FACULTY DEVELOPMENT SEMINARS 2022

WEEK 8

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FISCAL COMPLIANCE

- **What is allowable on grants?**

- **Cost Principles**

- **Different levels of compliance**
  - **Federal**
  - **State**
  - **University**

- **Audit issues**

Q1.

WHAT CAN YOUR GRANT BRING TO YOU, YOUR STUDENTS, AND MORGAN?

POTENTIALLY ALLOWABLE
(NOT EXHAUSTIVE)

- Salaries

- Wages

- Consultancy fees

- Stipend

- Tuition

- Incentives / gift cards

- Supplies (< $5,000)

- Equipment (> $5,000)

- Travel

- Communications

- Contractual payments

- Subawards

Q2.

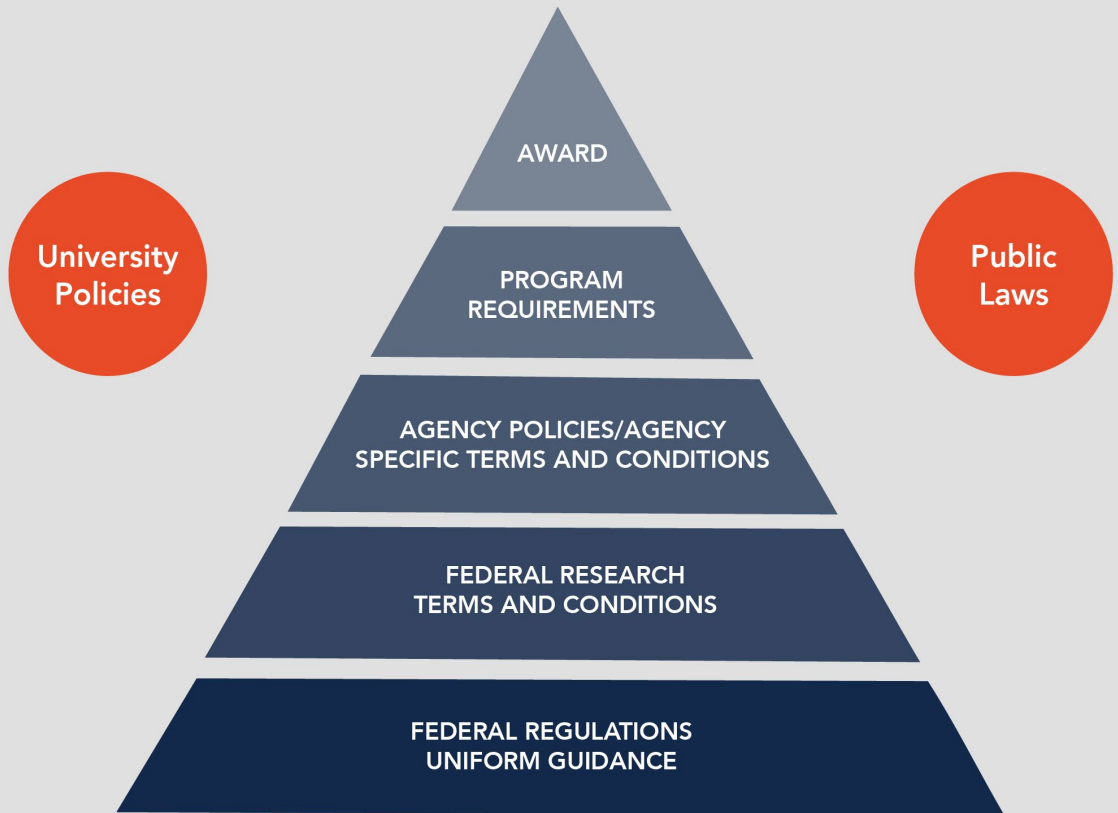## WHAT ARE SOME RESTRICTIONS?

RESTRICTIONS

- **Maximum budget**
  - **Total**
  - **By budget period**
  - **By item**

- **Allowability**

COST PRINCIPLES

- **Allocability**

- **Reasonableness**

- **Consistency**

- **Conformance**

- **Allowability**

University Policies

Public Laws

AWARD

PROGRAM REQUIREMENTS

AGENCY POLICIES/AGENCY SPECIFIC TERMS AND CONDITIONS

FEDERAL RESEARCH TERMS AND CONDITIONS

FEDERAL REGULATIONS UNIFORM GUIDANCE

PLEASE

- **Review**
  - **The Funding Opportunity Announcement (FOA)**
  - **The Notice of Award (NoA)**
  - **PI Handbook prepared by the D-RED ORA**

- **Ask for guidance**

- **Google federal and state rules, in case you are super-interested!!**
  - **NIH GPS**
  - **NSF PAPPG**
  - **2 CFR 200**

Q3.

WHICH ONES ARE ALLOWABLE?

ALLOWABLE?

- **Alcoholic beverages using your NSF grant?**

- **International travel using your NIH grant?**

- **Hiring a postdoc using your NIH grant?**

- **Paying stipends to students using your NSF grant?**

- **Paying consultancy fees using your DoD grant?**

ALLOWABLE?

- **Pay for your family to accompany you to Utah for a research meeting using your DoD grant?**

- **Paying for classroom renovations using your NIH grant?**

- **Paying 100% of your student trainee tuition using your NIH grant?**

- **Using your equipment purchased by your NIH grant as cost share for your DoT grant?**

ALLOWABLE?

- **Buying pipettes using your DoD grant?**

- **Buying tissues and paper towels using your NIH grant? Papers and ink?**

- **Providing for food for student lunch using your NIH grant?**

ALLOWABLE?

- A PI has a technician who is written into his grant for 12 months a year. For a period of 2 months, the project is slow because an instrument is not set up. The PI allows his technician to work for another project during that time.

- A PI wants to do a simple statistical analysis of data from 200 people. He buys a laptop for $5000 and puts the most advanced version of Stata on it.

- A faculty member receives $95,000 per year for a 9.5-month contract. She has 2 months of summer funding, for which she requests $30,000 of salary + fringe benefits.

ALLOWABLE?

- **NSF only agrees to 2 months of PI time for the project but the PI believes there is a lot of work and provides 4 months of salary to himself.**

- **The PI has some extra money and decides to buy a $2000 computer for his other project, which really needs one.**

- **The PI pays $26 per hour to a 3rd year doctoral student in biology but $18 per to another student with similar qualifications.**

Q4.

WHAT ARE
DIRECT / INDIRECT COSTS?

DIRECT COSTS: ALLOCABLE TO THE STUDY

- Salaries

- Wages

- Consultancy fees

- Stipend

- Tuition

- Incentives / gift cards

- Supplies (< $5,000)

- Equipment (> $5,000)

- Travel

- Communications

- Contractual payments

- Subawards

INDIRECT COSTS: FACILITIES & ADMINISTRATION

- **Administration (26%)**
  - VP for Research
  - Grant Office
  - Restricted Funds Accounting
  - Department Chair
  - Dean
  - ….

- **Facilities (25%)**
  - Building depreciation
  - Equipment depreciation
  - Operations
  - Library
  - …

- **MSU F&A Rates**
  - On campus
    - Organized Research (51%)
    - Other activities (38%)
  - Off campus
    - Organized Research (26%)
    - Other activities (26%)

- **NIH Training Grants (8%)**

- **Other (eg, AHA)**
  - There may be room for negotiation

DIFFERENT LEVELS OF COMPLIANCE

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- **Federal**

- **State**

- **University**

EXAMPLE: TRAVEL (1)

- **Federal**
  - **Is travel allowed in the notice of federal award?**
  - **If international, is it allowed?**
  - **Are we abiding by the Fly America Act?**
- **State**

- **University**

EXAMPLE: TRAVEL (2)

- **Federal**
  - Is travel allowed in the notice of federal award?
  - If international, is it allowed?
  - Are we abiding by the Fly America Act?
- **State**
  - Is per diem the correct rate?
  - Tickets purchased via GlobeTrotter?
- **University**

EXAMPLE: TRAVEL (3)

- **Federal**
  - **Is travel allowed in the notice of federal award?**
  - **If international, is it allowed?**
  - **Are we abiding by the Fly America Act?**
- **State**
  - **Is per diem the correct rate?**
  - **Tickets purchased via GlobeTrotter?**
- **University**
  - **Have the supervisors approved?**
  - **Have the ORA and Comptroller approved?**

AUDIT TRIGGERS

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- **Substantial spending near the end of the project period**

- **Excessive cost transfer**

- **Food and entertainment expenses**

- **Administrative and clerical salaries**

- **International travel**

- **Expensive equipment not written into the grant**

- **Cost sharing**

SUMMARY

- It is extremely important to spend the funds as allowed by the funding agency, state rules, and MSU rules.

- Read the funding opportunity announcement carefully.
  - Budget accordingly.

- If there are changes to the initial budget spending, make sure they are allowable.

- Do not spend too much close to the end of the project. Do not trigger audits.

SLIDES + VIDEOS

Resources

Principal Investigator Handbooks

Five Principal Investigator's Handbooks written to assist Morgan State University faculty and employees with the development of proposals for sponsored projects and management of their awards

Monthly D-RED Seminars

Training Videos and Presentations

Faculty Development Seminars 2022/2023

MSU Faculty and Staff Development Videos and Presentations

Funding Sources

Funding Opportunities Databases and Listings

Successful Proposal and Budget Examples

Pre-Award: Successful Proposal and Budget Examples

HOMEWORK

- **Please review:**
  - **PI Handbook, Part 1, Chapter 7 (Financial Compliance)**
  - **PI Handbook, Part 1, Chapter 15 (Audit Triggers)**

- **Start thinking about a proposal topic**
- **Pick a topic to present after the holidays**