

# Essential Compliance Topics in Sponsored Project Administration

Presented by

Marcy Whittle, Senior Compliance  
Analyst, SPA

Victoria Jones, Research Compliance  
Officer, Office of Research Integrity



The University of Vermont

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# Agenda

- Welcome and introductions
- Purpose of the presentation
- Essential compliance topics
- Discussion
- Educational resources available

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## Purpose of the Presentation

- Research Compliance Essentials That Every Principal Investigator (PI) and Research Administrative Professional Should Know
- **Overall Objectives:** Provide participants with an overview of compliance requirements related to sponsored projects.
  - Learn about multiple areas of sponsored project compliance
  - Roles and responsibilities related to compliance

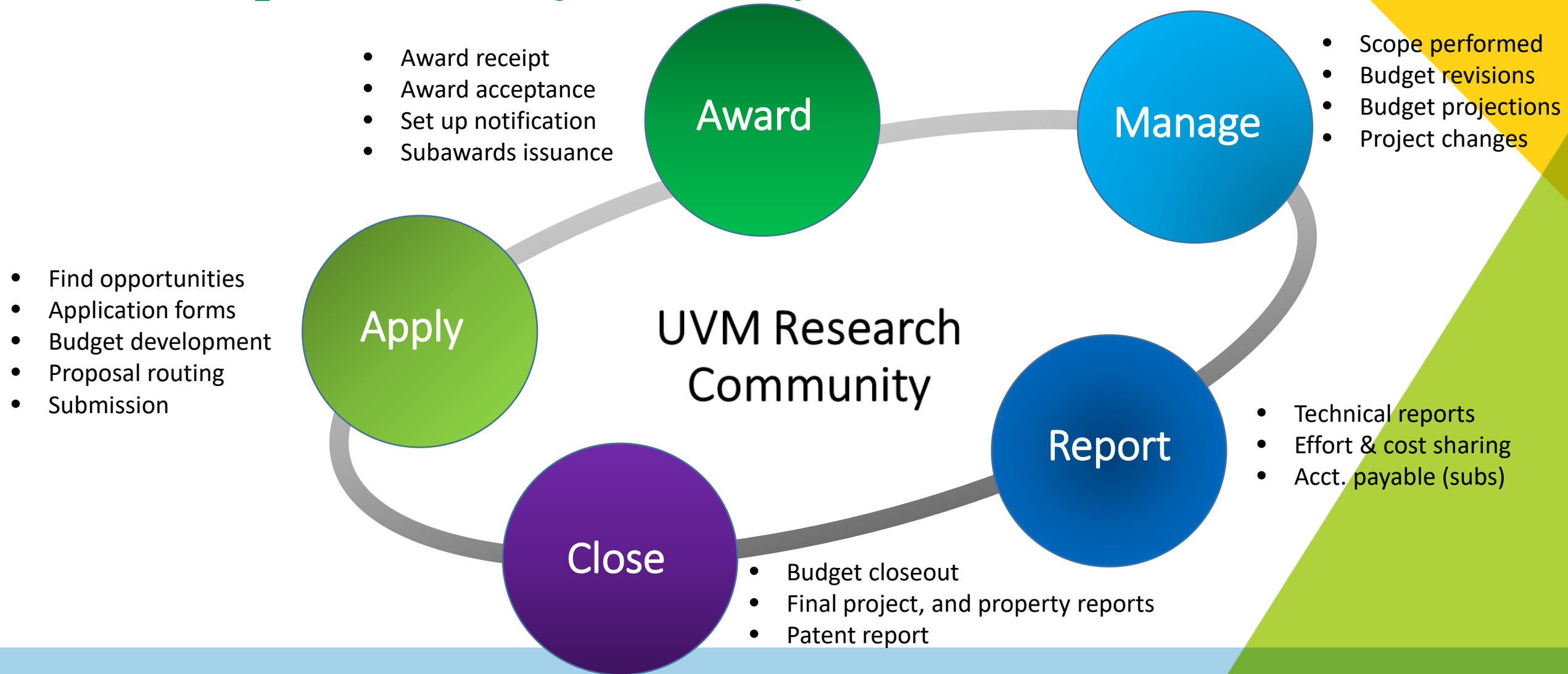
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# Essentials that Every PI and RA Should Know

- Research is central to the core mission
- PIs are central to the design, conduct and reporting of research
- PI is responsible for all aspects of research conducted on behalf of the institution
  - Including compliance with institutional policies and terms/conditions of a award
- Scientific and administrative leaders are committed to assist PIs with this responsibility.
- Today we will discuss common compliance areas surrounding research

# UVM Sponsored Project Life Cycle



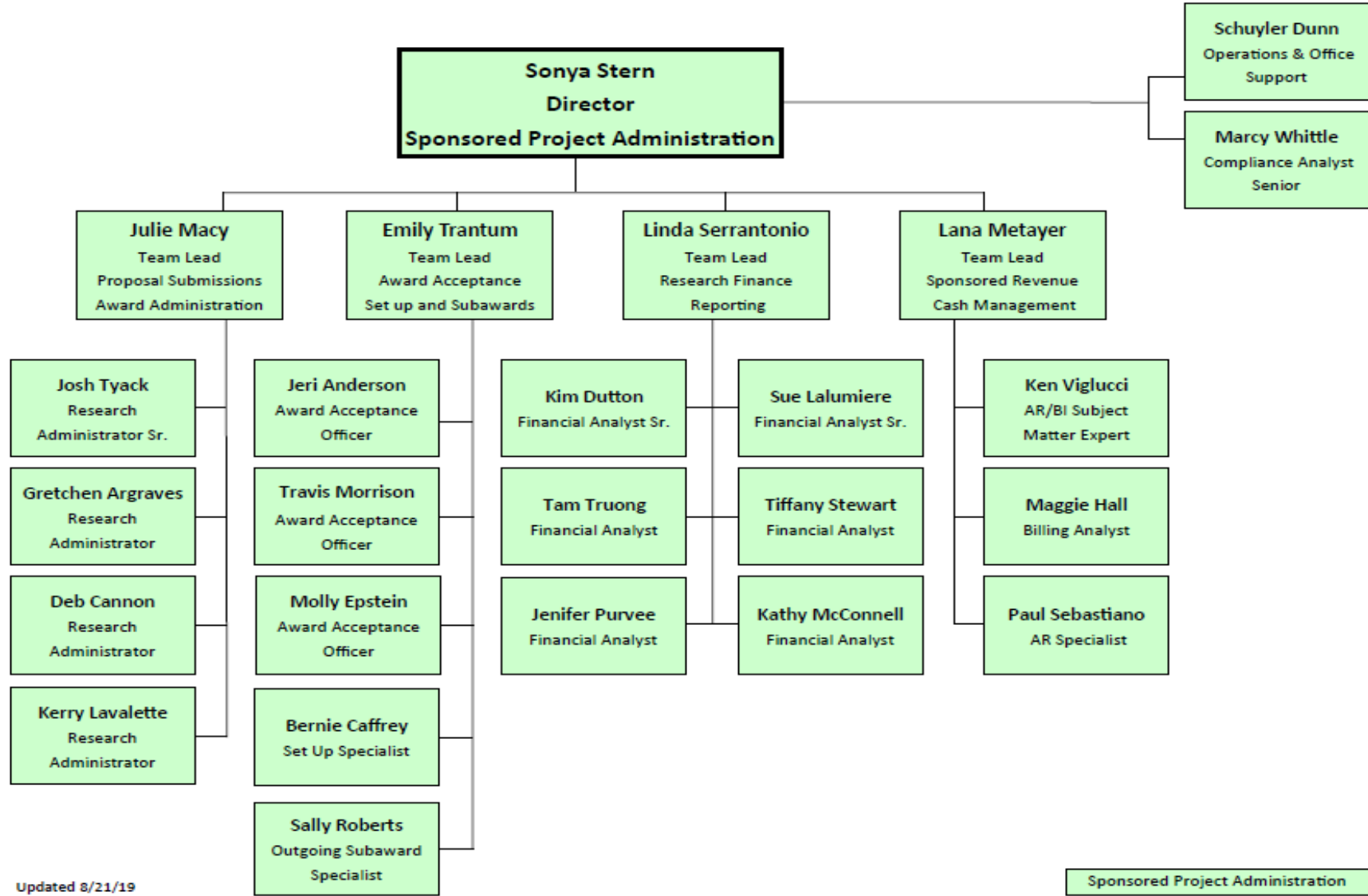
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# UVM Research Community

- **300+** Active Principal Investigators (PIs)
- **100+** Departments with Sponsored Projects from **300+** Sponsors
- **\$140M+** annual volume of awards on **700+/-** award actions
- **300+** subawards issued annually
- Office of Vice President for Research
- Many supporting departments

# UVM Sponsored Project Administration Organization



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# Fundamentals

- Whose grant is this?
  - Awards are made to the institution
- Who gets to call the shots?
  - PIs and administrators form a partnership
  - PIs direct the science
  - Administrators manage the business processes and compliance functions that support research
- Who answers to whom?
  - Science without administration would not receive grant funding
  - Administrators without science would not receive grant funding



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# Fundamentals: Who is Funding the Research

- Federal
- Non-federal
  - Scientific, non-scientific and private foundations
  - Associations
  - Corporate
  - Industry
  - State, local and other governmental
  - Other institutions

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# Research Compliance

**Research Compliance:** the ability to act according to an order, set of internal and external rules or requests related to the conduct of research

- External drivers
  - Rules, Guidelines, Laws, Policies, Regulations
- Internal drivers
  - Institutional compliance program, Institutional risk management, Designated officials, Written standards of conduct, Written policies and procedures, Process for reporting alleged violations of laws and policies, Training and education

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# Financial Conflict of Interest in Sponsored Research

- The aim of the Financial Conflict of Interest in Sponsored Research policy is to protect the public trust in research by promoting objectivity
- **Annual Disclosure:** Every year, an Investigator involved in Sponsored Research (*i.e. a research participant that has any independent responsibility for the design, conduct or outcome of a research project*) needs to disclose any qualifying outside financial interests.
- An Investigator needs to update the disclosure when a new qualifying outside financial interest comes up.
- The disclosures are reviewed in the context of awarded projects. If needed, the financial interests are managed to reduce opportunity for bias.
- **4 year Training:** Every 4 years, the Investigators need to take a training about Financial Conflict of Interest in Sponsored Research.

# Significant Financial Interest

What constitutes an SFI (if related to your institutional responsibilities and held by you, your spouse or children) – within the past 12 months:

Nature of SFI	Threshold	Excluded (Do Not Disclose)
Compensation and/or other payments for service	Exceeds \$5,000	<ul style="list-style-type: none"> <li>• any compensation received for lectures, seminars, teaching engagements, relating to:               <ul style="list-style-type: none"> <li>○ federal, state, or local government agencies,</li> <li>○ a domestic institution of higher education,</li> <li>○ an academic teaching hospital,</li> <li>○ a medical center, or</li> <li>○ a research institute that is affiliated with an institution of higher education, (the "Special Entities"),</li> </ul> </li> <li>• service on advisory committees or review panels relating to one of the Special Entities, or</li> <li>• compensation received from UVM (or UVMCMC funds for faculty with double-employment)</li> </ul>
Equity interests	<b>in a publicly-traded entity</b>	Value at time of disclosure exceeds \$5,000*
	<b>in a non-publicly-traded entity</b>	0
Intellectual property rights and interests upon receipt of income related to such rights and interests	0	Royalties received from UVM funds, and unlicensed intellectual property that does not generate income
Sponsored or reimbursed travel <i>Applies only to research submitted to PHS funding or any funding from agencies following PHS COI regulations</i>	0	Travel administered through UVM funds, and travel reimbursed or sponsored by one of the Special Entities (see definition above).

\*when aggregated with any compensation received from that company, e.g. If the equity is valued at \$2,000, and you receive \$3,000 in compensation from that same company, you need to disclose.

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# Export Control Regulations

## When is there a risk to be in violation?

When:

- export controlled items, [or information about them]
- are released
  - visually –including in writing-,
  - auditory,
  - verbally or
  - electronically,
- to a foreign person or a foreign country

Warning! An export can happen on the USA soil, anywhere on the campus for instance, if information is transmitted to a foreign national.

Examples of activities that may lead to an export: participation of a foreign person on U.S. soil to the research, conferences abroad, international shipments, travels, international collaborations

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# Export Control Regulations Red Flags

**Subject matter:** nuclear technology, weaponry, missiles, unmanned vehicles, encryption technology, lasers, sensors, radars, optics, surveillance, astronomical instruments, restricted equipment

And/or

**Award documentation** refers to Export Control Regulations

And/or

**Publication restriction:** publication prior approval requirement or any other restriction on publication

And/or

**Personnel restriction:** restriction on foreign nationals working on the grant

And/or

**Foreign component:** shipment overseas, foreign collaboration, activity overseas

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# Fundamental Research Exemption

Fundamental Research is

basic and applied research in science and engineering,  
the **results of which ordinarily are published and shared broadly** with the scientific community

Which means:

- ✓ No restriction on publication
  - ✓ No restrictions on the use of foreign citizens (i.e. no access to ITAR items and technical data)
  - ✓ No specific national security controls on the research or results
  - ✓ No restricted information or software code from third parties such as commercial vendors
- ⇒ IMPORTANT: if researches are not free to share results or make the information available to others it is not considered “fundamental research”.
- ⇒ The outcome of the Research is protected under the FRE. Not the conduct.

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# Institutional Review Board

- All research involving human subjects must be reviewed by the UVM IRB.
  - The CHRMS committee is tasked to review medical research and the CHRBSS committee reviews behavioral and social science research.
- The IRB is composed of an academically diverse set of faculty and community members from UVM and UVMMC.
- The IRB meets once a month so give yourself plenty of lead time

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# Institutional Animal Care and Use Committee

- At UVM, >97% of the animals used in research are rats and mice.
- IACUC must review and approve ALL animal use in teaching and research prior to any work with animals.
- The IACUC Committee at UVM consists of scientists, non-scientists, biosafety experts, statisticians, community members, and a veterinarian.

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# Institutional Biosafety Committee

- The IBC committee is the cornerstone of oversight for research involving recombinant and synthetic nucleic acid molecules here at UVM.
- The IBC Committee at UVM consists of scientists, non-scientists, biosafety experts, statisticians, community members.
- All UVM research involving the use of RNA, infectious agents, biotoxins, select agents and gene therapy must have an approved IBC protocol prior to work being done.

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# Cost Principles

- Compliance with Federal Cost Principles (Uniform Guidance)
  - Providing appropriate and compliant stewardship of sponsored funds
  - There are consequences for failing to comply
- Anyone authorizing the expenditures of federal funds must understand the cost principles
  - These principles govern costs that may be charged to the government directly or indirectly

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## Cost Principles, continued

- Any cost charged to a sponsor must satisfy the following:
  - The cost must be allowable as defined by federal regulations and/or by the terms of the particular award
  - The cost must be allocable; the project which paid the expense must benefit from it
  - The cost must be reasonable; the cost reflects what a prudent person might pay
  - The cost must be consistently treated; treated as direct or indirect cost when incurred for the same purpose in like circumstances

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## Payroll Costs

- OMB Uniform Guidance requires that institutions have a system of internal controls which provide reasonable assurance that the payroll charges are accurate, allowable and properly allocated.
- Quarterly review of payroll distributions (perspective) and actual charges (retroactive) is an important internal control at the University
- The PI must ensure payroll charged to the award reflect actual work performed by the project staff.

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## Payroll Costs, continued

- PIs with multiple sponsored projects should carefully monitor payroll distributions
- Appropriate payroll distribution changes should be submitted in a timely manner.
- Effort certification of payroll charges for each fiscal year is required by UVM employees whose payroll was directly charged or as cost share on a sponsored agreement.

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## Equipment

- Purchases of capital equipment are subject to institutional policy and sponsor terms and conditions
- Equipment purchased using sponsored funds must be necessary for the performance of the project and consistent with policy, regulations and award terms and conditions
- Common equipment classes: scientific, computers and vehicles
- Unit acquisition value threshold: An acquisition unit cost value of \$5,000 or more is a common threshold to classify equipment.



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# Travel

- Benefit to the project
  - Direct connection to purpose and specific aims of project
  - Meets cost principles
- Conform with grant policy and award special conditions (Fly America, etc.). **Stricter of policies apply**
- Adherence to institutional policy
  - Reconciliation of expenses, itemized receipts, eliminate unallowable, and submission deadlines

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## Business Meals

- Definition: Meals that are an integral and necessary part of a meeting, e.g. a working meal where business is transacted
- Are not allowed on federally sponsored projects in MOST cases
- Different from:
  - Travel meals: meals while on travel status
  - Sponsored Provisions: food purchases on sponsored projects served during a UVM hosted training, workshop, conference, or seminar approved by the sponsor

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## Business Meals, continued

- In RARE cases, allowable when the following is met:
  - Included in the proposal or proposal budget and funded by the sponsor
  - Integral to the advancement of the project being funded
    - ✓ Clear and compelling reason why business could only be conducted over a meal
    - ✓ It is very difficult to demonstrate “integral” or “compelling,” which is the reason these are usually not allowed
  - Business meeting must include external participants

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## Business Meals, continued

- In RARE cases, allowable when the following is met:
  - The following documentation must be on file and provided to SPA Research Finance& Reporting Team or made available in PeopleSoft
    - ✓ Names of those in attendance, affiliation and relationship to the activity of the sponsored project
    - ✓ Time and location of meeting
    - ✓ Itemized receipts
  - Consistent with all UVM Policies

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## Participant Support Costs

- UG 2 CFR 200.75 Direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects
- Must be approved in the original funding opportunity announcement
- Requires prior approval under federal awards
- Must be incurred during the period of performance
- Exempt from F&A under federal awards

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## Participant Support Costs, continued

- Definition of “Participant:”
  - Is a non-UVM employee who is the recipient, not the provider, of a conference, workshop, seminar, training, or other short-term informational activity
  - Does not provide deliverables, perform work or provide training
- If funded, the budgeted amounts for participant support are separately accounted for in PeopleSoft by creating a separate project ID. Sponsor prior approval is required to rebudget.

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# Participant Support Costs, continued

## Participant Support Costs Include

- Stipends
- Subsistence allowance
- Travel
- Fees

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## Participant Support Costs, continued

The following are NOT Participant Support Costs:

- Honoraria paid to guest speakers or lecturers or payments to providers of training
- Expenses for project personnel or collaborators to attend meetings, conferences, or seminars, including meetings to discuss project progress and direction
- Payments to participants in human subject research studies



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# Cost Transfers

- Definition
  - Moves costs from one account to another to correct an error
- Charge correctly in the first place
  - Saves wasted effort and rework
  - Minimizes audit issues
- Transfers are allowed in special circumstances

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# Cost Sharing

- Definition
  - When a portion of the project costs are contributed by the institution
  - Types: mandatory and voluntary
  - Grant restrictions apply to institutional contribution
  - Becomes a binding commitment, if proposal is funded
- Specific criteria apply
- Post award administration
  - Companion account, funding amount, project period, spend at the same rate, report with grant account, maintain documentation

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# Cost Principles FAQ

Q: What are the four cost principles that must be applied to charges on sponsored awards?

A:

- Allowable
- Allocable
- Reasonable
- Consistently Treated

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# Non-Compliance FAQ

Q: Name some consequences of non-compliance on federal awards?

A:

- Disallowance of expenses
- Additional program monitoring
- Audit findings
- Suspension and debarment from doing business with the federal government

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# Meals, Refreshments & Food Related Items

## Charges to Sponsored Awards FAQ

Q: A multi-day conference is held as proposed and awarded in a UVM sponsored project. The conference clearly contributes to the project goals. Meals, refreshments and snacks are served to conference attendees during the conference hours. Would these food costs be identified as business meals, or sponsored provisions?

A: Because these food items are served as part of the sponsor approved conference they are properly identified as sponsored provisions.

# Educational Resources Available – SPA Website and SPA News

Visit [www.uvm.edu/spa](http://www.uvm.edu/spa) and Subscribe to SPA News!



The University of Vermont

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## SPONSORED PROJECT ADMINISTRATION



Sponsored Project Administration is a full-service research administration and compliance office committed to assisting faculty, staff, and sponsors navigate the lifecycle of a sponsored project. SPA provides institutional approval for all proposal submissions, accepts awards on behalf of UVM, and facilitates award administration.

For assistance in any one of the following areas [please contact us.](#)

RESEARCH  
ADMINISTRATION



UVMCLICK



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# Educational Resources Available - NCURA

**The National Council of University Research Administrators (NCURA)** strives to make advances in the field of research administration through professional development, the sharing of knowledge, and by fostering a sense of community via multiple venues:

<https://onlinelearning.ncura.edu/> Tutorials, on-line publications, magazine, industry news are available to NCURA members

<http://www.ncura.edu/travelingworkshops/Home.aspx> These workshops are taught by experienced leaders in the areas of compliance, department research administration, global research management, post-award administration and pre-award administration; the expertise depends on the workshop.

<https://onlinelearning.ncura.edu/free-resources> Education available to the public at no cost, NCURA membership is not required

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# Educational Resources Available - RACC

**Research Administrators Certification Council (RACC)** is an independent non-profit organization composed of active certified research administrators whose role is to certify that an individual, through experience and testing, has the fundamental knowledge necessary to be a professional research or sponsored programs administrator.

<http://www.cra-cert.org/>



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# Educational Resources Available – Federal

**Federal Demonstration Partnership (FDP)** is a cooperative initiative among 10 federal agencies and 154 institutional recipients of federal funds and is a program convened by the Government-University-Industry Research Roundtable of the National Academies. Its purpose is to reduce the administrative burdens associated with research grants and contracts. Many institutions utilize FDP's templates, including one for outgoing subawards <http://thefdp.org/default/subaward-forms/>

**National Institute of Health** publishes YouTube videos which cover all sorts of information relevant to NIH grants <https://www.youtube.com/user/nihgrants>