Federal Compliance and University Research:
A Quick Reference Guide for the Principal Investigator

BACKGROUND
In the last ten years there has been an increase in federal audit findings in the university research area:
• Dec 2008 - Yale: $7.6M
• Jun 2005 - Cornell: $4.4M
• Feb 2003 - Northwestern: $5.5M
• Federal agencies have codified A-21 and A-110 in their regulations governing research projects.
• The Department of Health and Human Services (DHHS) is Boston College’s cognizant agency.

FOCAL POINTS FOR FEDERAL AUDIT:
• OMB Circular A-21
• OMB Circular A-110
• Pre-Award Costs
• Cost Sharing
• Cost Transfers
• Effort Reporting
• Intellectual Property
• IRB/IACUC

OMB CIRCULAR A-21
Establishes principles for determining costs applicable to grants, contracts and other agreements awarded to educational institutions. Basic considerations:
• Reasonable and Necessary - costs reflect what a “prudent person” would pay
• Allocable - costs must have a specific benefit to the project and be assigned relatively easily with a high degree of accuracy. Costs may not be shifted to other sponsored agreements due to overruns or to avoid other restrictions.
• Allowable - costs as defined in section J
• Treated Consistently - costs must be treated in the same manner across the university
• Timely

SECTION J: SELECT UNALLOWABLE COSTS*
• Administrative salaries
• Alcoholic beverages
• Alumni activities
• Contributions & donations
• Entertainment
• Fines & penalties
• Goods & services for personal use
• Dues and memberships
• Periodicals
• Postage
• Office supplies and other common use equipment (computers)

* (UNLESS INCLUDED IN THE BUDGET AS AN UNLIKE CIRCUMSTANCE)

OMB CIRCULAR A-110
Establishes uniform administrative requirements for federal grants and agreements awarded to institutions of higher education. Delineates the minimum requirements for:
• Financial Management Systems
• Property Standards
• Procurement Standards
• Reports and Records
• Terminations & Enforcement
• Closeout Procedures

PRE-AWARD COSTS
• OMB Circular A-110 provides for the allowability of pre-award costs. Some agencies may require approval and documentation before any pre-award spending occurs.
• Generally, the PI/PD may incur pre-award costs 90 calendar days prior to award, or more than 90 calendar days with the prior approval of the federal awarding agency, subject to sponsor guidelines and terms of specific award.
• The federal awarding agency is under no obligation to reimburse such costs if for any reason the university does not receive an award or if the award is delayed or is less than anticipated and inadequate to cover such costs.
**COST SHARING**

Must meet the following criteria:

- Verifiable in the recipients' records
- Not included as part of another federal award
- Necessary and reasonable
- Allowable
- Not paid by another federal award
- Provided for in the budget

**COST TRANSFERS**

- Cost transfers are occasionally necessary to correct accounting errors. Transfers must be supported by documentation which contains a full explanation of how the error occurred and a certification of the correctness of the new charge.
- Per federal regulation (A-21), any cost allocable to a particular sponsored agreement may not be shifted a) to another sponsored agreement in order to meet deficiencies caused by overruns or other funding considerations and b) to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.
- All cost transfers should be accomplished within 90 days of discovery.

**EFFORT REPORTING**

Each Principal Investigator must sign an effort report certifying the amount of time devoted to each sponsored project. An effort report should accurately reflect time devoted to the project(s) being charged.

- Boston College employs an after-the-fact reporting system for faculty, graduate students, and all administrative professional employees paid on sponsored projects.
- The total amount must add up to and not exceed 100% of a PI's total effort.
- Departments and/or Principal Investigators need to return appropriately signed effort reports to OSP within 30 days of receipt of the forms.
- For summer faculty effort, the Professor will receive 1/9 of the previous year's academic salary for each month of allowable effort.

**INTELLECTUAL PROPERTY**

All Boston College full-time, part-time, and temporary faculty members, post-docs, graduate students, and visiting scientists are required to:

- Sign an Intellectual Property Agreement prior to working on any federally funded project.
- Report any innovation made, in whole or in part, under a sponsored project, to the Office for Technology Transfer and Licensing.

**IRB**

Federal regulations and University Policy require prospective review and approval of all human participant research conducted by faculty, staff, or students.

- Protect the rights and welfare of people who take part in research.
- Ensure safe and ethical treatment of all research participants.
- A PI must have BC IRB approval prior to performing any research-related activities involving human participants.

**IACUC**

Oversees animal use in research and teaching; ensures the university complies with federal laws, regulations, and policies.

- Ensure the welfare of animals by monitoring all research and teaching projects involving animals.
- All research proposals involving vertebrate animals must be approved by the BC IACUC prior to purchasing or using the animals to perform research.
- Changes to approved protocols must be approved before being implemented.

**RESEARCH AT BOSTON COLLEGE**

Research integrity embodies the individual's commitment to intellectual honesty and personal responsibility. For an institution, it includes compliance with research guidelines and policies. As an institution, Boston College is committed to the highest standards of research conduct supported by the offices and programs listed below:

- College of Arts and Sciences Service Centers
- Office for Sponsored Programs
- Corporate and Foundation Relations
- Center for Centers
- Office for Research Protections
- Office for Research Integrity and Compliance
- Office for Technology Transfer & Licensing
- Responsible Conduct of Research
- Institutional Animal Care & Use Committee (IACUC)
- Institutional Review Board (IRB)
- Office of Environmental Health & Safety

[This guide summarizes important federal and university policies. Please contact your department administrator or OSP for additional information.]