PI Now What

Money in Money Out
Agenda

• Offices/People - What they do
• Office of Management and Budget (OMB) – Cost Principles Uniform Guidance overview
• Approaches and Tools for Award/Budget Management
OMB Uniform Guidance
Fundamental Cost Principles

OMB- Federal Office of Management and Budget

This guidance establishes uniform cost principles and audit requirements for all Federal awards to non-Federal entities and administrative requirements for all Federal grants and cooperative agreements. **Also applies to State awards**

- Controlled Environment
- Effective Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities
Major Players

**Principal Investigator** - is the primary individual responsible for the preparation, conduct, and administration of a research grant, cooperative agreement, training or public service project, contract, or other sponsored project in compliance with applicable laws and regulations and institutional policy governing the conduct of sponsored research.

**Local Support** – Manages day to day transactions; HR (hiring, payroll), Pro-card, budget management and projections; Liaison to other departments as needed; Possibly provides grant management oversight

**Office of Post Award Management (OPAM)** - Authorized entity to sign awards on behalf of UMass; Negotiates terms and conditions of awards; Makes official request for award changes to Agencies; Establishes Subrecipient contracts; Coordinates with Research Accounting: [https://www.umass.edu/research/awards](https://www.umass.edu/research/awards)

**Research Accounting- Controller's Office**- Establishes accounts; Manages the billing; reporting and accounting of awards; Works with faculty, staff in financial management of awards; Supports award closeout, financial reconciliations, and audit: [https://www.umass.edu/controller/research-accounting-0](https://www.umass.edu/controller/research-accounting-0)

**Procurement Office**- Procards, Travel Cards, Buyways, [https://www.umass.edu/procurement/](https://www.umass.edu/procurement/)

**Human Resources**: Hiring and recruitment; Payroll action forms, add comp, etc.

**Research Compliance** - Conflict of interest; Animal and human subject protection; Export Control; Research Ethics
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• Is the cost ALLOWABLE?
• Is the cost REASONABLE?
• Is the cost ALLOCABLE to the project?
• Is the cost Consistently Treated at your Institution?
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Allowable Costs

• Must be necessary, reasonable, and allocable
• Conform to any limitations or exclusions set forth in the Uniform Guidance or specific award restrictions

Reasonable Costs

• A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
• The cost is of a type generally recognized as ordinary and necessary for the operation and efficient performance of the Federal award.
• Market prices for comparable goods or services for the geographic area.
• Requirements imposed by such factors as: sound business practices; arm’s-length bargaining; and terms and conditions of the Federal award.
Allocability

• A cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that Federal award in accordance with relative benefits received.

• Any cost allocable to a particular Federal award under the principles provided may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons.

• If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.
Award Budget Management Tools and Best Practices

• Award Terms and Conditions
• Proposal Budget and justification
• Allowable, Allocable, Reasonable
• Award/research timeline and milestone tracking
• Planned budget meetings with business managers monthly or quarterly
• Learn Peoplsoft/Summit
General Award Terms and Conditions -

Expanded Authorities – NIH/NSF often gives institutional discretion for certain aspects of the award, unless restricted by the terms and conditions in the NOA

- 1st time no cost extension
- Rebudgeting less 25% of the budget category though internal justifications may be needed
- Carryforward of unobligated balances
**General Award Terms and Conditions**

**Things you need approval from sponsor - via official request from OPAM**

- PI Transfer
- Change in status of PI/Co-PI or key personnel: reduction in effort of more than 25% or absence from project for more than 3 months
- Adding or removing a subcontractor
- 2nd no cost extension or late request for 1st extension
- Change in objectives or scope
- Pre-award costs in excess of 90 days
- Rebudgeting from Trainee costs
- Change of IRB protocols or Vertebrate animals from approved proposal
Award Budget Management Tools and Best Practices

- Burn Rate – 50% of grant time is complete then you should roughly be 50% spent
- Encumbrance and shadow systems
  - Peoplsoft/Summit does not fully encumber the budget
  - It is just an accounting system which shows past and present NOT future
  - Identify your planned expenditures that will impact your “bottom line”
- Don’t forget Indirect Costs/ F&A
Tips on getting a quick start

• Pre-establishment of Account
• Get ahead on any compliance protocols
• Begin working with local support to build job descriptions etc. for recruitment and hiring
• Discuss with local support and Research Accounting to establish projects, and account structure to meet your needs
• Subrecipient Monitoring- Establish expectations with subs; don’t pay invoices until you’ve verified work completed
GRANT LIFE CYCLE

1. Develop Idea
2. Identify Funding
3. Develop Proposal
4. Route Proposal for Approvals
5. Submit Proposal
6. Receive Award & Start Project
7. Manage Award
8. Close Out Award
9. Share Results