



Section 200: General OSR Policies

OSR Policy 200.4 — Principal Investigator (PI) Overall Responsibilities

Responsible Officer: Associate Vice Chancellor for Research

Responsible Unit: Office of Sponsored Research

Effective date: July 1, 2008

Last revised on: October 17, 2008

Policy Statement

Principal Investigators (PIs) are responsible for the overall proposal preparation, and administrative, technical and fiscal management of sponsored project/s. These obligations include, but are not limited to, the management of the project within funding limitations, adherence to reporting requirements and ensuring that the sponsor is notified regarding a change in project status or significant conditions that may affect the sponsored project.

PIs do not have the authority to enter into legal agreements involving grants, contracts and/or cooperative agreements on behalf of the University. These must be signed by a university representative with institutional signature authority.

While day-to-day operations of project finances may be delegated to staff members under the direction of the PI, the PI accepts ultimate accountability for compliance to UNC-Chapel Hill policy and sponsor requirements. This includes assuring that proposed budget items and award expenditures are [allowable](#) — they are 1) reasonable, 2) allocable (meaning they can be categorized and defined according to the cost accounting standards and descriptions provided in [OMB Circular A-21](#)), 3) they are treated consistently using generally accepted accounting standards, and 4) they conform to the limitations or exclusions of the sponsored agreement.

PIs are required to review their obligations to the University's policies regarding [ethics in research](#) and [stewardship of sponsored funds](#), as well as compliance regulations applicable to their sponsored project/s.

PIs are responsible for the technical and fiscal management of a sponsored project in several capacities:

- Preparation of Sponsor Applications and Proposed Budgets
- Prohibitions on Award Acceptance
- Management of Project Expenditures
- Reporting Requirements and Additional Requests Related to Sponsor Notifications and Prior Approvals



- Project Closeout
- Change in PI Status
- Audit Information

I. Preparation and Submission of Proposed Budgets

In proposing budgets for sponsored projects, the PI assures UNC-Chapel Hill and the potential sponsor that project finances are represented as accurately as possible.

Proposed budgets must also adhere to specific requirements, including cost principles as defined by the federal government in Office of Management Budget (OMB) [Circular A-21](#), and consistency requirements as imposed by the federal Cost Accounting Standards (CAS) Board. This is the case at the proposal stage, as well as when funds are expended.

PIs are required to inform potential sponsors that no budget is considered final until authorized by the Office of Sponsored Research (OSR) on behalf of the University.

II. Prohibitions on Award Acceptance

PIs are prohibited from accepting or indicating acceptance of a sponsored award verbally or in writing. Only official designees of the University have the authority to accept an offer of award.

III. Management of Project Expenditures

Upon finalization of award acceptance and establishment of an account for awarded funds, the PI is responsible for authorizing direct charges in accordance with OMB Circular A-21 and applicable funding agency guidelines, and reviewing project expenditures on a monthly basis. The PI's authorization assures that all expenses charged to the account are allowable, allocable to the project, and reasonable.

IV. Reporting Requirements and Additional Requests Related to Sponsor Notifications and Prior Approvals

The PI assures that ongoing fiscal management is accomplished in accordance with sponsor requirements, including necessary notifications to the sponsor about project status.

In all cases, required notifications or requests for prior approval should be made in writing to both the administrative and technical officials in the sponsoring agency. Such notifications must be coordinated in conjunction with OSR.

V. Project Closeout

PIs are responsible for overseeing the proper closeout of sponsored projects, including the timely submission of all required reports (including final financial and technical reports).

VI. Changes in PI Status

Sponsors often have requirements regarding notification or prior approval of changes in availability of the PI.

For Federal *contracts* and Non-Federal projects, the terms and conditions of the particular agreement will govern.



For Federal *grants*, [OMB Circular A-110](#) requires prior written approval from the awarding agency for either of the following circumstances involving key personnel:

1. A reduction in time devoted to the project of 25% or more from the proposed and awarded level.
2. An absence from the project for more than three months.

The grant award and grant policy of the specific sponsoring agency should be reviewed for any additional requirements.

The PI, department chair, or department administrator should contact OSR to coordinate securing required approvals in either of the circumstances above. If, in the original award, the University had committed to fund some of the PI's effort as cost sharing and the PI reduces the overall committed level on the project, OSR will also negotiate reductions in levels of the cost-shared component of effort, as appropriate.

In addition, when a PI's faculty appointment will terminate prior to or during a project's period of performance, the sponsor is so informed by OSR.

When a PI is scheduled for a leave of absence, it is mandatory that the sponsoring agency/ies concur in writing before the PI departs. Satisfactory arrangements are to be made for a substitute PI and continuation of the specified research or training. Any leaves of absence are coordinated through the appropriate OSR Award Manager.

VII. Audit Information

Any auditing activity is required to be conducted in the presence of an OSR representative.

Communications and/or correspondence with auditors are conducted by OSR and also, OSR must review any materials requested by auditors prior to submission.

PIs are responsible for ensuring that budgets and expenditure accounts are managed in accordance with the regulations provided in the Office of Management and Budget (OMB) [Circular A-133](#). In addition to other auditing requests, this includes providing to OSR information and/or records requested by the auditing agency regarding:

- Compliance and internal controls
- Review of financial transactions, payroll, effort reporting
- Monitoring research dollars and how costs have been allocated to sponsored projects

Reason for Policy

This policy establishes the overall responsibility of Principal Investigators in undertaking sponsored research projects and related components of those projects.



Exclusions/Exceptions

The definition of a leave of absence varies from sponsor to sponsor. The National Science Foundation (NSF) and National Institutes of Health consider an absence in excess of three months to require advance agency approval. Other sponsors may be more (or less) restrictive and may reserve the right to approve any change in key project personnel. Adherence to sponsor requirements for advance notification and clearance minimizes the chance of problems with and possible cost disallowances by a sponsor.

Procedures and Related Policies

Related Policies include:

- [OSR Policy 200.1](#) [OSR Responsibilities](#)
- [OSR Policy 200.2](#) [Signatory Authority](#)
- [OSR Policy 200.5](#) [Department Administrator \(DA\) Overall Responsibilities](#)

OSR Research Tool Kits

[Proposal Development and Submission: Review Process](#)

Contacts

Questions and concerns can be submitted online at [Ask OSR](#) or by using the [OSR staff directory](#). Within [RAMSeS](#), the “*Speak to Someone*” option assists in locating the staff member best suited to address project-specific issues.

References

 [Research Administration Glossary at Carolina](#)

1. The Office of Management and Budget (OMB) Circular A-21, *Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions*.
2. OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, Subpart C-25, Post-Award Requirements.
3. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Revision History

Prior Revisions: The policies in the *Office of Sponsored Research Policies & Procedures Manual* supersede any OSR policies, procedures and appendices previously included in the *University Business Manual*, a publication of UNC Chapel Hill’s [Division of Finance](#).

