

Richard Larson, M.D., Ph.D.
Executive Vice Chancellor
Vice Chancellor for Research

MEMORANDUM

Date: May 9, 2018 - REVISED

To: All HSC Faculty and Staff

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

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 exemption, except where no patient enrollment has been established.)**
- **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 \$5,000 & 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 Fiscal Monitors in Contract & Grant Accounting will review all Award Budget Sheets (ABS) to ensure that a minimum of 1% PI effort (and fringe) is internally budgeted upon Award. They will also monitor that this effort has actually been charged upon closeout of the award. 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: Stacy Bigbie; Associate Director Financial Services/Sponsored Projects Office
Michael Schwantes, Chief Financial Services Officer, HSC