UND School of Medicine & Health Sciences
Principal Investigator Reference Guide
# TABLE OF CONTENTS

Table of Contents .................................................. 2
Introduction .................................................................. 3
Responsibilities of the Principal Investigator ................. 4
Signing Legal Grant and Contract Documents ................. 4
Documentation .......................................................... 4
Audit Readiness ......................................................... 5
Project Numbers ....................................................... 5
Hiring Employees ....................................................... 5
Financial Maintenance ............................................... 6
Allowable Costs ......................................................... 7
Cost Overruns ........................................................... 8
Correcting Financial Errors .......................................... 8
Cost Share / Matching Funds ......................................... 8
Time and Effort Reporting ........................................... 9
Budget Changes ......................................................... 9
Programmatic Changes ............................................... 10
Required Reports ..................................................... 10
No-Cost Extensions .................................................... 10
Carryover of Funds .................................................... 11
Closing Out Your Project ............................................. 11
UNDSMHS Research Administration ............................ 12
INTRODUCTION

This guide is intended to assist you in the administration of your grant or contract. Our goal is to minimize the time you must divert from the main focus of your project while complying with contractual, regulatory, and statutory provisions. For any questions not answered in this guide, you may receive assistance from:

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RESPONSIBILITIES OF THE PRINCIPAL INVESTIGATOR

You, the Project Director, also known as the Principal Investigator, are the most important administrator of your grant. You initiate or approve all charges to the grant or contract and check the monthly expenditure reports to determine their accuracy and completeness. Your grant’s project number, established by the UND Grants & Contracts Administration Office, is similar to a bank account opened in your name. You may draw from it during the life of your grant project. You are responsible and accountable for your account. You will want to get the most mileage out of your available funds, within the constraints provided by the funding source, the State of North Dakota, the University of North Dakota, and the UND Grants & Contracts Administration Office.

As the Principal Investigator, it is your responsibility to read, understand, and implement all information and instructions sent to you from the grant sponsor, the UND Grants & Contracts Administration Office, and any other UND department charged with administering your project. For your project to run efficiently and within legal requirements, the established procedures, as documented in this guide, are to be used in the administration of your project.

The ultimate and professional responsibility for accurate and effective project management, e.g. project activities, project personnel, budgetary control, required reports, etc. rests with you. This guide was developed to assist you in your role as Principal Investigator, so please review it thoroughly.

SIGNING LEGAL GRANT AND CONTRACT DOCUMENTS

Only the Authorized Representatives of the University have the authority to sign legal grant and contract documents. When you receive official legal grant and contract documents, notify the UNDSMHS Grant & Contract Officer to obtain the needed signatures.

All original agreements must be maintained in the UND Grants & Contracts Administration office with copies maintained by the Principal Investigator.

DOCUMENTATION

Grant contractual documents, including copies of submitted proposals, original contracts, grant financial documents, and all grant related correspondence, must be maintained in the UND Grants & Contracts Administration Office. This office is located in Twamley Hall, Room 100.

It is recommended that the Principal Investigator retain a copy of their grant or contract proposal, a copy of their grant or contract agreement, as well as copies of any other contractual documents deemed necessary.
AUDIT READINESS

When an organization receives external funds, it is responsible for using those funds in accordance with laws and regulations. The recipient must use fiscal control and accounting procedures to ensure the proper disbursement of and accounting for these funds. The effective management of public funds should be a result of ongoing activities that ensures audit readiness, such as:

- Administrative Controls – The plan of organization, procedures, and records related to authorizing transactions.
- Accounting Controls – The plan of organization, procedures, and records concerned with assets and reliable financial records.
- Compliance with Federal, State, and Other Requirements – Examples: Charges for direct labor, reporting of financial status, treatment of grant-related income, eligibility of participants, monitoring of activities, and allowability of services.
- Records – These should include information adequate to support statements in the application document and should be retained for the required period of time.
- Internal Audits – The Principal Investigator may request assistance from the UNDSMHS Administration & Finance Office in determining if controls are adequate.

The requirements for each grant are different, and most agencies publish guidelines for the proper management of funds – including allowable and unallowable costs. For example, the National Science Foundation, the U.S. Department of Health and Human Services, and the U.S. Department of Education all publish their policy manuals on their websites. The UND Grants & Contracts Administration Office or the UNDSMHS Grant & Contract Officer can also provide you with further assistance/reading materials to ensure audit-readiness.

PROJECT NUMBERS

To establish a UND project number, the ten digit number beginning with “UND00” unique to your project, the UND Grants & Contracts Administration Office must have a fully signed award document in hand. Once this fully executed document has been received, a Grants & Contracts Officer in the UND Grants & Contracts Administration Office will enter the award information in Oracle. Upon completion of this process, the Grants & Contracts Officer will send you a “Grants & Contracts Administration Information Sheet” which lists the project title, PI name, project start and end dates, project budget, as well as other important information. Your receipt of this information sheet is your notification that a UND project number has been established and you can now begin spending your funds.

*It is important to note that the project number must be established in order for you to spend funds through the grant.*

HIRING EMPLOYEES

Hiring must be coordinated with the UNDSMHS Human Resources Manager (for staff, student, and temporary positions) or with the UNDSMHS Academic Affairs Office (for faculty, Post Doctoral and GA positions). All University of North Dakota policies must be followed in all hiring procedures, and the UNDSMHS HR and
Academic Affairs Offices can provide complete supportive services to ensure that this is accomplished. Important personnel guidelines include:

- **Equal Employment Opportunity**: All positions will be recruited, hired, trained, and promoted in accordance with University of North Dakota EEO hiring policies.
- **Position Announcements**: New and vacant positions must be advertised in accordance with established University of North Dakota and School of Medicine and Health Sciences standards.
- **Dual Compensation (Overload)**:
- **Position Rankings**: Benefited administrative/professional and support staff positions established under contracts and grants are classified by the Human Resource Office at UND; however, the SMHS HR Manager can assist with completion of paperwork to obtain the position necessary to perform the scope of work on the grant or contract.
- **Faculty**: Employment of faculty should be coordinated with the Executive Associate Dean for Academic Affairs and appropriate Academic Affairs support staff.
- **Staff**: Employment of full and part time benefited staff, temporary non-benefited staff, and student positions should be coordinated with the SMHS Human Resource Manager. For all positions, there must be a position number to which the position will be assigned. For benefited staff, this will be a single occupant position that is unique to that one individual only. For temporary non-benefited and student positions, this will be a pool position which may have multiple occupants. Each department has a departmental administrator that will be able to assist in obtaining position information. For benefited staff, both a Position Description and a Staff Position Requisition form must be completed. Both forms are found on the UND Human Resource Office website at http://www.humanresources.und.edu/. The job posting and application website (JobX) for student positions can be found on the UND Financial Aid website at http://www.und.edu/dept/finaid/Student_Employment_Guide.html.

**FINANCIAL MAINTENANCE**

**Developing an Initial Spending Plan** – It is important to develop an initial spending plan to ensure funds are expended in a timely manner with special attention to the project ending date. If the grant incorporates several projects, a defined budget should be developed for each project.

**Following Your Budget** – If you have developed an accurate proposed budget, it is important to review your budget and expenses at least quarterly to ensure that funds are being expended in accordance with your budget. Most often, you do not have to follow your budget dollar for dollar, but a regular review of how your spending compared to your budget may help you identify inappropriate charges or other errors.

**Monthly Reconciliation** – Monitoring grant project finances is the responsibility of the Principal Investigator, in collaboration with the department administrator and/or grant support staff hired by the research center or institute that houses the project. These employees are expected to financially reconcile their grant projects on a monthly basis and to correct any errors, questionable expenses, or discrepancies in a timely fashion. Each expense posted to a grant project should be reviewed individually to determine its permissibility and applicability to the grant to which it was charged. Careful consideration should be given to whether the expense furthers the aims of the grant, if it was included in the proposal budget, and if it will require sponsor approval.

Monthly Reconciliation of a grant project can be accomplished by running three reports within Oracle. These three reports include:
1. **PI Report** (shows budget, monthly & cumulative expenses, and budget balance)
2. **HE Actuals Report** (shows personnel expenses in detail)
3. **Budget Transaction Detail** (shows all expenses in detail)

All UND employees can obtain Oracle access to retrieve grant-specific reports and information. If you are interested in obtaining access, contact the UNDSMHS Grant & Contract Officer. Once Oracle access is obtained, the UNDSMHS Grant & Contract Officer can provide the training necessary to retrieve reports allowing you to reconcile and manage grant projects. For more information on these reports, contact the UNDSMHS Grant & Contract Officer.

Reconciliation of your grant projects on a regular basis will help you plan for monthly expenses in the future, as well as reducing the number of unexpected expense corrections during project closeout.

**Burn Rate** – It is important to review your burn rate, or the rate at which you spend each month, at least quarterly to ensure funds will be expended appropriately. What we don’t want is for the funds to run out before the project is completed, because we spent too much at the beginning of the project. Or even worse, what if the project will be completed next month, and we have so much money left in our project we can not even begin to spend it all?

Determining the burn rate of your project is as easy as determining how much you spend on average each month, and then applying that dollar figure to the number of months left in your project. This can be accomplished with the use of these Oracle reports:
1. **PI Report** (shows your current budget balance and the end date of your project)
2. **Budget Transaction Detail** (shows all expenses and the date they posted to your project)

**ALLOWABLE COSTS**

In general, grant or contract awards provide for reimbursement of actual, allowable costs incurred and are subject to allowability under three criteria:

*Grant or Contract Award Document*

The grant or contract award document should state which expenses are allowable and which expenses are not allowable for your project. This may be done using clauses which specifically state unallowable expenses, or it may reference cost principles that the sponsor follows.

*Federal Cost Principles*

The Federal cost principles establish standards for the allowability of costs, provide detailed guidance on the cost accounting treatment of costs as direct or F&A costs, and set forth allowability and allocability principles for selected items of cost. Applicability of a particular set of Federal cost principles depends on the type of organization making the expenditure. The University of North Dakota is subject to the cost principles for educational institutions (OMB Circular A-21—Cost Principles for Educational Institutions).

*University Policy*

University policy concerning unallowable costs on sponsored projects bases allowability of costs on the North Dakota Century Code (NDCC), which is the codification of all general and permanent law enacted since statehood, and contains the Constitution of North Dakota and the North Dakota Century Code.

Irregardless of the source of allowability, there are four tests which help determine the allowability of your expense. These four tests are reasonableness, allocability, consistency, and conformance.
In order for your expense to be allowable, it needs to be allowable according to the Grant or Contract Award Document, the Federal Cost Principles, University Policy, and then it must pass the four tests of allowability.

Further information on allowable costs can be found on the “Allowable Costs” section of the UNDSMHS Research Administration website at [http://www.med.und.nodak.edu/researchadmin/allowablecosts.cfm](http://www.med.und.nodak.edu/researchadmin/allowablecosts.cfm).

**COST OVERRUNS**

A cost overrun occurs when direct costs charged to a grant, cooperative agreement or contract exceed the awarded amount. While cost overruns rarely occur, when such an occurrence exists, the deficit must be moved from the grant project to a departmental fund. See the “Correcting Financial Errors” section of this reference guide for additional information.

If the cost overrun is incurred because you are waiting for additional funding from the sponsor, these costs should be treated as pre-award costs. A memo addressing this situation should be prepared by the UNDSMHS Grant & Contract Officer, and sent to the Grants & Contracts Administration Office. This memo asks the Grants & Contracts Administration Office to increase the budget and extend the end date of your grant, in anticipation of the upcoming award notice.

**CORRECTING FINANCIAL ERRORS**

To correct errors discovered through the monthly reconciliation process, the proper forms to move the expenses shall be completed in a timely manner (within 90 days). Corrections made to a grant project more than 90 days after the initial expense posted to the project are a red flag to auditors and require additional scrutiny by UND administration. If you have a correction such as this, you need to the UNDSMHS Grant & Contract Officer as soon as possible.

There are two primary types of corrections – those made to payroll and those related to current expenses (e.g. supplies, materials, etc.). Corrections made to payroll require the use of a Budget Retrodistribution Form, which is located on the UNDSMHS Research Administration website at [http://www.med.und.nodak.edu/researchadmin/costtransfers.cfm](http://www.med.und.nodak.edu/researchadmin/costtransfers.cfm). Corrections made to current non-payroll expenses require the use of either a Journal Entry Form or a Journal Voucher Form. These forms are located on the UND Accounting Services website at [http://www.und.edu/dept/accounts/forms.html](http://www.und.edu/dept/accounts/forms.html).

Corrections are to be completed by the Principal Investigator and Department Administrator, and submitted to the UNDSMHS Administration & Finance Office for processing. Most importantly, the Principal Investigator and/or Department Administrator will coordinate all efforts to make sure those errors do not happen again.

**COST SHARE / MATCHING FUNDS**

In the event “in-kind”, “matching”, or “cost share” contributions are included as grant requirements, the associated matching budget amount must be tracked and documented, as well. As Principle Investigator, you are responsible for these contributions as well as the funding from the sponsor. It is a good idea to develop a plan to document all such contributions upon notification of grant funding. This plan can be developed with the assistance of the UNDSMHS Grant & Contract Officer.
TIME AND EFFORT REPORTING

All UND grant funded employees, as well as employees donating time to a grant as an in-kind contribution (or cost share), must sign off on a time and effort report three times per year verifying the percentage of time spent and the value of compensation received. These reports are called Personnel Activity Confirmation (PAC) Reports.

These reports are printed by the UND Grants & Contracts Administration Office and are distributed to the department administrators in each of the departments which have grant projects.

Once you have received your report, you are to review and sign them when you are sure that the information is correct. If the information shown on the report is incorrect, you are to make the appropriate corrections and then sign and date the report as well as initial all of your changes.

It is very important that these reports are reviewed, signed, and returned to the UNDSMHS Grant & Contract Officer within 30 days.

If you are working on a grant project, and do not receive an effort certification report, please contact the UNDSMHS Grant & Contract Officer.

Here are some tips relating to time and effort reporting:

- Federal funds from one project may not be used as matching/cost share on another federal grant.
- Time and effort reports should be signed by the employee or the employee’s supervisor. If the employee is unavailable due to no longer being employed by UND or for another similar reason, the employee’s supervisor should indicate the person is not available in writing on the form, sign the form, and submit it to the UNDSMHS Grant & Contract Officer.
- Many sponsors require that your effort certification report include an effort percentage at least as much as you had shown in your proposal budget. So it is very important to make sure that your actual effort on your project equals your proposed effort. This is true for all key personnel, not just the Principal Investigator.

Additional information which explains what effort is, how we certify to our effort, why we certify to our effort, how we read our effort certification forms, and how we can correct our effort certification forms can be found on the Research Administration website at http://www.med.und.nodak.edu/researchadmin/effortcertification.cfm.

BUDGET CHANGES

Most of the time, Principal Investigators are able to expend funds in a line item category for which there is no approved budget. But it is a good idea to review the terms and conditions of the award to verify that no prior approval is needed for those expenses not originally budgeted, as the approved budget, whether negotiated with the agency or approved in the proposal, constitutes part of a legal contract.

If it has been found that expending funds will require prior approval for a budget revision, contact the UNDSMHS Grant & Contract Officer prior to requesting a budget revision from the sponsor. In cooperation with the UND Grants & Contracts Administration Office, the UNDSMHS Grant & Contract Officer will contact the sponsor’s financial grant officer to discuss the possibility of revising the budget and the procedure to do so.
Most often, the Principal Investigator must formally request the budget change. The requested change is then directed through the campus organizational structure beginning with the UNDSMHS Grant & Contract Officer. Once the appropriate personnel at UND approve the request, the document is sent to the applicable granting agency. **No budget changes may be made until official approval from the sponsor is obtained.** This may take several weeks, so it is important to request these budget changes as early as possible.

**PROGRAMMATIC CHANGES**

Program changes that modify the scope or the objectives of an approved project require prior approval from University administration and the granting agency. Discuss the changes with the UNDSMHS Grant & Contract Officer. In cooperation with the UND Grants & Contracts Administration Office, the UNDSMHS Grant & Contract Officer will contact the program officer at the agency to determine the procedure and discuss the possibility of the change. The grant agreement normally details procedures to follow. It is important to follow the procedures since these agreements are legal documents and cannot be altered without official written approval.

Most often, the Principal Investigator must formally request the programmatic change. The requested change is then directed through the campus organizational structure beginning with the UNDSMHS Grant & Contract Officer. Once the appropriate personnel at UND approve the request, the document is sent to the applicable granting agency. **No programmatic changes may be made until official approval from the sponsor is obtained.** This may take several weeks, so it is important to request these programmatic changes as early as possible.

**REQUIRED REPORTS**

Your grant, contract, or proposal guidelines will officially outline all required reports. At a minimum, most contracts require a final narrative report and fiscal report. **Your responsibility as Principal Investigator is to keep adequate records and to write and submit all required reports, including final reports, by the deadline determined by the funding agency.** The final report is a requirement and often funds are withheld by the sponsor until the report is filed. Assistance with completing the report is available through the UNDSMHS Grant & Contract Officer.

If, for some reason, you are going to be filing a report late, it is important that you notify the UNDSMHS Grant & Contract Officer of the circumstances surrounding the late submission, and the estimated submission date.

Copies of all non-financial reports need to be kept at the department level, with the Principal Investigator. A copy does not need to be provided to the UNDSMHS Grant & Contract Officer, nor the UND Grants & Contracts Administration Office.

**NO-COST EXTENSIONS**

If the end date of your grant project is approaching quickly, and there are legitimate instances that prevented you from completing the project within the time frame of the grant, it may be possible to ask the sponsor to extend the grant end date. **No additional funds will be granted; only the completion date will be officially delayed.** If you are looking at requesting a no-cost extension, discuss the request with the UNDSMHS Grant & Contract Officer. In cooperation with the UND Grants & Contracts Administration Office, the UNDSMHS Grant & Contract Officer will contact the sponsor to discuss the possibility of the extension, as well the procedure to do so.
Most often, the Principal Investigator must formally request the no-cost extension. The requested change is then directed through the campus organizational structure beginning with the UNDSMHS Grant & Contract Officer. Once the appropriate personnel at UND approve the request, the document is sent to the applicable granting agency. **No changes to the end date may be made until official approval from the sponsor is obtained.** This may take several weeks, so it is important to request the no-cost extension as early as possible.

**CARRYOVER OF FUNDS**

Some sponsors do not allow automatic carryover of unspent grant funds from one budget year to the next. If this is the case, and you have a grant project with unspent funds at the end of a budget year, you may wish to request a carryover of funds to the next budget period. This written request is called a "Carryover Request" and must include the following:

1. An appropriate scientific justification
2. A plan for the use of funds
3. A detailed categorical breakdown of the unspent funds, including F&A costs (if applicable)
4. A copy of the final expenditure report or Financial Status Report (FSR)
   
   *(The unobligated balance on this report should be equal to or greater than the carryover request)*

5. In many cases, if the dollar amount is significant (typically 25% of total current year costs), you may also have to explain why the funds were not fully expended in the prior year

As with other formal request to the sponsor, the following procedure needs to be followed for submitting carryover requests at the UNDSMHS:

1. Submit a written or email request to the UNDSMHS Grant & Contract Officer
2. This request will be reviewed and forwarded to the UND Research Development & Compliance Office
3. The UND Research Development & Compliance Office will review and sign the request and then send it to the sponsor
4. The sponsor will notify the UND Research Development & Compliance Office and the Principal Investigator (PI) of their decision

**CLOSING OUT YOUR PROJECT**

Once your project is approaching its end date, there are certain options and procedures that will help bring it to an orderly and successful completion. These procedures are listed below:

1. Review the budget for funds available.
   
   • If the amount remaining will be enough to cover completion of the project, and the project is scheduled to be completed on time, proceed as planned.
   • If the amount remaining is adequate, but the time remaining is not, a no-cost extension may be an available option. Please contact the UNDSMHS Grant & Contract Officer to help you proceed with this end date extension.
   • If the amount remaining is not adequate, or if particular budget line items require adjustment, please contact the UNDSMHS Grant & Contract Officer to clarify the necessary procedures.
   • If the amount remaining is substantial, and it appears that you will have a significant balance at the end of the project, please contact the UNDSMHS Grant & Contract Officer to clarify the necessary procedures.
2. If you are awaiting a no-cost extension or next year’s award notice, please contact the UNDSMHS Grant & Contract Officer to complete a memo requesting that the end date of this project be extended awaiting the receipt of the no-cost extension or award notice.

3. Process payroll revision forms to transfer salary appointments to alternative sources of funding.

4. Make sure that the UND Postal Services and Telecommunications offices have been notified of an alternative source of funding.

5. Submit purchase requisitions in order for them to be processed prior to the project termination date.

6. Review all outstanding orders. If there are potential problems regarding delivery, payment, or acceptance of the items, please contact the UNDSMHS Grant & Contract Officer.

7. If cost share is required for your project, review the cost share commitments to ensure that the required obligation will be met.

**UNDSMHS RESEARCH ADMINISTRATION**

The UNDSMHS Research Administration website, which includes information on cost overruns, allowable costs, ethical conduct in research, and other important areas that may be helpful to you as a grant Principal Investigator, can be found online at [http://www.med.und.nodak.edu/researchadmin/](http://www.med.und.nodak.edu/researchadmin/).