Campus (GCA-Central)

Phone: 203.432.2460
Email: grants@yale.edu
<http://www.yale.edu/grants/>

Office of Grant and Contract Administration (GCA-Med) and Scientific Affairs Yale School of Medicine

Phone: 203.785.4689
<http://grants.med.yale.edu/>

Office of Grant and Contract Financial Administration

Phone: 203.432.3060
<http://www.yale.edu/finance/gcadmin/index.html>

Human Subjects Committee (HSC-FAS)

Phone: 203.436.3650
<http://www.yale.edu/hsc/Committee/roles.htm>

Human Investigation Committee (HIC-YSM)

Phone: 203.785.4688
<http://info.med.yale.edu/hic/>

Human Subjects Research Review Committee (Nursing)

Phone: 203.737.2371
<http://nursing.yale.edu/Research/Oversight/>

Institutional Care & Animal Use Committee (IACUC)

Phone: 203.785.5992
<http://iacuc.yale.edu/index.html>

Office of Environmental Health & Safety (OEHS)

Phone: 203.785.3550
<http://www.yale.edu/oehs/index.htm>

Conflict of Interest Office (COIC)

Phone: 203.432.8029
<http://www.yale.edu/provost/html/coi.html>

Office of Cooperative Research (OCR)

Phone: 203.432.8096
www.yale.edu/ocr

Office of the Vice President and General Counsel

Phone: 203.432.4949
<http://ogc.yale.edu/>

Faculty Handbook

<http://www.yale.edu/provost/handbook/yfhtoc.html>

Principal Investigator's Handbook

<http://www.yale.edu/provost/pih/index.html>

Sponsored Projects Policies and Procedures

<http://www.yale.edu/provost/policies>

Yale University Fraud or Illegal Activity Hotline

Phone: 1.866.358.3806
<http://www.yale.edu/resources/Febo6Memo.pdf>

External:

OMB Circulars

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

National Institutes of Health – Grants Policy Statement

<http://grants1.nih.gov/grants/policy/policy.htm>