Compliance Requirements
for Sponsored Programs

Missouri University of Science and Technology
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Compliance Requirements

Who sets the requirements?

- Office of Management and Budget (OMB) —
  Oversight agency for the federal government

- Sponsors — Individual sponsor requirements

- Institutions — Policies are established by the UM System for additional guidance.
Planning/Proposal Submission

- Involve others early
- Ensure compliance with sponsor guidelines and University policy
- Determine need for Pre-Award Project
- Ensure all costs are allowable
  - Per federal regulations and/or sponsor
  - Unlike circumstances are documented and justified

Unallowable Costs

- Costs charged to a project not meeting the requirements. Due to:
  - Not following federal requirements
  - Not following sponsor requirements
  - Not supported by documentation
  - Result is repayment to sponsor
Allowable Direct Costs

- **Direct costs must be:**
  - Identified specifically for a particular sponsored award
  - Directly assigned with relative ease and a high degree of accuracy
  - Consistently treated in like circumstances
  - Supported by documentation

Allowability Requirements

1. **Reasonable:**
   - Act with due prudence
   - Consistent with institutional policies and procedures
   - Necessary for performance of the sponsored award
   - Arms length and legal transactions
Allowability Requirements

2. Allocable:
   • Incurred solely to advance the work under the agreement
   • Benefits the sponsored program in proportions that can be reasonably approximated

Allowability Requirements

3. Consistent treatment:
   • Practices consistent with reporting other costs for:
     • same purposes, or
     • like circumstances

4. Conform to limitations or exclusions:
   • Sponsor may be more restrictive than A-21
   • Specified in the award terms and conditions
Effort Reporting

- Ensure proposed effort was delivered.
- Timely processing of payroll correcting entries.
- Signed by the subject of the effort or a person with "suitable means of verification that work was performed."
- Effort reports are reviewed, signed, and submitted by the due date.

Cost Transfers

- Ensure all cost transfers are:
  - allowable and allocable
  - represent a direct benefit to the award
  - properly documented
  - made timely in compliance with BPM-213
Cost Transfers

- OMB Circular A-21 states that costs may **not** be shifted to other awards to:
  - meet deficiencies from overruns
  - avoid restrictions imposed by law or the agreement
  - for other reasons of convenience

Cost Sharing

- Cost sharing must be:
  - Properly approved
  - Allowable as a direct cost
  - Incurred during the award period
  - Necessary and reasonable for the award
  - Identified and met
  - Only counted one time
Sponsor Notification

- The sponsor should be notified in the following circumstances:
  - Change in scope or directive
  - Significant change in budget
  - Change in effort of key person specified in award
  - Absence of PI for more than 3 months
  - Reduction of PI time by 25%
  - Obtain a no-cost time extension
- Work with OSP to notify sponsor

Contact Information

- Paula DeLong
- Compliance Officer
- Office of Sponsored Programs
- 573.341.4134
- delongps@mst.edu
Additional Information

- Reference Guide for Sponsored Programs
- Roles and Responsibilities:
  - Principal Investigator
  - Research Administrator
  - Sponsored Programs Office (OSP)
- Accounting Policies and Procedures – Section 60 – Sponsored Programs
- Other related training - Financial Compliance Training Website