

# Medical College of Georgia Circular A-21

## I. Cost Allowability

### A. Allowable Costs

The tests of allowability of costs are as follows:

- They must be reasonable
- They must be **allocable** to sponsored agreements
- They must be given consistent treatment
- They must conform to any limitations or exclusions set forth in these principles or in the sponsored agreement as to types or amounts of cost items

### B. Allocable Costs

Any costs allocable to a particular sponsored agreement under the standards provided in Circular A-21 *may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.* Any costs allocable to activities sponsored by industry, foreign governments, or other sponsors *may not be shifted to federally sponsored agreements.* The recipient institution is responsible for ensuring that costs charged to a sponsored agreement are allowable, allocable, and reasonable under these principles.

### C. Unallowable Costs

The following types of costs **may not** be charged to a federally sponsored agreement *either directly or as F&A costs. This is a quick reference.* Please be aware that there are some exceptions to some of the categories listed.

- **Advertising, Public Relations and Promotional Costs** – Institutional promotion of MCG is unallowable. Some types of advertising, such as recruitment of study patients, may be allowable.
- **Alcoholic beverages**
- **Alumni activities**
- **Bad debts**
- **Charitable contributions, donations or gifts (cash, services or property)**
- **Commencement and convocation expenses**
- **Contingency provisions**
- **Entertainment costs**
- **Fines and penalties**
- **Food Costs** – For seminars or patient incentives, may be appropriate as a direct cost, when related to the specific needs of the agreement. Usually authorized as part of the agreement. Food costs for routine operations or staff meals is not allowable, except in the course of travel or as part of a bona fide meeting related to the specific terms of the agreement. *In order to directly charge food to a grant you must provide documentation. This includes the names of all those in attendance and their social security number or employee ID number.*
- **Fund raising and investment management costs**
- **First class or other non-coach class travel**
- **Honoraria (i.e., a payment without service)** – Speaker's fees, or other payments involving a service, are allowable.
- **Housing and personal living expenses of MCG officers**

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- **Lobbying**
- **Losses (overruns) on sponsored agreements**
- **Marketing and selling of goods**
- **Personal use of goods or services**
- **Preagreement costs** – Permitted under Federal Demonstration Project (FDP)/Expanded Authority Agreements up to 90 days or with agency approval.
- **Student activity costs**

Costs that are directly associated with unallowable costs are also unallowable. Directly associated costs are costs that are generated solely as a result of the incurrence of another cost. For example, if a trip is made to conduct fund raising, the travel expenses for the trip are directly associated with the unallowable fund raising expenses and are also unallowable.

### II. Direct Costs

The following costs should normally be directly charged to sponsored accounts. However, the terms of the specific agreement and the sponsoring agency's regulations must be reviewed prior to determining the appropriateness of costs for an individual project. An individual sponsor may prohibit certain expenses. The following list is only intended to be a quick reference. It should also be noted that direct costs must also be specifically identified with the sponsored agreement and be allowable.

- **Animals** – Purchase and animal care use fee or per diem. The agreement must specify that animals will be used on the project. Animal-related costs may not be incurred prior to Institutional Animal Use Committee (IAUC) approval of the animal subjects protocol. Use fees or per diems must be established through a service center mechanism with consistently applied rates charged to all users.
- **Compensation** – Salaries and wages for faculty/scientific/technical/professional individuals working specifically on the sponsored agreement.
- **Conference Costs** – (i.e., conducting a conference, not attendance at a conference.) Must be specifically authorized as part of the agreement. (Attendance at a conference is also normally a direct cost, usually treated as a travel cost, if related to the scientific/technical needs of the sponsored agreement.)
- **Consortium Costs/Subcontracting** – Usually requires agency authorization.
- **Equipment** – Defined as an item with a unit cost of \$1,000 or more and a useful life of more than one year. Special purpose scientific/technical equipment is normally a direct cost. General purpose equipment such as computers, printers, FAX machines, furniture, typewriters, filing cabinets, etc. are not normally appropriate as direct costs, except when specifically related to the scientific/technical needs of the agreement. Rental or lease of equipment is normally an F&A cost but may be a direct cost based on specific needs of the agreement. All vehicle purchases require specific agency authorization. All direct charges for equipment should be specified in the proposal budget. Most agencies have limitations on levels of purchases allowed without specific agency authorization. If the awarding agency approves the item in the budget, this usually constitutes agency authorization to charge the cost of the equipment to the agreement.
- **Equipment Fabrication Costs** – Appropriate as a direct cost if the equipment is scientific/technical equipment. Fabrication of general purpose equipment is normally an F&A cost.
- **Equipment Maintenance and Repair Costs** – Includes maintenance service agreements. Appropriate as a direct cost if the cost is for equipment directly charged to a sponsored agreement.
- **Fringe Benefits** – Standard benefits associated with compensation as established by MCG's Human Resources Office. Fringe costs are specifically identified to each employee and are charged individually as direct costs.

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- **Housing and Living Expenses** – May be incurred only on some conference/training/fellowship agreements where such costs are specifically authorized.
- **Human Subjects Payments/Incentives** – The agreement must specify human subjects activity and payments. Costs may not be incurred prior to IRB human subjects protocol approval.
- **Patient Advertising and Recruitment** – The agreement must specify human subjects activity. Costs may not be incurred prior to IRB approval of the human subjects protocol.
- **Patient Care (Inpatient/Outpatient)** – The agreement must specify patient activity and the costs must be authorized by the agency.
- **Preagreement Costs** – Under Federal Demonstration Project (FDP) and Expanded Authority agreements, costs may be incurred up to 90 days prior to the start date. All other agreements require specific, written agency authorization.
- **Printing and Photocopying**
- **Professional and Consulting Fees** – Specific restrictions may apply to hourly and daily rates and internal (i.e., MCG employee) consultations. An individual may not be an employee and a consultant on the same sponsored agreement.
- **Registration** – Conference registrations, when directly related to the needs of the agreement. Direct charges may only be made for individuals working on the agreement.
- **Rental/Lease Space Costs** – Usually only for off-campus projects, if specifically authorized in the award. Incidental space rental for meetings or conferences may be appropriate as a direct cost for an on-campus project. All other space costs are included in F&A.
- **Scholarships, Stipends, and Other Student Aid Costs** – Appropriate only on training/fellowship/financial-aid agreements where such costs are specifically authorized. May not be charged to research agreements. Additional MCG and IRS requirements may apply.
- **Scientific/Technical Service Fees** – Charges for internal service activities should be established through a service center mechanism with consistently applied rates to all users.
- **Speaker Fees** – Payment for services rendered.
- **Supplies** – (1) Medical/scientific/technical/laboratory materials such as chemicals, glassware, gases and liquids, scientific software, pharmaceuticals, etc. are direct costs. (2) Educational supplies may only be directly charged to educational/training programs, as outlined and authorized in the agreement. (3) Unless specifically authorized, office supplies are not appropriate as a direct cost.
- **Telephone** – Long distance charges are treated as direct costs. Local telephone service and equipment are normally F&A costs.
- **Transportation Costs** – Freight, express, cartage, postage and other transportation services relating to goods purchased. Costs would normally be included as part of the purchase price of the goods/equipment and would not normally be charged separately.
- **Travel Costs** – Travel must be by coach class and by U.S. Flag Carrier, unless an exception has been authorized.
- **Tuition** – Tuition as compensation or part of the compensation, for services provided on a research Grant or Contract is allowable, with very specific requirements. The principle criteria for the charging of tuition on a research grant or contract are as follows:
  - An employer-employee relationship
  - Reasonable compensation for necessary work, and
  - It is the institution's practice to similarly compensate students in non-sponsored as well as sponsored activities.
- **Vehicle Use Costs** – Vehicle rental and mileage reimbursement should be directly charged to sponsored agreement travel, in accordance with agency guidelines and the MCG Travel Policy. No

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other type of vehicle costs/purchase/maintenance may be charged to a sponsored agreement without specific agency authorization.

### III. Facilities and Administrative Costs (F&A)

#### A. Previously known as Indirect Costs

The following are normally treated as F&A costs and are not directly charged to sponsored agreements nor used as cost sharing. These costs are charged to MCG funds and recovered from sponsored projects through the applications of the F&A rate.

- Accounting/Audit costs
- Administrative/Managerial/Clerical Salaries/Wages/Benefits – Includes both staff and student employees providing administrative/clerical services.
- Alterations and Renovations – Only appropriate as a direct cost when required to perform the sponsored agreement and authorized by the sponsoring agency. Many agencies have dollar threshold requirements.
- Banking Fees or Charges – International bank wire transfer fees are considered normal direct costs and do not required specific approval. All other banking costs are F&A.
- Computer Services or Use Fees – Routine, standard computer services, hookups and networking costs, including MIS/ITD/Networking/Database Management Personnel costs are normally F&A costs. Specialized computer search or data base services may be appropriate as a direct cost, if the service is directly related to the agreement's needs and the charges are based on established rates charged to all users.
- Construction Costs/Architectural Fees – Appropriate as a direct cost only on agreements for construction, where such costs have been specifically authorized by the sponsoring agency.
- Facilities Management – Building Maintenance and Work Orders – Repairs, painting, utility charges.
- General Purpose Equipment – Computers, FAX machines, typewriters, office furniture, file cabinets, etc.
- Insurance – Health/Dental/Life insurance for faculty and staff is included as a direct cost as a fringe benefit. Some training/fellowship programs authorize health/dental reimbursement, as a direct cost, for specified trainees. These costs are not included as fringe benefits.
- Legal Costs
- Library Costs/Collections/Acquisitions – Appropriate as a direct cost only when they are part of the basic purpose of the agreement (e.g., library resource grants) and have been authorized by the funding agency.
- Membership Dues – Includes scientific societies and other organizations
- Office Supplies – Paper, pencils, pens, binders, folders and similar supplies.
- Postage – Postage/Fed Ex/Courier, etc., includes all costs incurred for correspondence, reports, and manuscripts.
- Recruitment and Relocation Expense – For faculty/staff. Rarely appropriate as a direct cost. Occasionally approved for individuals hired specifically for the needs of the agreement, in accordance with agency-specific guidelines. Usually must be authorized by the agency. *The individual's effort must be dedicated solely to the agreement charged.* Direct charging would not be appropriate for individuals with multiple duties.
- Sabbatical Leave – Rarely appropriate as a direct cost. Occasionally, a portion of an individual's sabbatical salary, directly related to work on the agreement, may be authorized by the agency.

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- Subscriptions/Books/Periodicals – Normally not allowable as a direct cost as these are included in the F&A library services pool. Some special development programs or training agreements may include specific authorizations for such costs.
- Telephone – Includes equipment use charges or purchases, local telephone service charges, FAX lines, FAX machines and pagers or cellular telephone purchases, fees or services.

### **B. Examples of Exceptional Circumstances (Major Projects):**

The following outlines possible circumstances under which normal F&A costs may be charged as direct costs to a federally sponsored project. *These costs should be explained and justified in the proposal budget when the sponsor requires a detailed budget.* These examples are not exhaustive nor are they intended to imply that direct charging would always be appropriate for the situations illustrated.

#### **1. Administrative/Managerial/Clerical Salaries/Wages/Benefits**

These costs may only be authorized for projects where the nature of the work performed requires an extensive amount of administrative or clerical support. Such costs might be appropriate for:

- Large complex programs such as Clinical Research Centers, Primate Centers, Program Projects, Environmental Research Centers or Engineering Research Centers and other agreements that entail assembling and managing teams of investigators from a number of departments or institutions.
- Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature and reporting, such as epidemiological studies, large scale clinical trials and retrospective clinical records studies.
- Projects requiring travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
- Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports or scientific manuscripts).
- Projects that are geographically inaccessible to normal departmental administrative services, such as seagoing research vessels, radio astronomy projects and other research field sites that are remote from the campus.
- Individual projects requiring project-specific database management, individualized graphics or manuscript preparation, human or animal protocols, IRB preparations and/or other project-specific regulatory protocols and multiple project-related investigator coordination and communications.

#### **2. General Purpose Equipment**

Computers and printers, and other selected items may be appropriate as a direct cost when the PI/PD certifies that the equipment is necessary for the unique scientific/technical tasks of the specific agreement. (Examples: A computer, which will be used primarily to store and access a large scientific database, may be appropriate as a direct cost. A computer used for processing reports, manuscripts, correspondence and publications would not be appropriate. A photocopier normally services many diverse functions and projects and would not be appropriate as a direct cost).

#### **3. Membership Dues**

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Appropriate as a direct cost on an exception basis only where: (1) Membership is a mandatory requirement of the specific agreement; or (2) For training/fellowship programs where the membership is authorized for a trainee as part of the trainee's development/training program; or (3) Where the membership is required/included as part of the registration costs for a conference and participation in the conference is directly related to the specific needs of the agreement.

#### **4. Office Supplies**

Extraordinary costs for office supplies used specifically for the technical/scientific needs of the agreement may be appropriate as a direct cost. (Examples: Paper, envelopes or computer paper, used as part of a survey mailed to participants for an epidemiological study may be appropriate. Paper, envelopes or computer paper used as part of the administration of the project or for routine correspondence and publications would not be appropriate.)

#### **5. Postage**

Extraordinary costs for postage, Federal Express or courier directly related to the scientific/technical needs of the agreement may be appropriate. (Examples: Costs of shipping project samples to a laboratory or a collaborator, for analysis, may be appropriate, as would costs for mailing large epidemiological surveys. Shipping costs for returning a piece of equipment may be appropriate, if the item was originally purchased on the agreement. Costs for routine correspondence or mailing proposals, manuscripts or reports would not be appropriate.)

#### **6. Subscriptions/Books/Periodicals**

Costs may be appropriate as a direct cost when the PI/PD certifies that the publication is a necessary requirement for the scientific/technical completion of the specific agreement and that it does not benefit other agreements or activities. (This situation would be extremely rare). An exception may also be appropriate for training agreements where the publication purchase is for a trainee and the publication is an integral part of the trainee's planned program. Publications that provide a general benefit to research and teaching activities would not be a direct cost.

#### **7. Telephone**

The cost of telephone lines may be appropriate for a project requiring extensive telephone surveying where the function of specified staff is to telephone respondents. Costs would only be permitted for the dedicated lines not for all telephone services supporting the project. Telephone costs would not be appropriate where the purpose is to provide general telephone accessibility to staff or a space/lab.

Pagers or cellular telephone costs may be appropriate for an individual whose primary task is to travel from location to location to gather data or conduct patient surveys and that individual must maintain contact on a continual basis, as part of the specific needs of the agreement. Costs would only be allowable based on the pager/cellular telephone use being dedicated solely to the needs of the project. In the case of an individual who has multiple duties or works on several agreements or where the pager/cellular telephone is not an integral part of the specific tasks associated with the agreement, costs of a pager/cellular telephone would not be appropriate as a direct cost. If the pager/cellular is needed primarily because the person needs to be reachable by staff, such costs may not be directly charged to a sponsored agreement.

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### IV. Cost Sharing

Cost sharing is the portion of project expenses (cash and in-kind contributions) related to a sponsored agreement that is contributed by parties (typically MCG) other than the primary sponsor and is not directly charged to the sponsored project account(s). Cost sharing represents a MCG commitment to provide resources to a sponsored project. Cost sharing may be required by the sponsor or offered by MCG, and may or may not be included in the sponsored award document. Regardless of how it originates, cost sharing represents a MCG commitment to provide resources to a sponsored project.

Cost sharing should generally be limited only to those situations where it is mandated by the sponsor. Voluntary cost sharing should only be provided in cases where it is clearly necessary because of the nature of the program.

The two categories of cost sharing are:

- **Mandatory Cost Sharing** is a cost contribution, which can be mandated by the sponsor or voluntarily committed by MCG, for which the project benefits and is included in the sponsor's award document.
- **Voluntary Cost Sharing** is a cost contribution voluntarily made (typically after the award is made) by MCG but not included in the sponsor's award document. Voluntary cost sharing can also include expenditures incurred during the performance of the project, which were not anticipated in the proposal budget and not funded by the sponsor. Faculty time not over and above a normal workload where the effort benefits a specific project is considered voluntary cost sharing and should be reflected on the effort certification. Faculty-donated (including senior researchers) additional time, over and above that agreed to, as part of the award, is considered voluntary uncommitted cost sharing (i.e., hours in excess of a normal workload). Voluntary uncommitted cost sharing should be treated differently from committed effort and is excluded from the effort reporting requirement.

#### A. Costs Eligible for Cost Sharing

##### 1. To be allowed as cost-shared expenses, costs must be:

- Allowable, allocable and reasonable under federal cost principles (OMB circulars A-21 and A-110) and the terms of the sponsored agreement.
- Certifiable in the effort distribution and certification process (for cost-shared effort).
- Capable of being quantified and documented.

##### 2. There are two general restrictions on costs that may be used for cost sharing:

- If the costs are used as cost sharing on a federal program, they may not be paid or used as cost sharing on another federal program, unless permitted by statute.
- Costs classified as F&A costs, such as administrative and clerical salaries, may not be used as direct cost sharing unless permitted by the sponsor (federally funded awards).

##### 3. Examples of allowable forms of cost sharing:

- The effort of the Principal Investigator and/or employees committed (not paid by the sponsored agreement) to sponsored agreements, including the associated benefit costs.
- The cost of equipment whose purchase is necessary for, and dedicated to, the successful completion of the project. Existing equipment made available for the performance of the sponsored agreement are not considered for cost sharing since the recovery of its cost is included in the F&A cost rate and the sponsor is already paying for it through the application of the F&A cost rate.
- Laboratory supplies
- Travel

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- Third party in-kind contributions. When the contribution is in the form of personal services, the contributor must certify that the amount cost shared is comparable to the individual's regular rate of compensation. When contributions are for other than personal services, the provider must state the fair market value of the item.
- Waived or reduced F&A costs (i.e. the difference between the applicable negotiated F&A rate and the amount awarded by the sponsor). F&A costs may be included as cost sharing on federal awards only if they are specifically identified in the accepted proposal, or with the specific approval of the awarding agency.

### **B. Proposal Development**

In order to fulfill MCG's responsibility to sponsors, sponsored projects generally include some Principal Investigator effort and other personnel effort that is directly charged to or explicitly cost shared. The effort is quantified in the proposal budget. The amount of effort must be realistic and the total of one's effort must not exceed 100%. Whenever possible, salary commensurate with effort should be included in the proposal and requested from the sponsor.

When cost-shared effort is offered, the following should be considered:

- The sponsor's requirement for cost sharing.
- The percentage of time already committed on other sponsored projects.
- The amount of effort devoted to other functions such as teaching and administration.
- The amount of effort devoted by others such as co-Principal Investigators
- The size and complexity of the project.

The principal investigator of the sponsored award is responsible to ensure that the cost sharing agreed to has been fulfilled and properly documented. Non-fulfillment of a cost sharing commitment may result in a loss or return of project funds.

### **C. Documentation**

All cost-shared expenditures of a sponsored project must be properly recorded and reported in MCG accounting system or effort reporting system wherever possible.

For mandatory cost sharing, the cost sharing actually provided and reported must at a minimum be the amount required by the terms of the award. Completion of a timely effort report fulfills the documentation requirement related to compensation. Throughout the project, the principal investigator and department are responsible for monitoring the actual contribution to the project and ensuring that the cost-sharing requirement is met and properly recorded.

## **V. EFFORT REPORTING**

Formal "effort reporting" is an essential part of the process required by the federal government's OMB Circular A-21 to ensure that salaries and wages charged directly and indirectly to sponsored programs are appropriately recorded. Effort reporting is done on an individual basis to assure that the work was indeed performed by that individual, the time and effort reported is appropriate and reasonable, and that the distribution of dollars is representative of the work activities. At any time, a sponsoring agency may perform an audit to determine whether the effort certifications are accurate and complete. Adverse audit findings could have severe implication for MCG's sponsored research programs and result in MCG losing a valuable source of funds.

The federal A-21 regulations acknowledge that, in the use of any method for allocation of salaries and wages, instruction, research, services, and administration are often 'inextricably intermingled'. Therefore,

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'a precise assessment of factors that contribute to costs is not always feasible, nor is it expected'. Institutions are therefore permitted to rely on 'estimates in which a degree of tolerance is appropriate'.

The effort of hourly-paid employees is accounted for and certified by means of biweekly timesheets. The effort of MCG salaried employees is accounted for under an after-the-fact activity records system that utilizes a combination of personnel papers and quarterly effort reports. A personnel paper is submitted to distribute the salary dollars in proportion to the individual's assigned MCG work activities. However, if at the end of the recording period the distribution of dollars recorded in the accounting system does not reasonably reflect the actual percentage of MCG effort rendered, corrections to the dollar distribution must be made.

### **A. Total MCG Effort**

The federal government acknowledges that practices vary among institutions and within institutions as to the activity constituting a full workload. Accordingly, institutions are permitted to express effort in terms of a percentage distribution of total institutional activities. Therefore salaried individuals may use percentages to allocate the total time spent performing services for MCG during a given time period. These percentages are applied to the individual's total MCG base salary for that period. Also since a MCG monthly salary applies without regard to the specific number of hours worked for MCG, all hours worked for MCG, including those beyond a normal workweek should be included in the effort allocation.

MCG's Effort Reports are intended to report 100% of an individual's College activity for which regular salary is paid. College activity includes teaching, research, public service, administration and other College-related activities, but excludes non-College activities, such as patient care, clinical/hospital activities, or other activities for which an individual typically receives compensation from another separate legal entity. College activity does however include effort committed to sponsored clinical trials managed by MCG. It also includes activities performed by MCG personnel related to contracts between MCG and other separate legal entities.

### **B. Certifiable Activities**

Only specific employee activities have to be certified on an effort report under A-21 regulations. Activities that are always certifiable are the direct activities of Sponsored Research, Sponsored Instruction, Other Sponsored Activities, and associated cost sharing. When an individual has a pay distribution during the quarter from a MCG account classified as one of these certifiable activities, then an Effort Report will be printed for that individual. The Effort Report will include 100% of the individual's effort related to the base salary for which MCG compensates the individual.

### **C. Other Effort Reporting Issues**

#### **1. Individuals Subject to the NIH Salary Cap**

The legislative mandated provision on NIH imposing a cap on reimbursement of salaries creates a special problem in completing effort reports at MCG for highly compensated faculty and staff. By law, NIH may not reimburse salaries under NIH awards at an annual rate that exceeds the cap. This requires MCG to create a special Effort Report for those individuals that are compensated from NIH awards. These Effort Reports have to reflect the NIH salary cap base in effect for each award. The difference in the amount charged to the MCG account and the NIH salary cap base is considered cost sharing for MCG. Once the effort report is certified, entries will be made to record this cost sharing. Additional information regarding the NIH Salary Cap can be found at <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-01-013.html>.

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### 2. Cost Sharing of Effort

Cost sharing of effort (both mandatory and voluntary) to sponsored activities must be reported through the effort reporting system by charging an appropriate cost sharing account. If the cost sharing account has not been created, or is not already listed on the form, an appropriate notation should be made on the effort report.

## VI. Roles And Responsibilities

### A. Roles

Medical College of Georgia (MCG) solicits and accepts contracts and grants for research, training, and public service projects from a variety of federal and non-federal sponsors (including industrial and commercial concerns, universities, governments, private foundations, and other organizations). With the acceptance of extramurally funded awards, MCG agrees not only to provide technical or scientific expertise, but also to manage each award in conformance with various fiscal and administrative regulations. Responsibility for managing these grants and contracts is necessarily shared throughout the MCG environment.

The terms and conditions applicable to grants and contracts vary extensively. However, there is a requirement common to all awards: The Principal Investigator and/or staff is responsible for the technical, administrative, and fiscal management of the project, which includes responsibility for any applicable subcontracts. In addition, the Department Chair, Dean, Office of Sponsored Programs (OSP), Preaward and Postaward offices share in various aspects of the proposal and award management.

### B. Responsibilities

#### 1. The Principal Investigator (PI) and/or Department Manager, Project Coordinator

Is the individual with responsibility for the technical, administrative, and fiscal management of a project, including any applicable subcontracts. As a practical matter, it is often necessary and appropriate to rely on staff members for assistance in carrying out much of this responsibility. The PI and/or staff must:

- Be knowledgeable, at the proposal stage, about appropriate agency and MCG guidelines and restrictions relative to the conduct of research, training, and public service programs, and be willing to adhere to such guidelines and restrictions;
- Conduct the work supported by the grant or contract in a timely and professional manner;
- Comply with the specific terms and conditions of each award as stated in the grant or contract documents and with all administrative requirements, as set forth in various sponsoring agency and MCG policy statements, concerning issues such as publication, patents, equipment screening, proprietary data, consultants, human subjects, animal subjects, computing equipment, recombinant DNA, cost sharing/matching, or regulated substances;
- Assure that expenditures made prior to the receipt of a fully executed contract or grant award are incurred only after obtaining specific authorized approval, that expenditures do not exceed the total amount of funds awarded, and that specific budget category expenditure limits are adhered to;
- Maintain budgetary control through the use of departmental bookkeeping and cost control systems and monthly reconciliation;
- Certify that all costs charged to each grant or contract specifically benefit the project being charged by reviewing and approving certifications of effort expended by

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employees, staff employee time sheets (e.g., PAR forms), payments of vendor invoices for goods and services, check requests (non-payroll), travel reimbursements, requisitions to and acceptance of charges from campus service units, and similar charges to the project. If it becomes necessary to make after-the-fact adjustments in the allocation of certified costs, the PI, or other knowledgeable person, must provide full justification and documentation of the costs being transferred;

- Comply with the reporting requirements of each grant and contract which may include periodic progress reports, annual reports of project accomplishments, reports of inventions, reports of publications generated, reports of major items of equipment acquired, cost sharing/matching reports, and financial reports. *Although the Postaward Office is responsible for the preparation and submission of reports of expenditures, the PI must assure that all financial transactions, including cost sharing and matching, are properly recorded and/or documented in a timely manner so that the reports of expenditures can be submitted promptly.*
- Review the subsidiary general ledger monthly and upon expiration of the grant or contract, and make adjustments as may be necessary to assure that the general ledger is cleared of any expenses not applicable to the award. Such adjustments may include transferring outstanding liens, transferring items of expense not allowable under that particular grant or contract, and transferring overdrafts to other permissible fund sources.
- Ensure that any subcontractors comply with the terms and conditions of each award as stated in the grant and contract documents and with all administrative requirements, as set forth in various sponsoring agency statements.

### **2. The Department Chair**

Is responsible for reviewing proposals submitted by departmental faculty members, particularly to determine:

- The eligibility of the individual designated as Principal Investigator/Project Director or Co-Principal Investigator;
- The appropriateness of the time commitments made by faculty members;
- Whether space will be available for the proposed project;
- That cost sharing and/or matching fund commitments set forth in the proposal can be met; and
- That, where appropriate, equipment screening procedures have been followed;
- Reviewing all proposals to assure that the proposed project is consistent with the educational and professional objectives of the school or college;
- Approving cost sharing and/or matching fund commitments contained in proposals.

Once an award is accepted, the Department Chair has continuing responsibilities for the conduct of the project which include:

- Reviewing and approving financial transactions related to personnel, the purchase of equipment, re-budgeting of funds, or the retention of consultants, for consistency with project purposes and the terms and conditions of the award; and
- Identifying appropriate unrestricted fund sources at the departmental level to cover overdrafts and/or disallowances which PIs are not able to cover with funds under their jurisdiction.

### **3. Deans**

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Are accountable for all funds administered by units under their control as well as for the coordination of all programmatic elements within their school or college. This includes:

- Reviewing all proposals to assure that the proposed project is consistent with the educational and professional objectives of the school or college;
- Approving requests for Facilities & Administrative cost rates (formerly indirect costs) at less than full recovery;
- Approving cost sharing and/or matching fund commitments contained in proposals; and
- Identifying appropriate unrestricted fund sources to cover overdrafts and/or disallowances which Department Chairs within the school or college have not been able to cover with funds under their jurisdiction.

#### **4. Office of Sponsored Programs (OSP) – Pre-award Office**

Is responsible for:

- Reviewing and approving all proposals for research, training, and public service programs prior to submission to external agencies by the respective MCG departments.
- Negotiating and recommending execution of contracts and acceptance of grant awards to the MCG Contract Officer which are consistent with MCG policy and which contain terms and conditions acceptable to MCG;
- Determining that a funding agency has made a binding commitment and expenditures are authorized under a grant or contract prior to its acceptance and/or execution;
- Informing appropriate campus personnel of the requirements and obligations imposed by the grant or contract, including the interpretation of award terms and conditions;
- Approving and officially transmitting requests for budget and/or time revisions requiring pre-approvals by the funding agency when recommended by the appropriate Vice President;
- Negotiating and recommending resolution of programmatic and financial discrepancies and disagreements that may arise between MCG and external funding agencies.

#### **5. Office of Sponsored Programs (OSP) – Post Award Office**

Is responsible for:

- Maintaining records of expenditures for grant and contract funded projects (e.g., general ledger);
- Reviewing transfers of payroll and non-payroll expenditures for conformance to agency and MCG policies and procedures;
- Managing the accounts receivable process which includes invoicing, letter of credit and collections.
- Preparing and submitting reports of expenditures to funding agencies and assisting in the close-out of contracts and grants;
- Closing out grant and contract accounts by transferring overdrafts and unallowable expenditures or adjusting the budget to clear out unexpended balances when the necessary information and documentation has not been provided within a reasonable amount of time by the PI;
- Coordinating responses to audit reports and/or recommendations of disallowance of expenditures under grant and contract awards; and
- Providing assistance to departments which are experiencing difficulties in the management of grant and contract funds.

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**6. The Vice President for Research**

Has general oversight responsibility for policy issues associated with extramurally-funded research programs. Included is the responsibility for:

- Approving exceptions to PI eligibility;
- Coordinating compliance with federal and other research regulations in matters such as human subjects, animal welfare, and biohazards; and
- Resolving disputes which arise concerning scientific propriety or academic policy.