

**Eastern Michigan University
Divisional Policy
Grants and Contracts
Roles, Responsibilities, and Procedures
June 30, 2003**

Proposal Submission

Principal Investigators (PI) are expected to work with the Office of Research Development (ORD) early in the proposal development process to ensure that guidelines are followed, regulatory approvals are initiated, internal commitments are obtained, and appropriate budgets are developed.

Prior to submission to a sponsoring agency, all grant and contract proposals must be reviewed and approved by the unit head or director, dean (or other senior administrator), and director of ORD. A Dean is authorized to sign on behalf of a unit head and the provost is authorized to sign on behalf of a dean or associate vice president.

Proposal approval is documented by signing an ORD-generated proposal transmittal. The transmittal summarizes:

- Project objectives
- Sponsor budget
- EMU cost sharing obligations
- Space, equipment, and regulatory requirements
- Health and safety risks

ORD is responsible for generating the transmittal and circulating it to the PI for signature. The PI is responsible for obtaining all additional required signatures prior to submission.

Completed proposals must be delivered to ORD at least three days prior to the submission deadline in order to conduct a timely review and to secure appropriate internal approvals.

Review and approval of proposal submission by the PI's unit head certifies the following:

- The applicant is academically eligible and qualified to conduct the project.
- The applicant can effectively manage the project.
- Financial commitments provided by the unit are appropriate, available, and approved.
- The budget is adequate relative to the project scope and appropriate justification is provided.
- The faculty and staff time commitments are compatible with departmental workloads.

- Any dedicated laboratory, office, or classroom space not already designated to the PI will be available and adequate for the proposed activity.
- Any specialized equipment required for the project will be available and adequate for the proposed activity.
- The project is consistent with the mission, goals, and strategic plans of the unit and the University.

Review and approval of proposal submission by the Co-I's unit head certifies the following:

- The applicant is academically eligible and qualified to conduct the project.
- Financial commitments provided by the unit are appropriate, available, and approved.
- The faculty and staff time commitments are compatible with departmental workloads.
- Any dedicated laboratory, office, or classroom space not already designated to the Co-I will be available and adequate for the proposed activity.
- Any specialized equipment required of the Co-I Department will be available and adequate for the proposed activity.

Review and approval of proposal submission by the Dean certifies the following:

- Financial resources provided by the Dean's Office are appropriate, available, and approved.
- Commitments for dedicated laboratory, office, or classroom space are compatible with long-term plans for the College.
- Long-term commitments of personnel or program emphasis are consistent with long-term plans of the College.

Review and approval of proposal submission by the ORD director certifies the following:

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- The proposal meets all statutory and regulatory requirements.
- The budget request is a factual, accurate, reasonable estimate of costs required to conduct the project.
- The University has the capacity to complete the project as proposed.
- The proposal is endorsed at all appropriate levels within the University.
- All University contributions and commitments are approved and will be honored in the event that the proposal is accepted.
- The proposal complies with all terms and conditions contained within the proposal guidelines.
- The University will provide appropriate fiscal, technical, and regulatory oversight over the project in the event that an award is granted.

Replacing a Project Director

Because grants and contracts are normally awarded based on the qualifications and expertise of the PI and the intellectual content of the proposal, a decision to involuntarily replace a PI on a grant will not be taken lightly. It will only be done at the request of a sponsor or with the approval of a sponsor for serious cases of malfeasance, academic misconduct, or non-performance. The final decision to remove a PI will be made by the provost or appropriate divisional vice president.

Grants awarded to the University are the property of the University. In the event that a PI leaves the employment of the University, the University has the option to retain the grant. Any decision regarding the disposition of an active grant is based on the wishes of the sponsor and the University's ability to provide a qualified replacement.

Issuing a Pre-Award Account

Principal Investigators may have legitimate reasons for needing pre-award or "hardship" accounts, to begin work in advance of a signed agreement. These costs put the University at risk in the event that sponsored agreements are not finalized, or the sponsor declines to pay the costs. This policy outlines internal controls and procedures that ensure accountability for the funds and compliance with sponsor regulations.

ORD Responsibility

ORD recommends the creation of a pre-award account only if each of the following conditions are met:

- Written documentation from the sponsor that funding has been recommended and the award document is being processed
- Confirmation from the sponsor that the pre-award period will fall within the overall grant period
- Confirmation from the sponsor that the pre-award costs will be reimbursed upon finalization of an award
- Demonstrated need by the project director to begin work immediately

Pre-Award Time and Spending Limits

A pre-award shall be established for a period not to exceed 60 days. Pre-award budgets shall not exceed a pro-rated share of the annual budget.

Pre-Award Authorization

Authorization for the establishment of a pre-award shall require the signatures of the PI, unit head, and the director of ORD. Any exception to the pre-award time and spending limit requires the signature of the provost.

Responsibility for Pre-Award Costs

In the event that an award agreement is not ultimately received and the pre-award costs are determined to be uncollectible, the project costs incurred will be reimbursed 50/50 by the Office of the Provost and the PI Unit.

Grant Oversight Responsibilities

The ultimate responsibility for the technical, fiscal, and ethical performance on grants and contracts rests with the University. Faculty and staff assigned to grants and contracts are representing the University in their roles. They are obligated to provide their best efforts in carrying out the project activities, conduct themselves in an ethical manner, and exercise due diligence to protect the University from harm and loss.

The following guidelines address the delegation of responsibility and oversight over fiscal and technical requirements for grants and contracts awarded to EMU. These include regulatory compliance, budget management (including cost sharing), deliverables, progress reporting, milestone achievement, and any obligations and promises contained within the award.

ORD

When an award is received and processed by ORD, an award notice will be issued to the PI, with copies to the unit head, dean, and sponsored project accountant. The award notice will include a summary of the terms and conditions, restrictions, applicable OMB circulars, and reporting or deliverable requirements. Attached to the award notice will be a finalized project transmittal consistent with the terms and conditions of the award and a copy of the award document.

The award notice will provide guidance for the PI in managing the award and for the Unit Head in providing oversight and review.

Principal Investigator

The PI is the primary individual in charge of a research grant, cooperative agreement, training or public service project, contract, or other sponsored project. The PI reports to a unit head (or other designated official). The PI has primary spending authority on an award and primary responsibility to fulfill the technical, scientific, fiscal, administrative, and reporting obligations as required in the award. The PI will promptly inform the unit head of progress issues, program review issues, audits and audit findings, and budgetary and fiscal issues. Copies of all required progress and technical reports will be provided to the unit head. Copies of final technical reports will be provided to ORD and to Grants Accounting to document compliance with project close-out requirements.

Co-investigators may be named in a sponsored project. However, only one person will be named as PI and primary responsibility will not be delegated or shared.

Unit Head

The unit head (or other designated official) ensures that a PI is making satisfactory progress toward completing the obligations of a sponsored project. The unit head will regularly monitor and review financial summaries provided by Grants Accounting. The unit head will take appropriate action when progress, audit, and fiscal issues are disclosed. Progress and technical reports as required in the award document will be reviewed by the unit head.

In the event that a PI is assigned to a center or institute, the center or institute will be listed on the transmittal as the responsible unit. The center or institute director will assume the oversight responsibilities of the unit head listed above. Further, the center or institute will assume financial liability for any non-collectible costs.

Oversight and Responsibility for Non-Collectible Costs on Grants and Contracts

Non-collectible costs include the following:

- Project costs in excess of authorized budgets (overruns)
- Costs determined to be non-compliant with sponsor regulations (unallowable)
- Costs determined to be unrelated to the grant or incurred outside of the grant period (unallocable)
- Billings determined to be uncollectible due to dispute or bankruptcy (uncollectible).

Principal Investigator Responsibility

Ensures that risks of incurring non-collectible costs are managed appropriately by:

- Complying with all sponsor terms and conditions
- Understanding and complying with all applicable fiscal regulations and restrictions
- Monitoring budget statements and adhering to approved budgets (including cost sharing requirements)
- Ensuring that all expenditures are made within the grant period.

The PI will work with the Unit Head to provide timely resolution of non-collectible costs and prevent recurrence.

Unit Head Responsibility

Regularly monitor and review summary budget statements for all sponsored programs within the unit to ensure that spending levels are appropriate and within budget. Any apparent budgetary issues will be promptly discussed with the PI. Appropriate corrective action will be taken to minimize or avoid potential non-collectible costs.

Grants Accounting Responsibility

Advise and cooperate with the PI to avoid or minimize non-collectible costs on sponsored projects. Provide appropriate fiscal-management training to the PI before a sponsored account is issued. Review all fiscal terms, conditions, regulations, and restrictions of grant and contract awards. Monitor expenses for fiscal compliance. Provide detailed monthly statements of account. Monitor, review, and take prompt corrective action to avoid or minimize non-collectible costs. Initiate billings and fiscal reports to sponsors as required and within the time limits as specified in the award. Provide timely warning to PI and ORD in the event that billings become delinquent. Suspend account activity whenever budgets are exceeded, budget periods have expired, or sponsors become insolvent.

ORD Responsibility

Negotiate contracts to minimize the risk of non-payment of receivables by sponsoring agencies. Provide guidance in all award notices regarding fiscal terms, conditions, regulations, restrictions, and other issues that could result in non-collectible costs being charged. Provide accurate information regarding periods when project expenditures may be incurred. Obtain sponsor approvals for pre-award costs, project extensions, rebudgeting, supplemental funding, and any other deviation from the award document. Promptly report grant or contract changes or modifications to the PI and Grants Accounting. Cooperate with PI and Grants Accounting to ensure that all close-out requirements are met.

Responsibility for Reimbursing Sponsored Accounts for Non-Collectible Costs.

Reimbursement for non-collectible costs will first be charged to discretionary accounts under the control of the PI. If insufficient funds are available, the remaining cost will be reimbursed by a discretionary account at the unit level. If insufficient funds are available at the unit level, the remainder will be charged to a discretionary account under the control of the Dean or Associate V.P. for Extended Programs.