

A black and white photograph of the University of Illinois Old State Capitol building, featuring a large dome and classical columns. The image is partially obscured by a large orange and grey graphic on the left side.

# PRINCIPAL INVESTIGATOR HANDBOOK

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

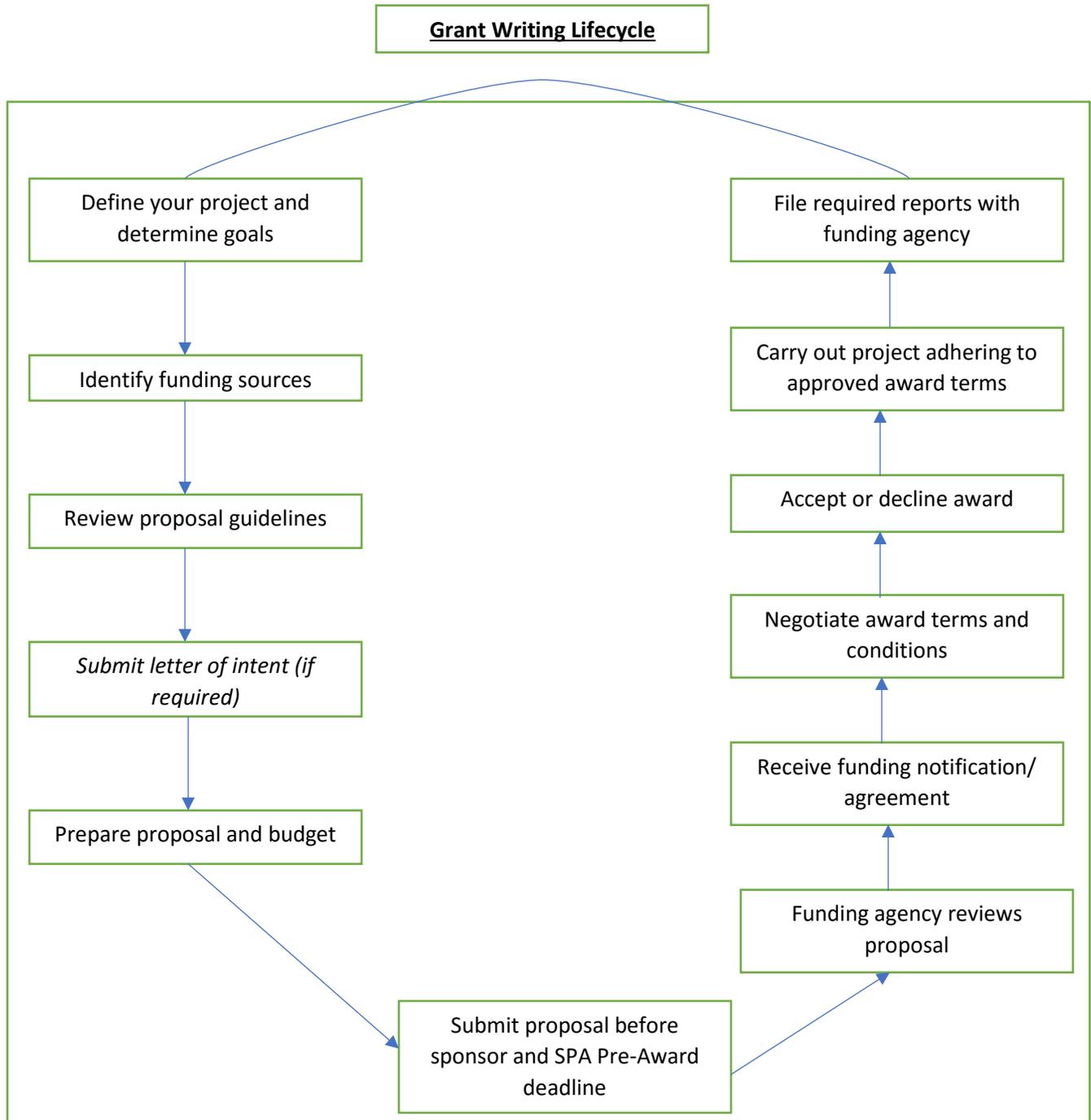
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# PROPOSAL GRANT WRITING BASICS

## The Essentials

Grant writing varies widely across disciplines. Writing successful grant applications is a long process that begins with an idea. Successful grant writing involves the coordination of several activities, including planning, searching for data and resources, writing, and packaging a proposal, submitting a proposal to a funder, and follow-up. The diagram below provides an overview of the grant writing process and may help you plan your proposal development.



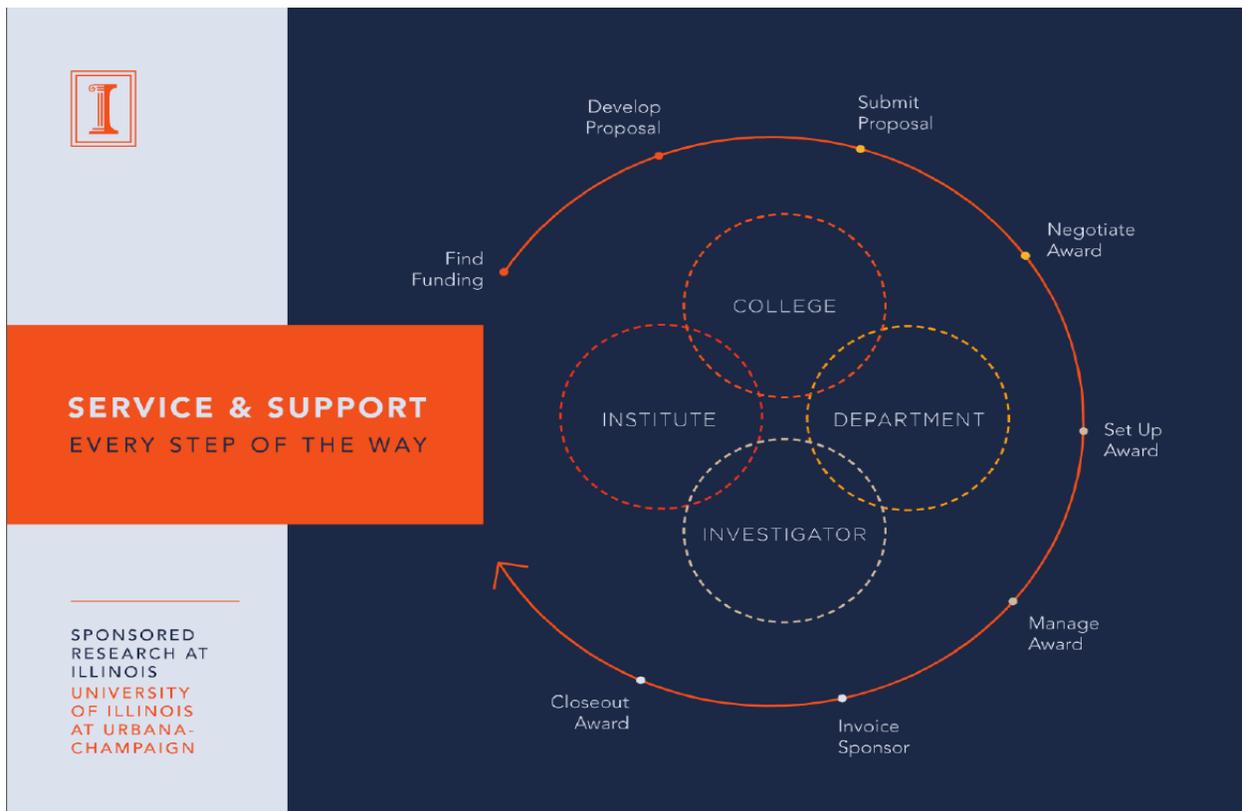
## **Getting Started**

1. Define your project. Clarify the purpose, define the scope of work, and determine project goals.
2. Identify the right funding sources.
3. Acquire proposal guidelines. Guidelines usually tell you about: submission deadlines, eligibility, proposal format, budgets, funding goals and priorities, award levels, evaluation process and criteria, and other submission requirements.
4. Know the submission deadline and build a timeline allowing time for institutional review and approval.

## **Quick Tips & Links**

- Start early!
  - Have a clear plan for your project. Know what you want to accomplish and the steps you will take to do it.
- Look at who and what they funded before you.
  - Funding agencies will often make publicly available a list of prior grant awardees. This will show the interests of the funding agency and will provide you with a model for the appropriate scope and depth of the research plan.
- [Determine your eligibility to serve as a principal investigator \(PI\).](#)
- Contact your department's grants administration staff to assist with budgets, forms, and guideline interpretation.
- Watch your deadline.
  - Sponsored Programs Administration Pre-Award (SPA Pre-Award) has a 5-day deadline – the complete and final proposal must be submitted to SPA Pre-Award 5 business days in advance of the sponsor's deadline.

## FINDING FUNDING



### The Essentials

Locating the right funding opportunity to meet your needs can take time. At the start, it is important that you are clear about:

- **What** you want to do,
- **Why** you want to do it, and
- **Who cares** about “it” or its outcomes

Given that the proposal development, review, and selection processes take time, it is strongly recommended that you start your funding search well in advance of when you want to do the project.

### Getting Started

To ensure that your future application is directed to the right sponsor, consider the following:

- Who is interested in your project and its outcomes?
- How much financial support do you need and for what purposes (e.g. personnel, materials and supplies, equipment, travel, etc.)?
- Are there unique elements about you or your project’s focus (e.g. you are an undergraduate or a pre/post-doctoral researcher, from an underrepresented group; or the project addresses an important societal need)?

Thinking about these items can help you focus your time and efforts on identifying appropriate funding sources and pursuing those opportunities that are most likely to result in an award.

### Quick Tips & Links

- Sign up for and review your professional society's newsletter as they often publish information about funding opportunities in your field.
- Ask your colleagues, peers, or advisors how their work has been supported.
- Search available online databases for funding opportunities and recent award information.
  - [Grants.gov](https://www.grants.gov) is the single access point for more than 1,000 grant programs offered by all Federal grant making agencies.
  - [GrantForward](https://www.grantforward.com) database contains records for over 9,000 federal and non-federal funding opportunities in the sciences, social sciences, arts, and humanities.
  - [InfoEd/SPIN](https://www.infoed.org) database contains over 40,000 funding opportunities from more than 10,000 global sponsors.
  - Subscribe to the OVCR [Research Funding and Opportunities](#) email list.
  - Subscribe to alerts from the National Science Foundation (NSF), National Institutes of Health (NIH), and other funding agencies.

## PROPOSAL DEVELOPMENT & SUBMISSION

### The Essentials

Most sponsors publish guidelines on how to prepare a proposal. Their application package may include standard forms that will require a signature from an authorized official. Sponsor instructions should be followed carefully for content, page limitations, and font size.

The Principal Investigator (PI) is responsible for ensuring the proposal is complete, accurate and adheres to the sponsor's guidelines and University policies.

Sponsored Programs Administration Pre-Award (SPA Pre-Award) is responsible for reviewing and approving requests for external funding (proposals). Proposals are due to SPA Pre-Award at least five (5) business days in advance of the sponsor's deadline.

### Getting Started

Although each funding agency will have its own requirements, there are several elements of a proposal that are fairly standard. A brief description of each element is below.

- **Title Page:** Usually includes a brief title for the research project, the names of the PI(s), the institutional affiliation of the applications, name/address of the granting agency, project dates, amount of funding requested, and signatures of university personnel authorizing the proposal.
- **Abstract:** The abstract should explain the key elements of your research project. Most state: the general purpose, specific goals, research design, methods, and significance. Be as explicit as possible in your abstract.
- **Introduction:** The introduction should cover the key elements of your proposal, including a statement of the problem, the purpose of research, research goals or objectives, and significance of the research.
- **Project narrative:** The project narrative should supply all the details of the project, including a detailed statement of the problem, research objectives or goals, hypotheses, methods, procedures, outcomes or deliverables, and evaluation and dissemination of the research.
- **Personnel:** Explain staffing requirements in detail. Be explicit about the skill sets of the personal already in place as well as the necessary skill sets and functions of personnel you will recruit.
- **Budget:** The budget is the financial plan for the project. It includes both the sponsor and non-sponsor share of the total project cost. Proposed project costs include allowable direct costs, facilities and administrative (F&A) costs, and cost sharing (when mandatory). Allowable costs are those that are reasonable and allocable to the sponsored project and allowable under University and sponsor policy.
  - The translation of the project's work into a budget requires consideration of two major cost categories:
    - Direct costs are those items that can be easily assigned or allocated to a particular project with a reasonably high degree of precision.
      - Examples of direct costs are: personnel (salaries & wages, fringe benefits) and non-personnel components, such as: equipment, travel, participant support, materials & supplies, publications, tuition remission.



## AWARD NEGOTIATION & EXECUTION

### The Essentials

A notice of grant award, also referred to as an award letter, is a notification from a sponsor indicating that a proposal has been funded. Notice of grant awards are typically received by the Sponsored Programs Administration Pre-Award (SPA Pre-Award), although on occasion a Principal Investigator (PI) may be notified directly. This notification may require the signature of an authorized University official. Award notices should be forwarded to the SPA Pre-Award for review, negotiation, authorization, and award processing.

The award division of the SPA Pre-Award is responsible for negotiating terms and conditions of awards resulting from the submission of requests for funding with federal, private, state, and international sponsors, as well as various other research related agreements, including incoming material transfers, non-disclosure, and collaboration agreements. The award division also has responsibility for issuing agreements to subrecipients (subawards) under the prime awards.

### Getting Started

The SPA Pre-Award negotiates a variety of agreement types on behalf of the University of Illinois at Urbana-Champaign faculty. An agreement is a legally binding document between two parties that describes the obligations and commitments of the parties. The following definitions are helpful in determining they type of contractual mechanism utilized by a sponsor; however, there are many hybrid types of agreements that may have a mix of terms typically associated with both grants and contracts.

- **Grant** – A grant is the least restrictive of contractual mechanisms and it typically issued by federal sponsors under a ‘financial assistance’ program or by Foundations or non-profit entities. The award supports basic research to benefit the public good and there are typically no expected deliverables beyond reports.
- **Contract** – A contract is issued to support a ‘procurement’ activity and is the most restrictive of contractual mechanisms. The primary goal is acquisition of goods and services and the beneficiary is the sponsor. A contract has specific outcomes and deliverables.

The University of Illinois at Urbana-Champaign and the SPA Pre-Award have standard policies and objectives when negotiating contract terms and sponsor acceptance of these conditions greatly facilitates the acceptance of awards. General contract terms and conditions include:

- **Indemnification** – As a state institution, the University cannot be responsible for actions other than our own and our ability to indemnify is limited by our statutorily authorized self-insurance. The University will not assume liability for the sponsor’s use of results, intellectual property, or deliverables, nor for third party claims arising from the sponsor’s use of results, intellectual property, or deliverables.
- **Governing Law and Jurisdiction** – The University takes the position that Illinois law should govern the interpretation of a research agreement, particularly if the research will be performed in Illinois. Claims against the University must be filed in the Illinois Court of Claims in accordance with the Illinois Court of Claims Act (705 ILCS 505).

- **Arbitration** – As a state-funded, non-profit institution of higher education, the University typically does not agree to arbitration because it requires the University to surrender its sovereign immunity and the advantages of the Illinois Court of Claims Act.
- **Disclaimer of Warranty** – Warranty provisions cannot be accepted. The University will make no representations or warranties, expressed or implied, regarding its performance under any research agreement, including but not limited to any warranty of the merchantability, use or fitness for any particular purpose of the research results, and any warranty against infringement of any intellectual property rights.
- **Publication** – The University, as an education institution, must be free to publish research results. If required by the sponsor, the University will provide the sponsor a short time period (usually 30 days) in which to review proposed publications, manuscripts, abstracts, and presentation materials, in order to determine whether there is potentially patentable subject matter or sponsor’s confidential information is disclosed.
- **Confidentiality** – Any confidentiality obligation should provide:
  - A clear definition of the ‘confidential information’ along with the scope, permitted uses and access,
  - A requirement that all such information is labeled or otherwise identified or summarized in writing as ‘confidential’ or ‘proprietary’ at the time of disclosure,
  - Generally accepted exclusions to the obligation of confidentiality, and
  - A time limit on the period of confidentiality
- **Insurance** – The University maintains a statutorily authorized self-insurance program and a Certificate of Coverage can be provided upon request to the SPA Pre-Award.
- **Intellectual Property** – As a general rule, inventions conceived solely by University personnel in performing the research project belongs to the University. The sponsor may receive rights to use the invention for research purposes with an option to negotiate a commercial use license a defined field of use.
- **[Export Controls](#)** – The University complies with U.S. export laws and regulations. Prior to accepting any export-controlled data or materials, the University’s Export Compliance Officer, in consultation with the PI will make an informed decision as to its ability to accept such data or materials.

### **Quick Tips & Links**

Regardless of the funding mechanism, award acceptance for sponsored projects obligates the University to abide by numerous requirements as a condition of award and continued support. In addition to providing progress and financial reports on a defined schedule to the sponsor, among the common award conditions the University agrees to follow when applications or proposals are submitted include:

- Compliance with sponsor’s cost policies or cost accounting standards;
- Protection of human or animal research subjects;
- Disclosure and management of individual or institutional conflicts of interest; and
- Compliance with laws, statutes or regulations pertaining to civil liberties, lobbying, intellectual property, export controls, and recipient eligibility.

Compliance with these and other requirements is a University-wide endeavor and involves the cooperation and assistance of numerous offices including: [Office of the Vice Chancellor for Research](#),

[Office of Technology Management](#), [Office of Risk Management](#), [Office of University Counsel](#), [Sponsored Programs Administration Post-Award](#), [Sponsored Programs Administration Pre-Award](#), various compliance offices, and departmental and unit personnel.

# NON-DISCLOSURE AND MATERIAL TRANSFER AGREEMENTS

## The Essentials

It is common for investigators to be asked to sign a Non-Disclosure Agreement (“NDA”) before engaging in confidential conversations with an external entity or to sign a Material Transfer Agreement (“MTA”) before receiving proprietary materials. NDAs and MTAs naming the University as a party to the exchange must be reviewed by the appropriate University administrative office and signed by the Comptroller or an authorized delegate. **Faculty and staff are not authorized to sign either an NDA or MTA on behalf of the University.** The University may not agree to certain terms within the agreement because of internal policies or state and federal laws or because the terms are contrary to the University’s academic research mission. The “fine print” can obligate individuals or the University to terms that may:

- prevent or delay publication rights;
- not adequately protect University confidential information;
- overpromise confidentiality of sponsor information;
- have an overly burdensome or indefinite confidentiality period;
- convey ownership or broad rights to use of information or items shared with the other party; or
- open the University or the individual to increased legal liability

## Getting Started

It is routine for faculty or staff visiting a potential corporate sponsor to be asked to sign an NDA before there is an exchange of information. If faculty or staff are visiting a potential sponsor or a company in their University capacity, then the University should be a party to the NDA and the NDA must be reviewed and signed by the Comptroller or delegate.

If faculty or staff are planning to visit a corporate facility, they should ask in advance if a non-disclosure agreement might be necessary. If yes, the University has template agreements available for use which will expedite the University’s revision and signature process. **NDAs related to research or a sponsored project should be forwarded to the Sponsored Programs Administration Pre-Award (SPA Pre-Award) for review and execution. NDAs related to discussion or disclosure of University-owned technologies should be forwarded to the Office of Technology Management (OTM).** Most NDAs can be turned around within a few business days but we ask that you provide us with sufficient notice to allow for the review and modification, if required.

If there is no time for an administrative review of the NDA in advance of the visit or meeting, faculty or staff may sign the NDA, but only in an individual capacity and not on behalf of the University. All references to the University in the agreement must be deleted, and the faculty or staff member should write “individually” after his or her signature. If signing in an individual capacity, no University proprietary information shall be disclosed and any information received shall not be provided to any other University personnel or students.

If a faculty or staff member is acting as an independent consultant, outside his or her University role, the University should not be a party to the NDA. Rather, the faculty or staff member would sign the NDA in their name only. If an NDA is signed in the capacity of an independent consultant, no University

proprietary information shall be disclosed and any information received shall not be provided to any other University personnel or students.

MTA's are often required prior to the receipt of material or prior to University material being shared with external collaborators. In receiving material subject to an MTA, it is important to follow the agreed upon contractual requirements. MTAs often have language prohibiting the release of the material, in its original form or as it may be incorporated in a new material, to collaborators external to the University and very defined requirements for the return or disposal of the material.

### **Quick Tips & Links**

**SPA Pre-Award manages all incoming MTAs requiring no payment or payment solely for shipping costs while Purchasing manages all incoming MTA's requiring payment for the materials or prep of those materials. OTM manages all outgoing MTAs.**

#### STEPS FOR SUBMITTING AN NDA OR MTA TO SPA FOR REVIEW

1. *Navigate to the Sponsored Programs Administration [Pre-Award Intake Form](#).*
2. *Log in using your NetID and Active Directory password.*
3. *Click on "Fill out New Form".*
4. *Select "Request Type", "Unfunded Agreement"*
5. *Choose either "Material Transfer Agreement (Incoming), or "Non-Disclosure/Confidentiality Agreement", whichever is applicable.*
6. *Enter your NetID, choose the appropriate campus from the dropdown menu, and enter the unit number under which you will be performing the associated activity.*
7. *Add any additional email addresses of those you would like copied on the submission, and then click "Save".*
8. *You will arrive at a new screen requesting additional information pertinent to either a non-disclosure or material transfer agreement.*
9. *Complete the information, uploading any pertinent documents, including a provider or sponsor agreement, and then click "Save".*

Staff members in both the Sponsored Programs Administration ([osp@illinois.edu](mailto:osp@illinois.edu), ph: 217-333-2187) and Office of Technology Management ([otm@illinois.edu](mailto:otm@illinois.edu), ph: 217-333-7862) are trained and accustomed to processing NDAs and MTAs and look forward to assisting members of the campus community in this area.

## RESEARCH COMPLIANCE

### The Essentials

The Office of the Vice Chancellor for Research (OVCR) is responsible for ensuring university compliance with research-related federal, state, and local regulations; promotion of the ethical and responsible conduct of research; and providing assistance and training to faculty, staff, and students engaged in research to facilitate regulatory compliance.

The Sponsored Programs Administration Pre-Award (SPA Pre-Award) is responsible for ensuring that all compliance requirements (e.g. IRB, IACUC, COI, and FCOI) have been satisfactorily addressed prior to proposal submission and award negotiation and execution.

Researchers are likely to interact with multiple compliance units across campus because of the complexity of research projects.

### Getting Started

- [Animal Care and Use](#)
  - The following campus units share the responsibility for the care and welfare of animals used in research and teaching:
    - [Illinois Institutional Animal Care and Use Committee \(IACUC\)](#)
    - [Division of Animal Resources \(DAR\)](#)
    - [Agricultural Animal Care and Use Program \(AACUP\)](#)
    - [Occupational Health and Safety Programs \(OHS\)](#)
  - Principal Investigator (PI) responsibilities for oversight of research and teaching with vertebrate animals include:
    - Ensuring that all personnel have the needed practical training to perform their procedures ensuring safety of animals and personnel; are named on each protocol on which they participate; and keep their online training up to date.
    - Ensuring that protocols are updated and submitted for review as procedures and personnel evolve; and are reviewed at least annually so they match current practice and personnel.
- [Conflict of Commitment or Interest](#)
  - Report of non-University activities (RNUA) submitted electronically through [STARTmyDisclosures](#).
    - Academic staff members must disclose:
      - External relationships that constitute actual or potential conflicts of interest,
      - All non-university income producing activities [and]
      - Any other relationships, commitments, or activities on the part of academic staff members *or their immediate family* that might present or appear to present a conflict of commitment or interest with regard to their university appointment
  - Identification of potential conflicts of interest needing management. Specific examples include:

- Company in which University employee has an interest; licenses University intellectual property; sponsors research, technical testing or other activity at the University
    - University contracts with a business in which a University employee has a significant interest
    - A faculty's start-up company employs University students or other University employees
    - Teaching or other employment at another university
    - University resources are used to support research for a company in which the employee has a financial interest
  - Sponsor-specific financial conflict of interest (FCOI) requirements, like those from Public Health Service (PHS) agencies and the National Science Foundation (NSF), focus on disclosure of significant financial interests to identify conflicts of interest for investigators in an effort to protect the objectivity of the research.
    - Who is covered by sponsor-specific COI requirements? Any person, regardless of title or position, who is responsible for the design, conduct or reporting of research.
- [Effort and Compensation on Sponsored Projects](#)
  - As a condition of receiving sponsored grants and contracts, the University must assure our sponsor that:
    - Work on a sponsored project justifies the salary charged to that project; and
    - The actual time spent on the project is consistent with what was originally proposed.
  - To conform to federal uniform guidance and audit findings, the campus has a [policy on effort and compensation on sponsored projects](#).
    - A key requirement of the policy is that payroll records must reflect the effort actually spent on sponsored projects during the pay period.
    - The definition of **Institutional Base Salary (IBS)** includes academic year salary and academic year professorship stipends, but not administrative stipends. The principles of IBS also apply to calculation of summer salary for all employees.
    - Additionally, a faculty or staff member shall not charge more than 95% of their University effort to sponsored projects during any given appointment period.
  - For more information, please refer to the Time & Effort section of this manual.
- [Export Control](#)
  - Export control refers to the federal laws and regulations that deal with the distribution of strategically important technology and information to, and certain financial transactions with, foreign nationals in the United States and persons and entities in foreign countries.
  - What is an export?
    - Moving a physical item to a location outside the United States
    - Transferring or releasing information to a foreign national, wherever located.
- [Human Subject Use](#)
  - The University of Illinois at Urbana-Champaign has adopted a [statement of policy](#) applicable to all research involving human subjects that is conducted at or sponsored by the University or conducted by any University employee or agent.

- The Office for the Protection of Research Subjects (OPRS) requires all faculty, staff, students, and researchers listed on an Institutional Review Board (IRB) protocol complete IRB training. Completion of the required modules in the [Collaborative Institutional Training Initiative \(CITI\)](#) will meet the OPRS training requirement. Initial education is good for three (3) years, after which recertification and continuing education requirements must be met.
- The PI takes *ultimate responsibility for the protection of the rights and welfare of human subjects*, the conduct of the study, and the ethical performance of the project.
  - Additional PI responsibilities include:
    - Compliance with all University policies and procedures, all applicable federal, state, and local laws, and policies of any funding agency and cooperating institutions, as applicable.
    - Assurance that the information provided in the IRB application is complete and correct, that the project will be performed by qualified personnel according to the approved protocol, and that no changes are implemented prior to IRB approval.
- [Laboratory and Research Safety](#)
  - Every laboratory on the University of Illinois at Urbana-Champaign is required to have a [Laboratory Safety Plan](#) and to follow established safety protocols and guidelines. The [Division of Research Safety \(DRS\)](#) provides guidance and information about general laboratory safety and other research-specific programs including:
    - Biological and chemical safety
    - Hazardous material transportation
    - Laser and radiological safety
  - PI's are required to take all trainings their staff are responsible for regardless of whether or not they are actually working with hazardous materials themselves.
    - DRS provides a [questionnaire](#) to help determine what safety training you need.
- [Research Integrity](#)
  - The responsible conduct of research is the practice of scientific investigation with integrity. It involves the awareness and application of established professional norms and ethical principles in the performance of all activities related to scientific research.
  - PI's are responsible for both identifying personnel supported by federal grants that require Responsible Conduct of Research (RCR) training and documenting the specific training completed by each individual.
    - The OVCR requires an annual report of these RCR training programs from each PI.

It is important to note that each funding agency has its own specific training requirements. For links to RCR training resources or for specific Federal agency RCR training requirements, visit the [OVCR's Research Integrity and Ethics site](#).

## SUBAWARDS

### The Essentials

When the University of Illinois at Urbana-Champaign is the recipient of a prime award, the collaborating institutions that are engaged by the University to participate in carrying out a portion of the project's scope of work and the receive funding from the prime award are known as the 'subrecipients.' The award that the University issues to the subrecipient is referred to as the 'subaward,' and is processed by the Sponsored Programs Administration Pre-Award (SPA Pre-Award) awards section.

The [University subaward policy](#) states: The University may issue a subaward to a subrecipient for the purpose of performing a portion of the scope of work under an award for a sponsored project. In issuing a subaward, the University assumes responsibility for the oversight of programmatic and financial activities of the subrecipient throughout the life of the subaward. The Principal Investigator (PI) shall be responsible for confirming the subrecipient performs the award scope of work and all costs are reasonable and in accordance with the terms of the award.

### Getting Started

Once it has been determined that a subrecipient will be included in a sponsored project, the following subrecipient documentation is required to be incorporated into the proposal submitted to the funding agency.

- **Scope of work (SOW):** the who, what, when, why and how the project will be performed. It should include a statement of the problem or issue to be investigated and the methods to conduct the investigation. The SOW should also cover the deliverables and/or milestones for the project.
- **Budget and budget justification:** the subrecipient should develop the SOW first and then develop the budget around it. Administrative approval from the subrecipient organization is needed for the budget and its justification. It is also recommended that the PI confirms the budget matches the proposed work and supports the scope of the project.
- **Letter of intent with authorized signature:** [sample LOI](#)

Upon notification that the prime award has been executed, a request to issue a subaward should be submitted via the [Pre-Award Intake Form \(PAIF\)](#) along with the documents listed above. When the PAIF is submitted to the SPA Pre-Award, the award negotiator will begin the process of drafting and issuing the subaward agreement to the subrecipient.

Once the subaward has been executed, the PI is responsible for monitoring the subawardee, which includes:

- Verifying that work performed by the subrecipient is conducted in a timely manner and is acceptable.
- Reviewing and comparing subrecipient invoices to established budgets to ensure cost are allowable.
- Certifying/approving all subrecipient invoices and submit for payment.
- Maintaining regular contact with the subrecipient regarding the technical aspects of the project.

- Ensuring that all deliverables (e.g. technical, equipment, and invention reports) required under the subaward are being provided and reviewed.
- Participating in audits, site visits or other monitoring activities if necessary to review fiscal and programmatic records and/or observe programmatic activities.
- Facilitating closeout, i.e., final technical/programmatic reports and final invoice. **PI's should not approve final payments until all reports have been received.**
- Maintaining documentation to support monitoring activities.

#### **Quick Tips & Links**

- To save time in the subaward issuance process, it is encouraged to begin gathering as much information as early as possible.
- Setting up a timeline for subaward management helps to prevent stoppages in project workflow.
- If a subrecipient is not performing work as expected, inform the Sponsored Programs Administration Post-Award as soon as possible.

Funding that has been awarded to a subrecipient is tied up until the final invoice is received. Do not spend it if it has been committed to another entity!

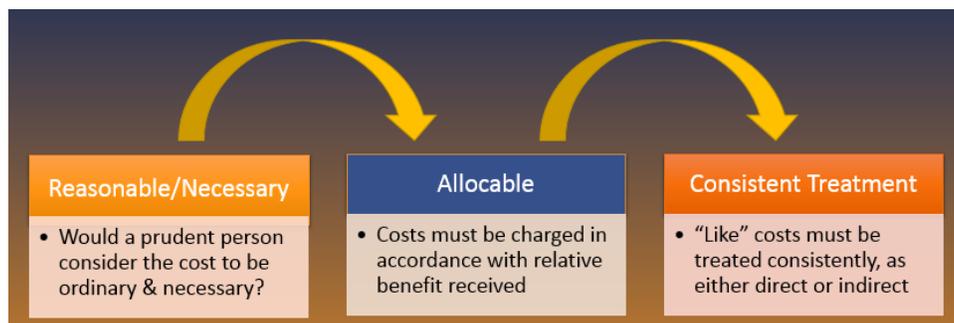
## COST PRINCIPLES

### The Essentials

The University of Illinois at Urbana-Champaign has a responsibility to ensure proper treatment of select items of costs incurred on sponsored projects are in compliance with federal regulations (Federal Uniform Guidance Title 2 CFR Part 200), sponsor policy, award terms and conditions, and University policy.

For a cost to be allowable as either a direct charge or as part of an indirect cost pool to a sponsored agreement, it must be:

- Necessary and reasonable.
- Allocable - A cost is allocable to a project if goods or services involved are chargeable or assignable in accordance with the relative benefits received by the projects.
- Accorded consistent treatment appropriate to the circumstances.
- In conformance with any limitations or exclusions set forth in Federal guidance.
- Adequately documented.



Sponsored project costs are divided into three types of costs: direct, indirect (also known as Facilities and Administrative (F&A) costs) and restricted costs

- **Direct Costs** are allowable costs that can be identified with a particular sponsored project.
- **Indirect Costs** are costs incurred for a common or joint purpose benefitting more than one cost objective and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
- **Restricted Costs** are allowable costs that may meet the definition of a Direct Cost on a project, but is consistently treated by the institution as an Indirect Cost.

Sponsors may restrict allowability of costs in several ways:

- In the terms and conditions of an individual award
- In the terms and conditions of an individual funding program
- In agency grant guidelines, including federal research terms and conditions and agency-specific terms and conditions
- Uniform Guidance
  - In addition, costs must abide by public laws and University policies

- In case of a discrepancy between the provisions of a specific award and this policy, the award shall govern



### **Getting Started**

- Determining allowability of costs is the primary responsibility of the Principal Investigator (PI). While PI's may designate departmental administrative staff to assist, the ultimate responsibility for the oversight and management of the sponsored project remains with the PI.
- Inherent in this responsibility is the PI's obligation to adhere to all terms and conditions of the award, and to ensure that costs charged to the project are allowable and directly benefit the project charged.

### **Quick Tips & Links**

- Uniform Guidance, Subpart E – Cost Principles: <https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#sp2.1.200.e>
- University of Illinois, Office of Business and Financial Services, Policies and Procedures, Section 16: Grants and Research Contracts, Sponsored Projects Cost Principles: <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/cost-principles>
  - Treatment of Selected Items of Cost: <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/cost-principles>
  - Frequently Asked Questions: <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/cost-principles/faqs>

## MONITORING & REPORTING PROJECT EXPENDITURES

### The Essentials

It is expected that all sponsored projects accounts are monitored regularly and reconciled on a monthly basis.

Reporting requirements vary widely. It is important to review and understand sponsor policies and award terms and conditions. When required, technical and financial reports are considered deliverables.

Uniform Guidance requires that final financial, performance, and other reports be submitted within 90 calendar days after the project end date, unless noted otherwise.

### Getting Started

Most federal agencies allow pre-award costs for 90 days prior to the formal starting date of a grant, provided that incurring these costs is in the best interest of the project. Others do not allow costs incurred before the project start date, though in some instances, the formal award is received after the project start date.

- Principal Investigators (PI's) should work with their business offices to request an **Anticipation Account** if they plan on incurring allowable pre-award costs or if they plan on spending during the award period, but prior to the formal execution of the sponsored project.

PI's are required to sign an after-the-fact confirmation to include all direct charges and cost sharing effort for each sponsored project fund through the **Semi-Annual Expenditure Confirmation** process. This is conducted for the six-month periods ending June and December of each year. For more information, please refer to the Semi-Annual Confirmation section of this manual.

PI's are responsible for monitoring the burn rate on their sponsored projects. The burn rate compares expenses to date with expected expenses based on project progress.

- The timely application of expenses to grant funds as incurred is critical to assist with cash flow and accurate invoices and financial reports

Reporting responsibilities:

- Technical reports – must be completed by the PI
- Financial reports – prepared by SPA Post-Award, often in collaboration with the unit's business office or project coordinators
- Failure to submit timely reports may result in the sponsor:
  - delaying the payment of invoices
  - delaying the review and processing of pending proposals, funding increments and award actions such as no cost extensions and re-budgets
  - Sponsors can and have stopped all new funding and approval of award modifications to **all** University of Illinois PI's due to the delay in **one** technical report.
- Invoicing and Accounts Receivable monitoring - all sponsored project invoicing and billing are prepared and submitted to the sponsor by the SPA Post-Award staff. Additionally, all accounts receivable monitoring and follow-up are conducted by the SPA Post-Award staff.

## Quick Tips & Links

- Anticipation Account Requests:  
<https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=91719#gc70>
- Semi-Annual Confirmation Application (Online):  
<https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=398923#online-semi->
- Expenditure Monitoring Resources
  - myResearch Portal: <https://myresearch.uillinois.edu/piPortal/>
  - My-UI-Financials: <https://myuifinancials.uillinois.edu/myFi>
  - Enterprise Data Delivery Information Environment (EDDIE):  
<https://eddie.ds.uillinois.edu/>
  - View Direct Standard (Document Direct):  
<https://docdirectpweb.admin.uillinois.edu/ddrint/servlet/ddrint>

## SEMI-ANNUAL CONFIRMATION

### **The Essentials**

The U.S. Office of Management and Budget Uniform Guidance requires the University to confirm that expenditures charged to sponsored agreements or to federal formula grants were incurred properly.

Semi-annual expenditure confirmations are used by the University to confirm to the Federal government and other sponsors that all expenditures reported are in accordance with the provisions of the sponsored project's proposal and award documents or with the provisions in the federal formula grant program or awarding documents (as applicable).

Twice each year the Sponsored Programs Administration Post-Award (SPA Post-Award) will provide the unit business contact an online list of sponsored projects and federal formula grants requiring confirmation reports for each Principal Investigator (PI) in that unit. The confirmation period for these reports is the six-month period ending the preceding June and December.

PI's and their units are responsible for assuring that all charges to sponsored projects and federal formula grants are reasonable, allocable, and allowable and that the charges directly benefit the sponsored project or the federal formula grant. Failure to do this may result in adverse consequences to the University and to individual employees who knowingly make improper charges to federal funds.

### **Getting Started**

Using the online confirmation system, the PI is to verify (agree to) and confirm the direct expenditures and contributed effort commitments on each of their sponsored projects or federal formula grants. The confirmed reports are sent to the unit business contact for a final administrative review and ultimately submitted to SPA Post-Award.

### **Quick Tips & Links**

- Semi-Annual Confirmation Application (Online):  
<https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=398923#online-semi->

## COST SHARING

### The Essentials

Cost sharing is the portion of the total project costs not borne by the sponsor. The University will normally commit to cost sharing only:

- **when required by the sponsor;**
- to the extent necessary to meet the specific requirements of the particular solicitation;
- if all cost sharing commitments are included in the proposal budget;
- if the unit executive officer responsible for the committed funds provides approval prior to proposal submission;
- where permitted by University and sponsor policies; and
- where the proposed cost sharing is allocable to and directly benefiting the sponsored project and reasonable and necessary for the performance of the sponsored project.

Per Uniform Guidance §200.306, **voluntary committed cost sharing is not expected.** It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity.

Any cost share contributions must:

- Be verifiable from the non-Federal entity's records
- Not be included as contributions for any other Federal award
- Be necessary and reasonable for accomplishment of project or program objectives
- Be allowable under the Cost Principles
- Not be paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs
- Be in the approved budget when required by the Federal awarding agency

### Types of Cost Share

Mandatory	Required by sponsor terms & conditions	Documented/tracked
Voluntary – Committed	Proposed by the University	Documented/tracked
Voluntary - Uncommitted	Not proposed	Not required to document or track

### Kinds of Cost Share

- **Contributed Effort:** salaries/benefits paid by the University in support of activities provided to the project by the Principal Investigator (PI)/faculty member or other academic personnel.
  - Reviewed and verified by PI via the Semi-Annual Confirmation process. For more information, please refer to the Semi-Annual Confirmation section of this manual.

- **Hard Match:** Cost sharing other than contributed effort of PI/faculty and other academic personnel that is provided in direct support of the sponsored project.
- **3<sup>rd</sup> Party (in-Kind) Match**
- **Unrecovered F&A:** Difference between the indirect costs that the University actually recovered and the amount that could have been recovered if applying the full negotiated rate.
  - Prior approval from the sponsor is required to claim unrecovered F&A.

The cost share must be comprised of costs that are in direct support of the project and subject to the same allowability criteria as direct costs on the award. **If it is unallowable as a direct cost, it is unallowable as cost share.**

### **Getting Started**

PI's should not include cost sharing language or quantifiable cost sharing amounts in a proposal or proposal budget/budget justification, unless the cost share is explicitly required by the sponsor.

PI's are required to state in a proposal whether resources that are committed as cost sharing and, whether the commitment of resources is Mandatory Committed Cost Sharing or Voluntary Committed Cost Sharing. The procedure for processing all Cost Sharing commitments requires the following.

- The PI shall include all cost sharing in the proposal budget.
- The PI shall properly identify and note the cost sharing commitment on the appropriate internal proposal approval forms.

PI's are required to certify all Contributed Effort cost share on their sponsored projects through the Semi-Annual Confirmation process.

### **Quick Tips & Links**

- Uniform Guidance, §200.306 Cost sharing or matching: [https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200\\_1306](https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1306)
- University of Illinois, Campus Administrative Manual: <http://cam.illinois.edu/xi/xi-6.htm>
- University of Illinois, OVCR, Business Policies & Guidelines, Cost Sharing on Sponsored Projects, including FAQs: <http://research.illinois.edu/business-policies-guidelines>
- Online Semi-Annual Confirmation Application (Tutorials and Job Aids): <https://www.obfs.uillinois.edu/cms/One.aspx?portalId=77176&pageId=398923#online-semi-annual>

## COST TRANSFERS

### The Essentials

It is expected that costs are charged appropriately at the time the costs are incurred, and that significant adjustments should not be required. If a cost needs to be corrected to accurately reflect its purpose and benefit, you will want to contact your business office to start the cost transfer process.

A cost transfer is a reallocation or redistribution of a previously charged expenditure transferred from one University fund to another fund after the charge has been posted in Banner.

In order for cost transfers to be allowable, the expense must be:

- An **allowable charge to the project** as defined by University policy, sponsor's policy, and the terms and conditions of the award;
- **Allocable** as a direct charge to the project and provide benefit to the project;
- **Incurred during the period of performance;**
- **Treated consistently** across like circumstances; and
- Cost transfers should be completed as soon as the need is detected and non-current transfers (older than 90 calendar days) should be kept to an absolute minimum.

### Getting Started

Principal Investigators (PI's) are responsible for managing their sponsored projects to minimize the need for cost transfers. PI's are also responsible for ensuring that when cost transfers are necessary, the costs transferred to (or between) their sponsored projects represent appropriate corrections of errors, and that cost transfers are completed as soon as the errors are detected.

PI's should work with their business office to ensure that sponsored project cost transfers are:

- Initiated promptly and supported by documentation justifying the transfer
- Submitted within 90 calendar days of the original transaction date in Banner to be considered a current cost transfer
- Non-current cost transfers are those processed more than 90 calendar days after the original transaction date in Banner and require additional documentation (completion of a Form GC81: Cost Transfer Justification for Sponsored Projects and signed by PI)

**Inappropriate cost transfers** will result in **expenditures being disallowed** and may also cause the **sponsoring agency to impose additional restrictions or to reduce subsequent funding**. Federal agencies and other sponsors regard the following activities as indicative of inadequate control systems:

- Frequent cost transfers
- Late cost transfers
- Inadequately documented or explained transfers, especially those which involve sponsored projects with overruns or unexpended balances

### Quick Tips & Links

- University of Illinois, Office of Business and Financial Services, Policies and Procedures, Section 16: Grants and Research Contracts, Sponsored Projects Cost Transfers Policy:  
<https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/cost-transfers>
- Form GC81: Cost Transfer Justification for Sponsored Projects:  
<https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94607>

## TIME & EFFORT

### The Essentials

As a condition of receiving sponsored grants and contracts, the University must assure our sponsors that:

- Work on a sponsored project justifies the salary charged to that project; and
- The actual time spent on the project is consistent with what we originally proposed.

Effort Reporting is the process of certifying to granting agencies that the effort committed in an award has actually been expended.

The campus employs a system of semi-annual expenditure confirmations to demonstrate to sponsors that the Principal Investigator (PI) or other responsible University employee has verified the accuracy of the actual effort for the sponsored project.

- The University could be subject to financial penalties, disallowed expenditures, and harm to its reputation if the University records fail to accurately document the effort expended on sponsored projects.

**95% Rule:** In recognition of the fact that many researchers are required to participate in activities that are not allowable on sponsored funds (e.g. general administrative work, teaching and teaching preparation), a faculty or staff member shall not devote more than 95% of his/her University effort to sponsored activities during any given appointment period.

### Getting Started

When preparing a proposal for a potential sponsor, if a portion of a faculty or staff member's effort is intended to be charged or cost-shared, the PI must include that portion of effort as anticipated committed effort for the sponsored project.

- If the proposal is selected for award negotiation, the PI should re-evaluate whether the anticipated committed effort remains reasonable and can actually be provided within the project period.
- The PI is responsible for resolving any variance between committed effort and actual effort for each faculty or staff member, consistent with the terms and conditions governing the sponsored project.

The PI should be able to answer the following questions:

- How are the employees on a sponsored project actually spending their time and money?
- How do you know?
- Can you prove it?

### **Sabbaticals**

A PI taking a sabbatical must notify sponsored project agency (in writing) to inform of sabbatical OR inform of a substitute PI if not remaining active

### Quick Tips & Links

- University of Illinois, Campus Administrative Manual, Effort and Compensation on Sponsored Projects: <http://cam.illinois.edu/ix/ix-a/ix-A-32.htm>
- OVCR, Business Policies & Guidelines, Effort and Compensation: <http://research.illinois.edu/business-policies-guidelines>
- OVCR, Regulatory Compliance & Safety, Policy: Effort and Compensation on Sponsored Projects: <http://research.illinois.edu/regulatory-compliance-safety/policy-effort-and-compensation-sponsored-projects>
- Office of the Provost, Communication #19: Sabbatical Leaves of Absence: <http://provost.illinois.edu/policies/provosts-communications/communication-19-sabbatical-leaves-of-absence/>
- Payroll Overpayments: <https://www.obfs.uillinois.edu/payroll/transaction-processing/overpayments/>

## ADMINISTRATIVE COSTS

### The Essentials

It is expected that the University provide administrative and clerical support, which is typically recovered in the form of indirect costs. In rare cases, there may be changes in an individual's job duties that differentiate their activities from general administrative support to project-specific administrative support.

To be able to direct charge administrative and clerical salaries to a sponsored project it must meet the following criteria:

- Administrative or clerical services are **integral** to a project or activity;
- Individuals involved can be **specifically identified** with the project or activity;
- Such costs are **explicitly included in the budget** (by employee name(s) or specific position title(s)) **or have the prior written approval** of the federal awarding agency; and
- The costs are **not also recovered as indirect costs**.

Administrative Duties	Programmatic Duties
Travel coordination, cost accounting, personnel management, and other tasks that do not directly contribute to the technical scope of work	Protocol development and maintenance, substances/chemicals management, project-specific data management and security, coordination of research subjects, and other tasks that directly contribute to the technical scope of work

### Getting Started

Administrative or clerical support costs charged directly to a sponsored project would require **explicit narrative in the budget justification to explain the need for support over and above normal support**.

The **budget justification would need to address all four conditions outlined above** and include the following statement for each position: "We are requesting agency approval for a xx% time appointment for an administrative professional to be directly charged as an administrative cost in accordance with 2 CFR 200.413."

Additionally, the completion of a **Form A – Request to Charge a Restricted Cost as a Direct Cost** is required prior to charging any administrative and/or clerical support to a sponsored project.

### Quick Tips & Links

- Uniform Guidance §200.413 (c) Direct Costs: [https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200\\_1413](https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1413)
- University of Illinois, Office of Business and Financial Services, Policies and Procedures, Section 16: Grants and Research Contracts, Sponsored Projects Cost Principles, Treatment of Select Items of Cost: <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/cost-principles/treatment-of-select-items-of-cost>

- FAQs: <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/cost-principles/faqs>
- Form A - Request to Charge a Restricted Cost as a Direct Cost:  
[http://sponsoredprograms.illinois.edu/forms/Form\\_A.docx](http://sponsoredprograms.illinois.edu/forms/Form_A.docx)

## DEVELOPING A SERVICE RATE

### The Essentials

Before a service rate can be developed you need to make sure that you can establish a service center.

Departments and researchers use a variety of products and/or services to perform their activities or projects. When products or services are not readily available from external sources, or cannot be obtained conveniently and efficiently, an internal service center is often established.

Internal service centers (fund type 3E in Banner) primarily serve University departments, units, and federally and non-federally funded sponsored projects. The service center functions as a non-profit business, also known as a self-supporting fund.

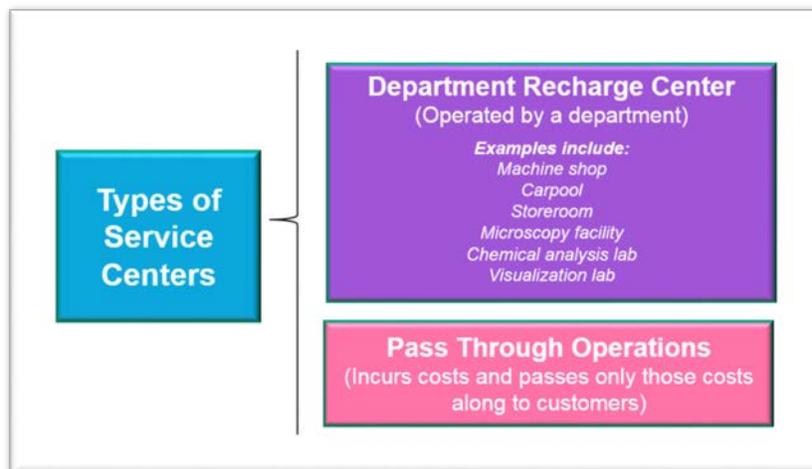
In order to create an internal (3E) service center, the service should meet the following criteria:

- *Goods/services are provided on an ongoing basis*
- *Users must be primarily within the University (includes sponsored projects)*
- *Value must be added (i.e., assigning staff or supplies necessary to provide the service)*
- *Revenue or expenses are at least \$3,000 each year*

3E Service Centers are **NOT** established to:

- *Generate a profit*
- *Compete with the general public/industry*
- *Provide service to the general public as its primary function*
- *Build a surplus intended for any purpose or discretionary purpose, other than paying for the costs incurred to provide the service or good*

Examples of internal (3E) service centers are as follows:

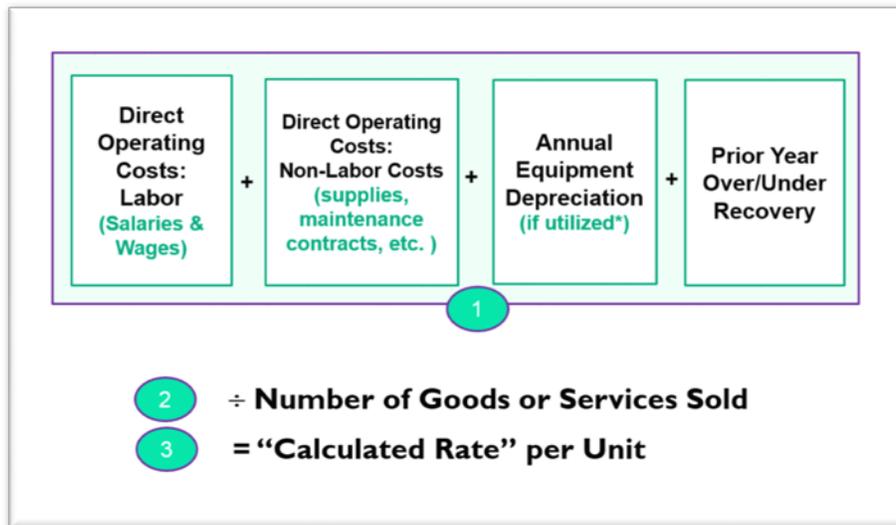


OBFS Policies and Procedures for self-supporting funds (all "3" fund types): [Section 22: Self-Supporting/Revenue Generating Activities -...](#) provides guidance for administration of service centers. There is also a UIUC policy supplement specific to primarily internal (3E) services centers [Section 22.4.2 - Service Activities](#).

If you determine that your service meets all of the criteria, then a self-supporting fund is established by working with University Accounting and Financial Reporting ([UAFR](#)).

### Getting Started

After you have determined that you need a service center and want to charge for your services, then the next step is to perform a rate calculation. As part of this process, you will determine the costs/expenditures for providing the service (step 1) and figure the number of goods or services that will be sold (step 2), which are then used to determine the calculated rates (step 3), as illustrated below.



### *Expenditures*

Examples of typical expenses included in the rate calculation are as follows:

- Salaries and wages
- Materials and supplies
- Repairs and maintenance costs
- Service contracts (e.g., maintenance agreement)
- Depreciation expense of capitalized equipment used in the service

The following items **CANNOT** be included in the service rate calculation:

- Advertising, except for employee and subject recruitment
- Alcohol
- Bad debts
- Expenses not related to the service being provided
- Capital equipment purchases (only depreciation is included in the rates, not the full cost)
- Reserves or contingencies

### *Goods/Services Sold (Base)*

- Base = Measurable units of output for the different types and classes of products or services
- The measurable unit may be labor, machine time, miles, samples, products, etc.
- The usage basis for the service or good includes **all** users of the service or good

### *Setting Service Rates*

- Rates should be charged based on actual use of the services
- Formal rate calculations must be performed at least once every two years
- Rates must be supported by cost calculations based on a year of actual historical expenditures and usage (e.g., normally based on fiscal year end data)
- Rates cannot be based on generating a specific amount of revenue
- The service should break-even over time and accumulated profit/loss incorporated into future rate calculations
- Estimated rates are generally used only for the first year of operation
- Each unit is responsible for the management of its stores and service activities, including the establishment and documentation for each service rate
- Rate calculation and report templates are available on Government Costing's OBFS website, on the right hand side of the page: [Service Activities - Urbana-Champaign](#)

Thinking about expenditures and users/services/products can help you create the business plan you need for your service center. Remember...service centers are created to **break-even** over time and should include costs directly related to the service.

### **Quick Tips & Links**

- OBFS Policies and Procedures for self-supporting funds (all "3" fund types): [Section 22: Self-Supporting/Revenue Generating Activities -...](#)
- UIUC policy supplement for 3E service centers (primarily customers internal to the University) [Section 22.4.2 - Service Activities](#)
- Government Costing's [Website](#)
- The [Service Activities Resource Page](#) contains information about specific 3E service activity topics, as well as Job Aids & Training Materials that show step-by-step procedures for completing a rate calculation template using the Business Objects/Web Intelligence report data (once a fund is set up)
- Rate templates and report templates are available on Government Costing's website: [Service Activities - Urbana-Champaign](#)
- Self-paced web-based training is available via the [Service Activity Overview Training Course](#)
- UAFR offers self-supporting funds [training](#), including [GL105](#) Introduction to Self-Supporting Funds and [GL205](#) Managing Self-Supporting Funds
- Talk with the Business Manager for your unit. They are a great resource to assist with setting up a service center and calculating service rates
- [Government Costing](#) is available to answer questions and provide training

## EQUIPMENT

### The Essentials

Equipment means tangible personal property having a **useful life of more than one year** and a **per-unit acquisition cost** which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or **\$5,000**.

The **University inventories all property and equipment that, in general, have a useful life of more than one year and a unit value equal to or greater than \$500**. The University's capitalization level for equipment is \$5,000 or more per unit value and a useful life of more than one year.

**General purpose equipment is not normally allowed as a direct charge** on sponsored projects unless the equipment is primarily or exclusively used in the actual conduct of the project and with prior written sponsor approval.

**Special purpose equipment is allowable as a direct cost** provided that items with a unit cost of \$5,000 or more have the prior approval of the awarding sponsor.

In the specific case of *computing devices* (per UG §200.453(c), charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of an award.

### Getting Started

Principal Investigators (PI's) should include intended equipment purchases and fabrications in their sponsored project budget and budget justification.

Check the terms and conditions of your particular award for information related to:

- **Allowability** of equipment charges
  - prior sponsor approval may be required
  - equipment may be unallowable
- **Equipment title**
  - know who the title of the equipment vests with (e.g. State, Federal, or private entity)
- **Fabrication** of equipment
  - labor is not included in the valuation of equipment and must be identified separately in the budget/budget justification
  - communicate with your business office when the fabrication is complete

If a piece of equipment is purchased to support multiple projects, or to support both sponsored and unsponsored activity, be sure to adequately document the allocation of the cost.

Federal titled or other sponsor-titled equipment must be completely funded by the sponsor. Partial funding from University accounts is permitted if title to the equipment vests in the University without further obligation to the sponsor.

Equipment purchased during the last six months of a project are subject to additional scrutiny and approval.

**Prior to transferring or loaning equipment** to another entity, PI's are required to complete the related forms to ensure that the equipment is appropriately tracked and accounted for.

### Quick Tips & Links

- Uniform Guidance, §200.313 Equipment: [https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200\\_1313](https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1313)
- University of Illinois, Office of Business and Financial Services, Policies and Procedures, Section 16: Grants and Research Contracts, Section 16.1.4 – Equipment, Equipment Leases, and Expendable Supplies: <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/section-16-1-4>
- University of Illinois, Office of Business and Financial Services, Policies and Procedures, Section 12 – Property Accounting: <https://www.obfs.uillinois.edu/bfpp/section-12-property-accounting/>
- Request to **Permanently Transfer** Sponsored Project Equipment with Researcher
  - Instructions: <https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94769>
  - Request Form: <https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94767>
- Sponsored **Equipment Loan** Agreement:
  - <https://www.obfs.uillinois.edu/common/pages/DisplayFile.aspx?itemId=94749>

# TRAVEL

## The Essentials

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the University.

## Getting Started

Principal Investigators (PI's) should include all expected travel expenses in the proposal budget and budget justification

Travel must have a legitimate business purpose and meet all of the elements of allowability (i.e. allocable, necessary/reasonable, and consistently treated)

- If project staff are paid 100% on another sponsored project, the PI should not reimburse his/her travel on their sponsored project.

## **Travel Tips:**

- Employees must travel by the most direct route and most economical mode of transportation
- All expenses associated with personal travel must be paid by the employee
  - Additional documentation needed
- Meals while in travel status may be reimbursed by per diem only. The cost of actual meals purchased is not reimbursable
- Employees cannot receive per diem for same day travel.
- Costs must be treated consistently and charged in accordance with the University's written travel policies.

Typically Allowable Travel Expenses	Typically Unallowable Travel Expenses
Economy/coach airfare	First Class/Business Class airfare
Travel agent fees	Admirals Club fees
Airline baggage fees	Rental car optional damage waiver
Car rental, including gas	Parking tickets/traffic fines
Mileage for personal vehicles	Rental car for personal use
Ground transit – shuttle/train/taxi/bus fares	Ticket change fees for personal convenience
Lodging	Late check-out / no-show hotel charges
Conference registration fees	Cancellation/late registration fees
Per diem	Actual cost of meals purchased
Tolls, parking, reasonable tips	Internet, passports, entertainment

## Quick Tips & Links

- Uniform Guidance, §200.474 Travel costs: [https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200\\_1474](https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1474)
- University of Illinois, Office of Business and Financial Services, Policies and Procedures, Section 15: Travel: <https://www.obfs.uillinois.edu/bfpp/section-15-travel/>
  - Travel Reimbursement and Per Diem: <https://www.obfs.uillinois.edu/bfpp/section-15-travel/travel-reimbursement-and-per-diem>
- University of Illinois, Office of Business and Financial Services, Business Travel: <https://www.obfs.uillinois.edu/travel/>

## PROGRAM INCOME

### The Essentials

Program income is gross income earned by the University that is directly generated by a supported activity or earned as a result of the sponsored project during the period of performance.

The University is required to identify, document, and report program income generated on sponsored projects in accordance with the Federal administrative requirements, awarding agency regulations and terms and conditions of the awards.

All program income must meet the following core principles:

- The program income must be **used for the purposes of the award**.
- The program income must be **used only for allowable costs** in accordance with the applicable cost principles and the terms and conditions of the award.
- The program income must be **used for current costs** unless the awarding agency authorizes otherwise.
- Expenses will be **assessed Indirect Costs at the same F&A rate** as the associated sponsored project.
- The program income **may be used to fulfill a cost sharing or matching requirement** with prior approval of the awarding agency.

### Getting Started

If a Principal Investigator's (PI's) sponsored project has program income, they are responsible for:

- Identifying the amount and sources of actual and potential program income at the proposal stage
- Completing the required program income sections in the sponsor's application forms as necessary
- Developing the plan for using program income
- Discussing the anticipated program income with the Sponsored Programs Administration Post-Award (SPA Post-Award) and unit business manager
- Verifying program income on reports
- Notifying the SPA Post-Award if unanticipated program income is identified and/or received during the project
- Addressing account balance issues at final project termination

### Quick Tips & Links

- Uniform Guidance, §200.80 Program income: [https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200\\_180](https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_180)
- Uniform Guidance, §200.307 Program income: [https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200\\_1307](https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1307)
- University of Illinois, Office of Business and Financial Services, Policies and Procedures, Section 16: Grants and Research Contracts, Sponsored Projects Program Income: <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/program-income>

## PROJECT CLOSEOUT

### The Essentials

The University of Illinois at Urbana-Champaign has a responsibility to close out completed sponsored projects in compliance with federal regulations, sponsor policy, and award terms and conditions. The policy on sponsored project closeout applies to all awards regardless of the funding source.

Uniform Guidance requires that final financial, performance, and other reports be submitted within 90 calendar days after the project end date. In the event that sponsor policy or specific award terms and conditions prescribe otherwise, such policy or terms and conditions shall prevail.

Non-compliance with sponsored project closeout requirements has adverse consequences for the University including, but not limited to, forfeiture of final payment, delayed or reduced future funding, less favorable award terms and conditions, and audit finding risks.

Requirements and considerations for closing out fixed price agreements are subject to the Fixed Price Agreement policy: Urbana - [Section 16.1.5 - Sponsored Projects Administration](#) (see Special Provisions for Closing Fixed Price Contracts section).

### Getting Started

Sponsored project closeout is the shared responsibility of Principal Investigator (PI), unit business office or department administrator, and central offices.

Monthly review and reconciliation throughout the life of the project facilitate the project closeout within the required timeframe.

- Helps ensure on-time submission of accurate final invoices and financial reports
- Avoids “rush” at end of project
- Accurate portrayal of burn rate

The PI is responsible for ensuring that all costs charged to a grant are reasonable and allowable with the assistance of the unit business office. The PI should request timely corrections for any cost deemed unallowable for any reason, including posting errors.

Before the sponsored project ends, the PI is responsible for:

- **Reviewing accounting statements** to date and ensure that all expenses charged to the award thus far are allowable
- Determine whether the **project will end up with an unexpended balance**, and be aware of the award terms regarding treatment of such a balance.
- Informing his/her unit business office/GCO if the award is going to **be extended or a continuation**.

After the sponsored project ends, the PI is responsible for:

- Confirm that all **subrecipients have completed their scope of work**, including all required deliverables, and submitted their final billing according to the terms of their agreement
- Prepare and submit the **final technical report and/or deliverables** to the sponsor

- Submit form listing **invention disclosures**, or indicate there were none

Document Responsibility Table			
Document/Report Name	PI/Unit Business Office	Central Office (Pre-Award)	Central Office (Post-Award)
Final Financial Report			X
Final Payment Request/ Invoice			X
Collection of Outstanding Receivables			X
Final Cost Sharing Certification	X		X
Property Report	X		X
Contractor's Release, Refund, Rebates, and Credits			X
Final Technical/Progress/ Programmatic Report	X	X *	X *
Final Invention Statement	X	X *	X *
Final Patent Certification	X	X *	X *

\* \* Please refer to your respective campus Central Office's procedures relating to the submission of these documents, when institutional signature is required.

### **Quick Tips & Links**

- Uniform Guidance, §200.343 Closeout: [https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200\\_1343](https://www.ecfr.gov/cgi-bin/text-idx?SID=704835d27377ef5213a51c149de40cab&node=2:1.1.2.2.1&rgn=div5#se2.1.200_1343)
- University of Illinois, Office of Business and Financial Services, Policies and Procedures, Section 16: Grants and Research Contracts, Sponsored Projects Closeout Policy: <https://www.obfs.uillinois.edu/bfpp/section-16-grants-research-contracts/sponsored-project-closeout>