MEMORANDUM

Date: November 1, 2013

To: HSC Faculty and Staff

From: Richard S. Larson, MD, PhD
HSC Executive Vice Chancellor

RE: HSC Policy on Principal Investigator Effort on Sponsored Project

Since December 2008 it has been the policy of the Health Sciences Center that all active sponsored project agreements processed for award, whether cost reimbursement, fixed price, clinical trial, flat fee, purchase order, or deliverable based, have a minimum of 1% level-of-effort from the principal investigator as a direct charge (or committed and tracked cost share) which must also include the fringe benefits. This minimum effort helps to ensure that there is adequate guidance, monitoring, and management by the HSC principal investigator by showing a reasonable, measurable, outcome towards each project. This policy fulfills OIG requirements by documenting the award is adequately managed.

Circumstances where this policy does not apply are the following:

- Where, by printed and published policy, the Sponsoring Agency does not allow any principal investigator effort, such as an equipment grant. (Effort on active clinical trial awards is mandatory, and does not fall under this exception.)
- Equipment and Instrumentation Grants
- Doctoral Dissertation Grants
- Student or Diversity Supplement Grants
- Administrative Supplement Grants to Adjust F&A Only
- ‘Mentors’ on Institutional or Individual Training Grants
- Conference Support, CME or Grand Rounds Awards
- Construction and/or Renovation Grants
- Some Career Development Awards and/or Scholar Awards
- Awards which total $5000 & below per year
- Professional Service Agreements (PSA) where the person performing the service is a staff member
- Supplemental Awards, including but not limited to ‘Continuing Resolution’ increases, where the PI effort is in the Parent Award

The HSC PreAward Office will review all Award Budget Sheets (ABS) to ensure that a minimum of 1% PI effort (and fringe) is internally budgeted upon Award. Fiscal Monitors in Contract & Grant Accounting will also monitor that this effort is actually being charged and is recorded on subsequent Effort Certifications. We encourage your Department Accountants to do the same.

Thank you in advance for your compliance and support of our quest for continued excellence. Please call upon your Financial Services representative if you have questions.

cc: Rena Vinyard, Director, Sponsored Projects, and Mike Schwantes, Chief Financial Services Officer, HSC

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