
The Principal Investigator is responsible for the proper fiscal stewardship of his/her grant.

Direct Costs
(See OMB Uniform Guidance 2 CFR §200.413)

- Expenses must be specifically identified with a particular project – Charge it where you used it!
- Must be allocable (i.e., costs must be charged in proportion to their benefit to a particular project).
- Must reasonable (i.e., charging costs to a particular project must be conservative and reflect the actions of a “prudent person”).
- Costs normally included in the institution’s research F&A cost rate CANNOT be directly charged to a federal grant, e.g., administrative staff or office supplies, except certain projects such as large complex programs. (OMB Uniform Guidance 2 CFR §200.414)
- Must be timely (cost transfers should occur as soon as discovered, but no later than 90 days after original charge was incurred).
- Must conform to any Limitations or Exclusions in the Sponsored Agreement.

Effort Certification

- Each professional employee must review and sign their own time and effort report, certifying to 100 percent of their effort.
- Non-professional employees effort certifications are signed by either the employee or department designee with suitable means of verification of the staff member’s effort.
- Certify how time was actually spent, not how payroll was distributed.
- For NIH grants, Federal approval is required for changes in effort of 25% or more.
- Effort reports should capture all institutional compensated activities.
- Effort Certification is NOT based on a 35-hour workweek; rather, it should capture all hours expended on university activities.

Cost Sharing

- Definition: specific portion of the project or program costs, which are funded by the sponsor; cost sharing cannot come from another Federal project.
- Cost sharing must be in compliance with the institution’s cost sharing policy.
- Unallowable costs CANNOT be included in the portion of costs shared by the university (see OMB Uniform Guidance 2 CFR §200.306).
- Costs benefitting another project CANNOT be included as cost sharing, i.e., costs benefitting Project A CANNOT be included as part of the costs that are shared by the university on Project B.

NOTE:
OMB Circular A-110, Subpart C 23, discusses the requirements for cost sharing.

Cost Transfers:

- Must comply with the principles of direct costs.
- Project funds are NOT interchangeable.
- Transfers are a means of correcting errors NOT managing project funds.
- Must be supported with a full, detailed explanation – not just what was done but why the transfer was necessary.
- Costs allocable to several projects CANNOT generally be charged solely to a single project.
- Cost not allocable to a project CANNOT be transferred to that project, even temporarily.
- Must be made timely, within 90 days of the original charge, or will require additional explanation, justification and documentation for lateness.

Office of Institutional Compliance and Policy

Compliance Check:

Questions to Consider:
- Have I lived up to my fiscal stewardship responsibilities through diligent oversight of my sponsored research?
- How would this transaction be perceived if it were reported in the newspaper?

External Resources

OMB Uniform Guidance 2 CFR Part 200
https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards