

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

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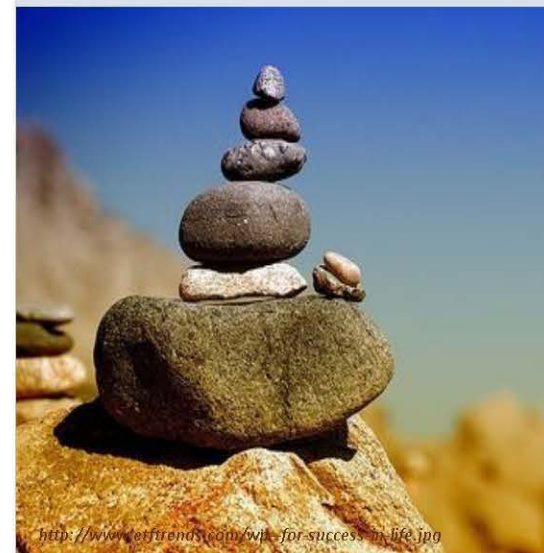
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OBFS Grants & Contracts

Compliance



Compliance Basics

Helping the research community "Think Compliance"

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.*

Compliance is the adherence to regulations and policies of the university, sponsor, and federal agencies.

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

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

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

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

Compliance for Sponsored Awards:

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