

# Principal Investigator Handbook

The purpose of this handbook is to provide Principal Investigators (PIs) at the lakeside campuses with an overview of common grant related policies and procedures. Please contact the Office of Research Services (ORS) or Sponsored Program Accounting (SPA) for topics not addressed in this handbook.

## Advance Account Preaward Costs

The phrase "preaward costs" has two meanings:

1. You need to incur costs before the start date of an award.  
[Many federal awards allow expenditures to be charged up to 90 days before the start date of the award. Contact ORS to see if preaward costs in this sense will be allowed.]
2. You need to incur costs after the start date but before the dually executed agreement been received by LUC.

In either case the procedure is the same complete (or ask your business manager to complete) the

days after the end of the reporting period. The reporting periods are as follows: June to August – sent by December 31; September to December – sent by April 30; January to May – sent by September 30. PIs must review, sign, and return effort certification reports within three weeks or risk inactivation of their grants. The Effort Certification Policy can be found at: [http://www.luc.edu/media/lucedu/sponsoredprogramaccounting/pdfs/LUC\\_Effort\\_Certification\\_Reporting\\_Policy.pdf](http://www.luc.edu/media/lucedu/sponsoredprogramaccounting/pdfs/LUC_Effort_Certification_Reporting_Policy.pdf)

#### Documenting Cost Share and Matching

Any University resources used to accomplish the work on the grant, but not reimbursed by the grant, is considered “cost share.” When such resources are provided by a third party, they are generally known as “matching.” Cost sharing/matching is explicitly required when the terms of the grant so state; cost sharing/matching is implicitly required when the proposal budget promised cost share/matching and that proposal is incorporated in the award by reference. In either case, the University must document that the cost share/matching requirement was met. In most cases, SPA will rely on the PI to provide such required documentation, so it is incumbent on you to keep careful and detailed records of any resources used to accomplish the work on the grant but not reimbursed by the grant. Please see additional Cost Share and Matching at: <http://www.luc.edu/ors/costsharingmatchingfunds.shtml>

#### Unallowable Costs

Grant funds must be spent in ways that are consistent with the terms of the award, so you will need to familiarize yourself with the terms of the award. As a general rule of thumb, a cost has to provide benefit to the grant-funded project, be reasonable in amount and kind, be properly documented, and not be considered unallowable by the sponsor or the federal government. Loyola’s Unallowable Cost Policy can be found at: [http://www.luc.edu/media/lucedu/sponsoredprogramaccounting/pdfs/unallowable\\_cost.pdf](http://www.luc.edu/media/lucedu/sponsoredprogramaccounting/pdfs/unallowable_cost.pdf)

business manager will assist in the timely preparation and processing of PAFs. The PAF is located here: [http://www.luc.edu/hr/online\\_forms.shtml](http://www.luc.edu/hr/online_forms.shtml) University policy governing Faculty Salary Charges on Externally Funded Projects located here: <http://www.luc.edu/ors/facultysalary.shtml>

### Graduate Research Assistants

Students in the Graduate School in an MA or PhD program, and who have ~~vernal~~ status with a 9 month stipend of at least \$14,000 paid by an external grant/contract are eligible to receive tuition remission paid by the ~~university~~ up to 18 credit hours. Graduate students who have full time status with a 12 month stipend of at least \$16,000 paid by an external grant/contract are eligible to receive tuition remission paid by the ~~university~~ up to 21 credit hours. Such tuition costs are partially covered by means of the applicable graduate student fringe benefit rate used in the grant/contract budget (see <http://www.luc.edu/ors/facostrates.shtml>). This rate also partially covers health insurance costs. Once an award is made and an accounting unit is established, a merit award application must be submitted to the Graduate School by the Graduate Program Director for each supported graduate ~~student~~. For any graduate student with less than ~~partial~~ status, contact your Research Administrator to determine the applicable fringe benefit rate(s). The tuition and health insurance ~~fringe benefit charges~~ are booked quarterly to the grants and can then be viewed on WebFOCUS reports.

### Purchases

Most buying on a grant should be accomplished using Purchase Requisition ~~and~~ working through the Purchasing Department (see [http://www.luc.edu/purchasing/purch\\_policy.shtml](http://www.luc.edu/purchasing/purch_policy.shtml)). Note that aggregate purchases of \$5,000 or more require the use of competitive bidding procedures; the Purchasing Checklist and Bid Summary Form (at [http://www.luc.edu/media/lucedu/purchasing/pdfs/purchasing\\_checklist.pdf](http://www.luc.edu/media/lucedu/purchasing/pdfs/purchasing_checklist.pdf)) is used for this purpose. In certain circumstances, it may be appropriate to use a ~~university~~-issued credit card (see "Procard" section) or a Payment ~~Check~~ Requisition (see <http://www.luc.edu/finance/checkreqinstr.shtml>). Forms for these purposes may be found at <http://www.luc.edu/finance/forms.shtml>

### Consulting Agreements

If, in order to accomplish the goals of a grant

## Subcontracts

If, in order to accomplish the goals of a grant-funded project, you need an outside organization to perform part of the work, then a subcontract with that organization would be the normal route via an agreement generated by ORS. Often the subcontracted work will be performed by a colleague at another university using that university's resources, in which case the subcontract agreement would be between Loyola and that other institution. If you need a colleague at another institution to provide expert advice on your project and the colleague won't be using the resources of their own institution, then a consulting agreement could be used instead of a subcontract. Only the first \$25,000 of a subcontract is included in the base on which any indirect ("F&A") charges are calculated. You are responsible for ensuring that the work to be done by the subcontractor was actually done and in a satisfactory manner, an activity known as "subrecipient monitoring." The way you will do this is by reviewing and approving requests for payment submitted by the subcontractor (SPA is responsible for processing the payment). Additionally, when Loyola is the prime recipient of a grant award and issues a subcontract to another institution, the investigator from that institution will be required to provide an annual progress report to the PI and the department. The report will serve as the official documentation that the work stated has been performed, and it will also support the invoices that are submitted during the course of the funding period.

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### Travel

Travel—especially foreign travel—is the kind of cost that might need approval in advance from the sponsor if it is not already in the approved grant budget; check with your Research Administrator. Generally speaking, travel costs must conform both to the grant terms and to University policy at <http://www.luc.edu/finance/expensepolicy.shtml>. Most federal awards are subject to the Fly America Act, which, with limited exceptions, mandates the use of U.S. flag carriers or code share carriers for all air travel. All domestic travel and international travel under 8 hours must be economy class without any upgrades such as early check-in, extra legroom seats, travel insurance, etc.

### Procards

Policy and procedures for Procards are found at [http://www.luc.edu/finance/procard\\_policy\\_and\\_procedure.shtml](http://www.luc.edu/finance/procard_policy_and_procedure.shtml). Note that you will be expected to keep receipts, review and approve Procard charges online at <https://www.pncactivepay.com/>. For any additional questions or to schedule a brief training session, email ProCard Administration at [ProCardAdmin@luc.edu](mailto:ProCardAdmin@luc.edu).

### Facilities and Administrative (F&A) Costs

F&A costs will be automatically charged on your grant at the close of the month in accordance with the grant terms and budget based on expenses that were incurred on the grant during the month. When there are budget changes in line items between “base” and “base” categories, where “base” refers to the base on which the F&A costs are applied, the corresponding F&A budget will also need to be adjusted accordingly. For example, if \$5000 in equipment was originally budgeted, but the equipment was not needed and extra supplies were required, the amount that would be available to transfer from equipment to supplies would likely be less than \$5,000 since supplies are subject to application of the F&A rate while equipment greater than \$5,000 is not.

### Invoicing

SPA is responsible for submitting requests for payment to sponsors, when required, and for preparing cash drawdown of funds on federal grants. SPA also follows up on overdue payments.

### Using Human Subjects, Laboratory Animals, Hazardous Materials

Before you can use human subjects, laboratory animals, or potentially hazardous biological agents, you must receive approval from the relevant review committee (IRB, IACUC, IBC). For extensive information and g



Closeout of the Grant  
Six weeks and two