Module 8: Project Monitoring

Learning Objectives

✓ Understand the Definition of Project Monitoring
✓ Understand the Basic Principles of Project Management
✓ Understand the Applicable Agency Guidance
✓ Understand Howard Monitoring Policy
✓ Understand the Responsibilities of the PI and Department
Summary of the PI Certification Program

• Program that will ensure that principal investigators are aware of and follow the research policies and procedures of the University.
• Personnel from all units related to grants and contracts will be required to attend training, and;
• Principal Investigators will be made aware that failure to comply with regulations will result in the recommendation of sanctions by the Research Compliance Office.
• Research Education and Technical Assistance section within the Research Compliance Office, Sr. VP for Research and Compliance
Summary of the PI Certification Program

- There are **8 required modules** with other supplementary modules to be developed.
  
  - Module 1: Overview of the University Environment
  - Module 2: Cost Principles
  - Module 3: Cost Sharing
  - Module 4: Administrative Costs
  - Module 5: Direct Costs
  - Module 6: Property Management
  - Module 7: Cost Transfers
  - Module 8: Project Monitoring
Howard Responsibilities…
• “…validate that timely and appropriate corrective actions are implemented to address all audit report recommendations.”

In order to avoid…
• “If such an evaluation discloses that Howard has not implemented actions to establish effective management control over NSF grant funds, we recommended that NSF withhold additional funding until appropriate corrective actions are instituted.”

NSF Responsibilities…
• “Resolution shall be made within a maximum of six months after issuance of a final report…”
Module 8: Project Monitoring

**Project Monitoring**

- Focuses on an individual project
- Provides information to **improve the project as it develops** and progresses
- Information is collected to **help determine** whether the project is:
  - proceeding **as planned** and;
  - whether it is **meeting its stated goals and objectives** according to the proposed timeline
- Ideally, the evaluation design is **part of the project proposal**
- Data are examined on an ongoing basis to determine if current operations are **satisfactory or if some modifications** might be needed

**Source:** The 2002 User-Friendly Handbook for Project Evaluation
Module 8: Project Monitoring

Project Monitoring (cont.)

National Science Foundation
Division of Institution & Award Support
Updated: June 2005

Post Award Monitoring & Business Assistance Program Site Visit Review Guide

This document, Site Visit Review Guide, is a component of the BFA Award Monitoring and Business Assistance Program (AMBAP). It is prepared at the trainee level to provide detailed guidance on how to prepare for an On Site Post Award Monitoring and Business Assistance (Advanced Monitoring) visit, conduct the review, prepare the NSF report, and prepare the letter that will be sent to the NSF awardee institution after the review is completed. It applies to all NSF awards excluding contracts and awards specifically covered by the Facilities Management and Oversight Guide.

The AMBAP reviews assess awardee capability, performance, and compliance against the applicable elements that make up each award. For example,

- Administrative regulations and public policy requirements;
- Special and general terms and conditions, including those contained in the NSF program announcement/solicitation and grant or cooperative agreement, and the award letter.
Project Monitoring (cont.)

• Technical and Scientific
  – Deliverables
  – Scientific Merit
  – Schedule

• Financial and Administrative
  – Deliverables
  – Invoicing and Payment
  – Allowability and Consistency

• Subrecipient Monitoring
  – Technical and Scientific
  – Financial and Administrative
Module 8: Project Monitoring

Basic Project Management

1. What the RFP asked for
2. How the PI/PD understood it
3. How the project was proposed
4. How the PI/PD planned it
5. How the Dean understood it
Module 8: Project Monitoring

Basic Project Management (cont.)

6. Documented progress Month 1
7. Documented progress Month 6
8. How the Customer was billed
9. Final deliverable
10. What the sponsor really needed
Case Study Example

- The audit **objectives were** to evaluate whether:
  - Howard’s system of internal controls were adequate to properly manage, account for, and **monitor its NSF award funds** in accordance with Office of Management and Budget (OMB) and NSF grant requirements.
  - Howard costs charged on NSF grants are allowable, allocable, and reasonable in accordance with Federal cost principles and NSF award terms and conditions.
Module 8: Project Monitoring

Case Study Example

• “While Howard had issued some policies and procedures pertaining to some key aspects of Federal grants management over the years, an internal control process was not established for monitoring and/or evaluating administrative actions to ensure that established procedures were being implemented and effectively achieving sound Federal grants management objectives.”

• Howard also could not demonstrate that the $5,437,386 cost sharing it claimed on its subawards benefited NSF.

• Howard did not have adequate documentation to support the claimed subawardee cost sharing and the applicable Howard subaward agreements mistakenly did not include any provisions legally requiring the cost sharing or specifying the dollar amount of the cost sharing required.
Case Study Example

• In particular, Howard did not have a monitoring process in place to assess and evaluate whether established University cost sharing procedures were being implemented.

• While Howard had issued a Policy For Cost Sharing in July 1999 requiring that “All cost shared expenditures of a sponsored project must be properly recorded and reported in the University’s accounting system… [and] be recorded in dedicated cost sharing accounts,” these procedures were never implemented.

• We found no evidence that Howard initiated any actions to rectify the problem that its accounting system did not have the capability for tracking and linking its cost shared expenses to specific Federal grants.

• Similarly, the lack of management oversight resulted in Howard not maintaining adequate documentation to support the $12.3 million of claimed NSF cost sharing.

Source: NSF OIG Audit Report No. 06-1-008
Howard University – 3/2006
Applicable Agency Guidance – NSF

- Grantee Responsibilities - A grantee has full responsibility for the conduct of the project or activity supported under an NSF grant and for the results achieved.
  - The grantee should monitor the performance of the project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms of the grant
  - Each grantee organization shall agree to comply with the applicable Federal requirements for grants and to the prudent management of all expenditures and actions affecting the grant.
  - Documentation for each expenditure or action affecting the grant shall reflect appropriate organizational reviews or approvals, which should be made in advance of the action.

Source: NSF Award Administration Guide, NSF 07-140, June 2007
http://www.nsf.gov/pubs/policydocs/papp/aag_2.jsp
Applicable Agency Guidance – NSF (cont.)

- Organizational **reviews are intended to help** assure that expenditures are allowable, necessary and reasonable for the conduct of the project, and that the proposed action:
  - (i) is **consistent** with grant terms and conditions;
  - (ii) is **consistent** with NSF and grantee policies;
  - (iii) represents **effective utilization** of resources; and
  - (iv) does **not constitute** a change in objective or scope.

*Source: NSF Award Administration Guide, NSF 07-140, June 2007*
http://www.nsf.gov/pubs/policydocs/papp/aag_2.jsp
Applicable Agency Guidance – NSF (cont.)

- Notwithstanding these responsibilities, **NSF continues to encourage communication** between NSF program officers and PI/PDs on the progress of projects supported by NSF as well as on project changes.

- NSF, through authorized representatives, **has the right, at all reasonable times**, to make site visits **to review project accomplishments, grantee management control systems and administration and management of the grant** and to provide technical assistance as may be required.

*Source: NSF Award Administration Guide, NSF 07-140, June 2007*

http://www.nsf.gov/pubs/policydocs/papp/aag_2.jsp
Applicable Agency Guidance – NIH

- Grantees are responsible for managing the day-to-day operations of their grant. To fulfill their role in regard to the stewardship of federal funds, NIH awarding offices monitor grants to identify potential problems and areas where technical assistance might be necessary. This active monitoring is accomplished through review of reports and correspondence from the grantee, audit reports, site visits, and other information available to NIH.

- Applicant organizations are required to have financial systems in place to monitor their grant expenditures. NIH monitors grantee expenditures under individual grants within each budget period and within the overall project period.

Source: NIH Office of Extramural Research, Award Management
http://grants.nih.gov/grants/managing_awards.htm#post
Applicable Agency Guidance – NIH (cont.)

- The funding that NIH provides for each budget period is based on an assessment of the effort to be performed during that period and the grantee’s associated budget, including the availability of “un-obligated” balances.

- NIH expects the rate and types of expenditures to be consistent with the approved project and budget and may question or restrict expenditures that appear inconsistent with these expectations.

- The Grants Management Specialist (GMS) reviews grantee cash expenditure reports to determine whether they indicate a pattern of accelerated or delayed expenditures.
Applicable Agency Guidance – NIH (cont.)

- Expenditure patterns are of particular concern because they may indicate a deficiency in the grantee’s financial management system or internal controls.
- Accelerated or delayed expenditures may result in a grantee’s inability to complete the approved project within the approved budget and period of performance.
- In these situations, the GMS may seek additional information from the grantee and may make any necessary and appropriate actions.

Source: NIH Office of Extramural Research, Award Management
http://grants.nih.gov/grants/managing_awards.htm#post
Howard Monitoring Policy

- **600-012 Cost Sharing**
- **600-013 Subcontract Execution and Approval**
- **600-014 Subrecipient Monitoring**
- **600-015 Direct and Indirect Cost Charging**
- **600-016 Prior Approval**
- **600-017 Effort Reporting**
- **600-018 Personnel Issues in Sponsored Programs Hiring**
- **600-019 Student Stipends and Tuition Reimbursement**
- **600-020 Budget Revisions**
- **600-021 Sponsored Program Purchasing**
Howard Monitoring Policy (cont.)

- 600-022 Service Centers
- **600-023 Subrecipient Invoice Review**
- 600-024 Sponsored Programs Internal Controls
- 600-025 Cash Management
- 600-026 Program and Interest Income
- 600-027 Residual Funds
- 600-028 Sponsored Program Equipment Management
- **600-029 Cost Transfers**
- 600-030 Sponsored Programs Accounting Adjustment
Howard Monitoring Policy (cont.)

- 600-031 Invoicing and Letter of Credit
- 600-032 Accounts Receivable
- 600-033 Management Reporting
- 600-034 Sponsored Programs Record Retention
- 600-035 Dissemination of Audit Results
- 600-036 Financial Status Reporting
- 600-037 Award Close-Out
- 600-009 Howard University Intellectual Property
- 600-010 Export Controls and Embargoes
- 600-011 Principal Investigator Transfer
Howard Monitoring Policy (cont.)

- 600-002 Sponsored Programs Conflict of Interest
- 600-003 Proposal Development and Submission
- 600-004 Institutional Committee Approval

Source: HU Research Policies
http://ovprc.howard.edu/resources/policies.html
Responsibilities of PI and Department

- Grantee Responsibilities - A grantee has **full responsibility for the conduct of the project** or activity supported under an NSF grant and for the results achieved.
  - The grantee should **monitor the performance** of the project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms of the grant.
  - Each grantee organization **shall agree to comply** with the applicable Federal requirements for grants and to the prudent management of all expenditures and actions affecting the grant.
  - Documentation for **each expenditure** or action affecting the grant shall reflect appropriate **organizational reviews or approvals**, which should be made **in advance** of the action.

*Source: NSF Award Administration Guide, NSF 07-140, June 2007*

http://www.nsf.gov/pubs/policydocs/papp/aag_2.jsp
Module 8: Project Monitoring

Helpful Links, Materials and Other Resources

Module 8: Project Monitoring

Helpful Links, Materials and Other Resources

- NSF Award Administration Guide, NSF 07-140, June 2007
  https://www.nsf.gov/pubs/policydocs/papp/aag_2.jsp
- NIH Office of Extramural Research, Award Management
  http://grants.nih.gov/grants/managing_awards.htm#post