Roles & Responsibilities

Principal Investigator (PI)
- Are accountable for the scientific and/or technical aspects and scientific conduct of the sponsored award.
- Oversee day-to-day management of the project's activities.
- Make budget allocation decisions.
- Are aware of expenditures charged to the sponsored award.
- Provide the required deliverables.

Business Manager (BM)
- Understand the compliance requirements.
  - OBFS Accounting Policies and Procedures
  - OMB Circulars A-21, A-110, and A-133
  - Sponsoring agency terms and conditions
- Identify questionable transactions/prevent problems.
- Record transactions appropriately.
- Implement and adhere to internal controls.
- Assure complete and accurate recordkeeping.
- Protect the PI and University.
- Contact GCO for any external sponsored award audits.
- Stay abreast of policy and regulation changes.

Grants & Contracts Office (GCO)
- Serves as a resource for:
  - Determination of allowable costs.
  - Appropriate accounting for transactions.
  - Interpretation of federal requirements—OMB Circulars A-21, A-110, A-133
- Monitor compliance and assistance with troubleshooting.
- Manage A-133 audit and other external audits.
- Develop and communicate sponsored project-related policies and procedures.
- Provide training events.

Resources

Office of Management and Budget (OMB)
http://www.whitehouse.gov/omb

National Science Foundation (NSF)
http://www.nsf.gov/

National Institutes of Health (NIH)
http://www.nih.gov/

UIC Office of Research Services (ORS)
http://research.uic.edu/sponsored_programs

UIC Grants and Contracts Office (GCO)
http://www.obfs.uillinois.edu/grants/

OBFS Policies and Procedures – Section 16
http://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts

University of Illinois at Chicago
Office of Business & Financial Services
Grants & Contracts - Compliance

809 South Marshfield Ave
MAB, 5th Floor, M/C 551
Chicago, IL 60612

Phone: (312) 996-3373
Fax: (312) 413-0798
E-mail: gcompliance@uillinois.edu

http://www.obfs.uillinois.edu/grants/
Compliance is the adherence to regulations and policies of the university, sponsor, and federal agencies.

**RAAC:** Cost guidelines for charging costs to sponsored awards

**Reasonable:** A prudent business person would have purchased this item for this price.

**Allowable:** The cost must be reasonable, allocable, and consistently treated to be allowable.

**Allocable:** It can be assigned to the activity on some reasonable basis.

**Consistent:** Like costs must be treated the same in like circumstances, as either direct or F&A costs.

**Common Compliance Issues**

- Lack of adequate documentation
  - Property management records—missing work papers and equipment not tagged properly
  - Tracking and documentation of cost shared obligation and expenditures
  - Supporting documentation for reports/bills prepared by department
- Restricted funds spent on unallowable or unauthorized goods or services
- Payroll is based on budget estimates instead of actual time worked

**Institutional Responsibility**

When we accept an award, we:

- Agree to adhere to all of the terms, conditions and guidelines.
- Have a fiduciary responsibility to spend the money in a reasonable and responsible manner.
- Must demonstrate adherence to the key cost principle (Reasonable, Allowable, Allocable, and Consistent) for treatment of all costs.

**Institutional Risks**

- Repayment of funds
- Loss of current and/or future funding
- Compromise institution’s reputation
- Compromise expanded authorities
- Could be breaking the law
- Unfavorable Single Audit
  - Labeled as high-risk auditee
  - Increased monitoring and oversight
  - Changes in processes and procedures
  - Loss of funding
  - Time loss

**BEING COMPLIANT SUGGESTS:**

- Effective management of funds
- Strong relationship between sponsor and recipient
- Evidence of proper internal controls to safeguard funds & property
- Avoidance of fraud and institutional mismanagement of funds

**Compliance for Sponsored Awards:**

**Do’s**

- Thoroughly review award documents
- Plan, review, and reconcile expenditures regularly and in accordance with RAAC cost principles
- Ensure vendors and sub-recipients adhere to the sub-award terms, prime award conditions, and federal regulations
- Involve the appropriate offices for proper and official approvals
- Track effort commitments
- Track mandatory and voluntary committed cost sharing
- Document all business transactions including:
  - Evidence of inventory of equipment
  - Cost Sharing
  - Changes to Key personnel
  - Cost Transfers

**Don’ts**

- Use sponsored awards as holding accounts
- Continue spending after the project end date
- Charge costs based on remaining available balance
- Submit invoices without GCO’s review