Implementation of Sponsored Projects Compliance Program

Presented by:

Smruti Radkar, Associate General Counsel
Jovita Wells, Director, Office of Sponsored Programs

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Background

- National Science Foundation Office of the Inspector General investigated the University's management of a 5 year STEM grant covering 2004-09.

- Throughout the investigation, the NSF OIG expressed concerns regarding a lack of time and effort reporting, the absence of supporting documentation for expenditures, and alleged unpermitted reprogramming.

- Faced with potential debarment and sanctions under the Federal False Claims Act, in October 2012, the University ultimately settled with the NSF for $530,000 and the stipulation that the University would implement a Sponsored Programs Compliance Program pursuant to the agreement.

- The University also paid $59,439.61 to NSF after the completion of a self-audit of the first two years of the follow on STEM grant in October 2014.

SPONSORED PROJECTS COMPLIANCE PROGRAM

- As part of its settlement with the NSF in October 2012, the University agreed to implement a Sponsored Projects Compliance Program (SPCP) to ensure compliance with the terms and conditions, as well as laws and regulations, applicable to NSF awards.

- The SPCP requires:

  1. Development and/or revision of written policies and procedures regarding accurate monitoring and charging of expenditures (as listed on following slide);

  2. Distribution of aforementioned policies to University employees with a role or responsibility in the application for, receipt of, or administration of NSF awards ("Relevant Employees");

  3. Training and President, Provost, and Chairs of departments with faculty serving as PI, Project Director, or co-Investigator of NSF sponsored project;

  4. Annual training of Relevant Employees with regard to NSF awards and Confidential Disclosure Compliance Program;

  5. Posting of NSF Fraud Hotline poster on University website;

  6. Appointment of a Sponsored Projects Compliance Officer (SPCO) reporting to the President;

  7. The existence of a Sponsored Projects Compliance Committee, chaired by the SPCO;

  8. Annual audit by external party of SPCP for four years; and

  9. Annual written reports by SPCO for four year to be submitted to NSF in conjunction with annual audit.

SPCP Requirements – Policies

- The SPCP requires written policies and procedures regarding:

  1. Code of conduct

  2. Time and effort reporting

  3. Charging of costs under NSF awards

  4. Cost sharing

  5. Sub-recipient charging

  6. Reconciliation of accounting records

  7. Document management and retention

- The Office of the Chief Financial Officer and the Office of Sponsored Programs worked with the Office of the General Counsel to develop and/or revise policies that memorialized existing practices in these areas for sponsored programs.

SPCP REQUIREMENTS – POLICIES (CTD.)

- The Executive Committee of the Board of Trustees approved the following policies related to sponsored programs in July 2014, which were ratified by the Board of Trustees in September 2014 and subsequently submitted to NSF:

    - Allowable Costs;

    - At-Risk Accounts;

    - Direct Charging of Administrative and Clerical Costs;

    - Cost Allocation;

    - Cost Sharing;

    - Cost Transfers;

    - Equipment;

    - Financial Reporting and Closeout;

    - Program Income;

    - Retention of and Access to Records;

    - Subrecipient Monitoring; and

    - Time and Effort Reporting

UDC COMPLIANCE WITH SPCP POLICY REQUIREMENTS

SPCP REQUIREMENT	RELEVANT UDC POLICY
1. Code of conduct	1. D.C. Government Ethics Act
2. Time and effort reporting	2. Time and Effort Reporting (revised)
3. Charging of costs under NSF awards	3. Allowable Costs; At-Risk Accounts; Direct Charging of Administrative and Clerical Costs; Cost Allocation; Cost Transfers; Equipment ; Program Income
4. Cost sharing	4. Cost Sharing
5. Sub-recipient charging	5. Subrecipient Monitoring
6. Reconciliation of accounting records	6. Financial Reporting and Closeout
7. Document management and retention	7. Retention of and Access to Records

SPCP REQUIREMENTS – TRAINING & FRAUD HOTLINE

- One-hour training for Relevant Employees and President, Provost, and Chairs ongoing through January 2015.

- Annual training to be conducted by the Office of Sponsored Programs, to include:

  - Awareness of all applicable laws, regulations, and standards of conduct expected to be followed with regard to NSF awards;

  - Consequences to the individual and the University from violation of such requirements;

  - Relevant award requirements;

  - University policies and procedures governing sponsored programs; and

  - Confidential Disclosure Compliance Program permitting anonymous reporting to the Office of the General Counsel any practices, procedures, or acts deemed by an employee to be inappropriate.

- The University is required to post on its website (e.g. Office of Sponsored Programs) an electronic version of the NSF Office of the Inspector General's fraud hotline poster.

SPCP REQUIREMENTS – SPCO

- The appointment of an SPCO is mandatory per the SPCP, and will function as a senior level administrator reporting to the President.

- The SPCO will manage the daily operation of the SPCP, and will have the chief responsibility of monitoring the University's internal controls to ensure compliance with all applicable Federal laws and regulations regarding the use and expenditure of NSF award funds.

- The SPCO will also chair a Sponsored Projects Compliance Committee that will be responsible for implementation of the SPCP, and whose members include: Office of Sponsored Programs, Office of Grants Administration/ Finance, Office of the General Counsel, Academic Affairs, and the PI community.

- The University is currently in the process of finalizing the position description and will thereafter begin the recruitment process.

SPCP REQUIREMENTS – ANNUAL REPORTING

- Beginning July 18, 2016, the University is required to submit the findings of an independent audit of the SPCP for four years.

  - Statement of Work is due to NSF 30 days prior to the initiation of the audit.

- Additionally, the SPCO is required to submit, in conjunction with those audit findings, a written report identifying deficiencies discovered and corrective actions take to address those deficiencies.

Sponsored Programs – Policies and Procedures

- JW – PLEASE FILL IN WHAT IS APPROPRIATE HERE

Sponsored Programs – Policies and Procedures (ctd.)

- Failure to follow the policies and procedures as noted may result in

    - Investigation by the grantor;

    - Debarment by the grantor;

    - Civil prosecution against the University under the Federal False Claims Act;

    - Civil prosecution against the individual(s) involved under the Federal False Claims Act; and

    - Disciplinary action up to and including termination.

QUESTIONS?