



# Systematically Ensuring Integrity in the Research Environment

---

Southern Section of the Society of Research Administrators  
March 1, 2005

Peggy Fischer, Ph.D.  
Associate Inspector General, Investigations  
Office of Inspector General, National Science Foundation

# A Partnership

- **The Agency** (National Science Foundation)
  - OIG
  - Program Officers
  - Grants Officers
- **Institution Officials**
  - Administrative
  - Financial
  - Education
- **Researcher**
  - Students
  - Colleagues
  - Postdocs
  - Administration



# NSF's Commitment

- Clear articulation of rules/expectations
- Timely notification
- Responsiveness
- Limit bureaucracy
- Coordination between agencies
- Balance compliance, institution responsibility and latitude, reduction of bureaucracy
- Numerous opportunities for funding (CAREER, REU, Fellowships, SGER, etc)

# Expectations



- **Certifications/Obligations to the Federal Government**
- **Reasonable, allowable, allocable, consistent, verifiable**
- **Conduct the funded work**
- **Adhere to laws, regulations, and policies**
- **Documentable process**
- **Trained responsible individuals**
- **Rules apply to:**
  - **Employees**
  - **Sub-contractors, Suppliers, or Affiliated Researchers**
  - **International collaborators, SBIRs**

# NSF's Office of Inspector General

- **Provide leadership; coordinate and recommend policies necessary to:**
  - Prevent and detect fraud, waste, abuse
  - Promote economy, efficiency, effectiveness
- **Features:**
  - Independent of agency management
  - Jurisdiction (NSF activities, programs, operations)
  - Staff of experts: administrators, attorneys, auditors, criminal investigators, and scientists

Responsible for ensuring the integrity in NSF's programs and operations

# Institution Commitment



## ■ Overall

- Financial and administrative system to manage projects and staff
- An environment in which employees can operate with integrity

## ■ Proposal

- Certification to comply with terms and conditions

## ■ Award

- Responsibility for administrative, financial, and research management and oversight (e.g. Article 1, GC-1)

# Researcher Commitment

**Overall -- Uphold ethics and standards of community**

## ■ **Proposal**

- Develop a proposal that responds to the review criteria
  1. Intellectual Merit of Proposal
  2. Broader Impacts of Activity / Education and Training
- Know and adhere to the rules, regulations, and ethics

## ■ **Award**

- Conduct the funded activity
- Know and adhere to rules, regulations and ethics
- Ensure compliance and education of staff, students



# Considerations

- A submission to NSF must be of the **highest level of scholarship; citations, co-authors, data accuracy**
- A sound, innovative research proposal
- Accuracy of NSF submissions / certifications
- Completeness of research oversight approvals (human subject, animal, materials)
- Oversight of financial and administrative responsibilities
- Accuracy of Current and Pending Support / Biographical Sketch / Annual and Final Reports
- Ensuring peer review confidentiality
- Compliance with misconduct policies and materials



# NSF's Requirements



- The **awardee has full responsibility** for the conduct of the project or activity supported under this award and for adherence to the award conditions. Although the awardee is encouraged to seek the advice and opinion of NSF on special problems that may arise, such advice does not diminish the awardee's responsibility **for making sound scientific and administrative judgements** and should not imply that the responsibility for operating decisions has shifted to NSF.
- By accepting this award, the awardee agrees to **comply with the applicable Federal requirements** for grants and cooperative agreements and to the **prudent management** of all expenditure and actions affecting the award.

Reference: NSF's Grant General Conditions, Article 1.

# Key Risk Areas

Strategic / Operational/ Reputational

Operational Considerations:

- Administration

- Finance

- Research



# Administrative

- Conflict of Interest
- Research Misconduct
- Lobbying
- Patent Disclosure (Bayh-Dole Act)
- Training Requirements
- Original Work
- Current and Pending Support Information
  - time and effort (% to each project not > 100%)
  - 2/9<sup>th</sup> rule limiting summer salary
- Records Retention (financial, research, other)
- Equipment use and sale
- Debarment, Drugfree workplace, EEO

# Financial Management

- Internal Systems Management
  - In NSF Grant Conditions
  - In OMB Circulars
- Contracts and Subcontracts
- Cost Sharing
- Program Income (research and conference grants)
- Rebudgeting
- FCTRs/Annual and Final Reports
- Equipment
- Time and Effort Reports

# Research Management Spotlight

- Human Subjects Review (IRB)
- Animal Welfare (IACUC)
- Radiation Safety
- Biosafety (Recombinant DNA and other issues)
- Collection Permits
- Variety of Environmental Permits
- Data Sharing, Sample Sharing



# Research Management (cont'd)

- Change or Absence of PI
- Current and Pending Support Information Duplicate Proposal Submission to other agencies, to NSF
- Progress and Final Reports
- Bioterrorism Preparedness and Response Act, 2002 (Agents, Toxins --- human, animal, or plant)
- Enhanced Border Security Act (student registration)

# Institutional Compliance



## 7 elements of a good compliance program

- 1) Reasonable Compliance Standards and Procedures
- 2) Specific High-level Personnel Responsible
- 3) Due Care in Assignments with Substantial Discretionary Authority
- 4) Effective Communication of Standards and Procedures

# Institutional Compliance

- 5) Establish Monitoring and Auditing Systems **and** Reporting System (Whistleblowing without fear of Retaliation)
- 6) Consistent Enforcement of Standards through Appropriate Mechanisms (including failure to detect)
- 7) Respond Appropriately to the Offense (reporting to law enforcement, modify program, prevention)



# Oversight and Monitoring

- Balance compliance, awardee responsibility with latitude, reduction of bureaucracy
- Oversight
  - Audits and reviews (A-133, agency, OIG)
  - Inspections or site visits (agency or OIG)
  - Civil and criminal investigations (OIG)
  - Administrative investigations (OIG)
  - Proactive reviews from investigations (OIG)



# Education Prevention and Integrity



- Focus on Integrity: People and Attitude
- Integration of Process, Documentation, and Education
- Integrity of system ensuring comprehensive oversight
- Specific oversight programs, responsibilities
  - committees function and are properly convened
  - document work
- Training programs for managers, researchers, support staff, and oversight staff
- Partnership and communication between Awardee research, administrative, compliance staff and Agency

# Specific Risk Areas

- Parking Charges?
- Double Charging?
- Questionable PI Effort Allocations?
- Unspent Grant Funds?
- Staff too thin?
- Lack of training?
- Lack of independent or oversight?
- Absence of UP-TO-DATE policies and procedures? (COI)

Tailor your program to reduce your risk

# Consequences of Significant Errors

- ✓ Special Oversight/Review Status
- ✓ Administrative Sanctions
- ✓ Suspension or Termination of Awards
- ✓ Civil/Criminal Violations
- ✓ Suspension/Debarment/Exclusion
- ✓ Corrective Action Plans
- ✓ Compliance Plans
- ✓ Fines, Penalties
- ✓ Exceptional Status



May apply to either awardee or PI

# Penalties

- \$15 M; overcharging IDC
- \$30 M, exceptional status and oversight program; misuse of federal grants
- \$12 M; overbilling
- \$650,000; research fraud and abuse
- \$.5M; Sexual harassment
- \$1.2M inflated research grant costs
- \$150,000 and 5-year compliance program, misuse of federal funds

# Let's Talk About

- Managing the Process
- Cost Sharing
- Program Income
- Effort Reporting
- Subrecipient Monitoring
- Participant Support
- Signature Responsibilities

# Managing Integrity in the Award and Proposal System



Division of Sponsored Research  
Proposal Review and Certification Form

For DSR use only.  
Date Received:  
Due Date:  
Postmark  Receipt   
ID#:

PROJECT TYPE

Competitive Renewal  Continuation  New Proposal  Pharmaceutical Contract  Supplemental Request

Account Number, if continuation: | Date Proposal Submitted to Sponsor: | Previous Proposal Number, if any:

INVESTIGATORS

PI Name | PI SSN | PI Phone | PI Fax | PI E-mail Address

Department Receiving Credit for Award: | PI's Mail Point:

Other Contact (not PI): | Contact's Phone: | Contact's Fax: | Contact E-mail Address:

Co-PI Name | Co-PI Phone | Co-PI Fax | Co-PI E-mail Address

(For additional Co-PIs, attach an additional sheet. List employees only.)

SPONSOR

Sponsor/Agency Name:

Agency Program:

Sponsor Contact: | Title:

Address:

City: | State: | Zip:

Phone: | Fax: | E-Mail:

Funding Source:  Federal Funded  State Funded  Local Government  For-Profit Corporation  
 Nonprofit Organization  Non-University Related  Other

Project Title:  
\*Note: For projects requiring IRB or IACUC approval, the project title entered here must be the same as what appears on your IRB or IACUC application.

INITIAL BUDGET PERIOD | PROJECT PERIOD | UNIVERSITY COMMITMENT

From: 08/01/00 To: 07/31/01 | From: 08/01/00 To: 07/31/03 | Tuition: Graduate Assistant stipends/salaries are requested.  Yes  No. If yes, tuition and fees should also be requested. If yes, and tuition/fees not requested, please explain:

Direct Costs: | Direct Costs:

Indirect Costs: | Indirect Costs:

Total Costs: | Total Costs: | Additional Compensation/Overload?  Yes  No

Indirect Costs: | Indirect Costs: | Will this project generate subcontracts?  
 Yes  No

Full Federal Indirect Costs?  Yes  No. If no, state reason:  
Program requirement (14% maximum)

Additional Space and/or Facility Requirements for this Project?  Yes  No. If yes, please describe:

Layman's Description:

FOR FEDERAL AND FEDERAL FLOW-THROUGH AWARDS ONLY:

Yes  No Budget request includes salary for clerical and administrative staff, postage, local telephone service, office supplies, general purpose software, subscriptions, and/or memberships. If yes, you must include special justification in budget narrative in order to comply with federal cost accounting standards (OMB Circular A-21).

Cost-Sharing

Cost-Sharing? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Required:	% or Voluntary:	%	
First-Year Commitments:	Department	College/Area	DSR	Total
Salary & Fringe Ben.	\$	\$	\$	\$
OCO	\$	\$	\$	\$
Expense	\$	\$	\$	\$
Indirect Costs	\$	\$	\$	\$
Total	\$	\$	\$	\$

Approvals

Biohazards	Radioactive Materials	Human Subjects	Laboratory Animals
<input type="checkbox"/> Recombinant DNA	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Infectious Agents	NO COMPLIANCE <input type="checkbox"/> Exempt <input type="checkbox"/> Expedited		Status:
<input type="checkbox"/> Toxins	SERVICE APPROVAL <input type="checkbox"/> REQUIRED		Approval Date:
Status:	Status:	Status:	IACUC No.:
Approval Date:	Approval Date:	Approval Date:	Will data support an FDA submission? <input type="checkbox"/> Yes <input type="checkbox"/> No
Number:	Number:	IRB No.:	

Conflict of Interest Certification

Do any participating faculty, staff, or students (or their spouses or dependent children) have any financial interest such as royalty, equity, or any other payments (e.g., consulting, salary, etc.) in the sponsor or other entities having a financial interest in intellectual property, products or services that are the subject of the proposed research?  Yes  No. If yes, provide a completed Financial Interest Disclosure form to your chairperson. Financial Interest Disclosure forms can be obtained from DSR or under Conflict of Interest ( ... 0-309) at <http://www.research.edu/vpr/rpgo.htm>.

If yes: (1) Does/will any equity interest exceed \$10,000 in current value or exceed 1% ownership interest, or (2) do/will aggregate annual payments for royalty and other payments (e.g., consulting, salary, etc.) exceed \$10,000?  Yes  No

UNIVERSITY ENDORSEMENTS: The attached project has been examined by the officials whose signatures appear below. The principal academic review of the project is the responsibility of the Department (Center/Institute) and College. These signatures indicate that the signers are familiar with the project and are satisfied with and responsible for all commitments in the project as they relate to their areas (space/personnel/financial/etc).

EMPLOYER'S AFFIDAVIT: I, the undersigned, do hereby certify that I am not delinquent on any federal debt; 2) I am not presently receiving, expecting, proposing to accept, or have accepted or voluntarily excluded from current transactions by any federal department or agency; 3) I have not and will not lobby any federal agency on behalf of this award; 4) I am aware and agree to abide by the USF Drug Free Workplace policy; 5) I am familiar with and will adhere to ... policies, including, but not limited to, human and animal research, conflict of interest, misconduct in research, and patents and technology transfer; 6) I agree to be bound by the terms and conditions of the outside grant or contract that supports this proposed activity and, in consideration of the information and facilities made available to me by ... or the outside sponsor, to assign copyright and patent rights to ... in accordance with the terms and conditions stated in my employment contract.

Principal Investigator	Date	Chairperson	Date	Dean	Date
Co-Principal Investigator	Date	Chairperson	Date	Dean	Date
Co-Principal Investigator	Date	Chairperson	Date	Dean	Date
Co-Principal Investigator	Date	Chairperson	Date	Dean	Date

(For additional Co-PIs, attach an additional sheet. For employees only.)

Clinics or Affiliates:	Pharmaceutical Study:	Cancer Center:			
Authorized Official	Date	Vice President, Medical Affairs	Date	Director, Research Admin.	Date

Electronic or Paper Format  
Ensure coordinated reviews and approvals



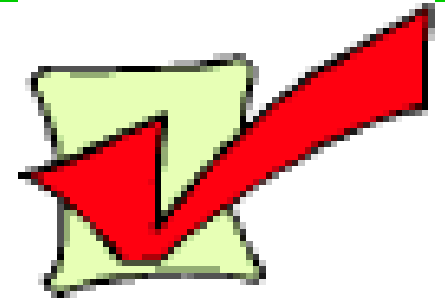
# Issues and Information

- ✓ Internal Proposal Review and Sign off
- ✓ Award Performance and Financial Monitoring
- ✓ Key Documents and Information
  - Circulars, Regulations, Policies
  - GC-1, FDP, Special Conditions
  - Grant Proposal Guide
  - Grant Policy Manual
  - Specific Announcement or Solicitation Guidance
  - Program Officer, Grants Administrator
  - NSF Web site [www.nsf.gov](http://www.nsf.gov)

# Cost Sharing and Program Income

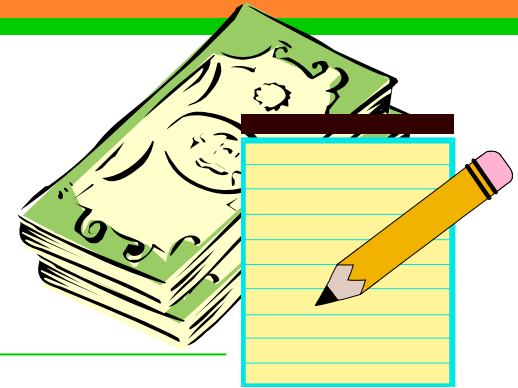


# Allowable Cost Sharing



- verifiable.
- a specific contribution for only one federally-assisted project.
- necessary and reasonable for project objectives.
- allowable under the applicable cost principles.
- not paid by the federal government under another award, except where authorized.
- provided for in the budget (NSF's line "M").

# Program Income



Program income means **gross income** earned by the awardee that is directly generated by a supported activity or earned as a result of the award

Must be received or accrued during the period of the award and added to the funds committed to the project by NSF and used to further project objectives

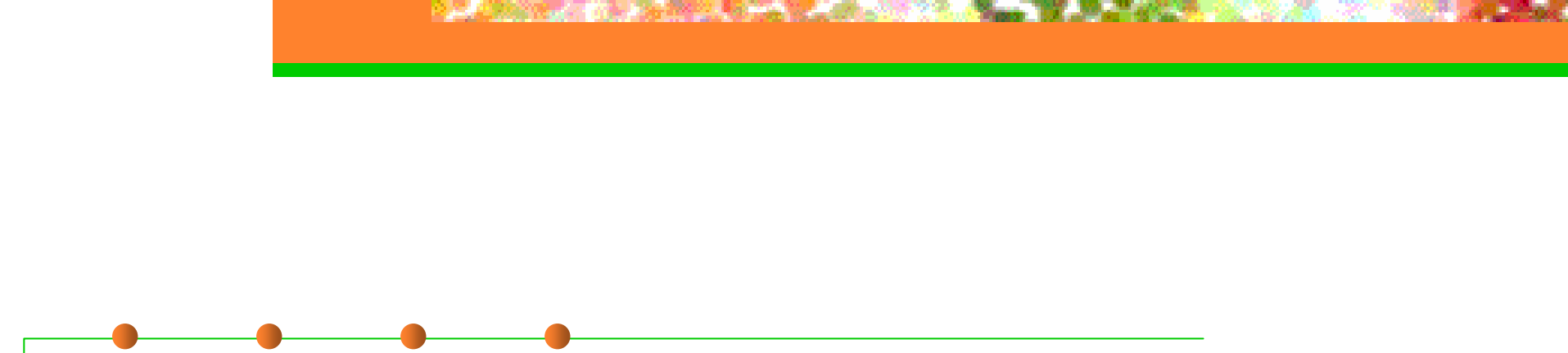
Conference grants have no time limit on income and income is used to offset NSF contribution



# What we found

- Unreported
- Spouses
- Liquor
- Unnecessary items
- Federal employees
- Grantee employees
- Excessive travel

# Effort Reporting



- 
- Total compensation is reasonable and is not included as indirect costs
  - **Academic Year Salaries** are based on regular compensation
  - **Outside Academic Year Salary** may not exceed the base salary divided by the number of months in the period for which the base salary is paid.
  - **Summer Salary** may not exceed two-ninths of the academic year salary aggregated over all NSF awards

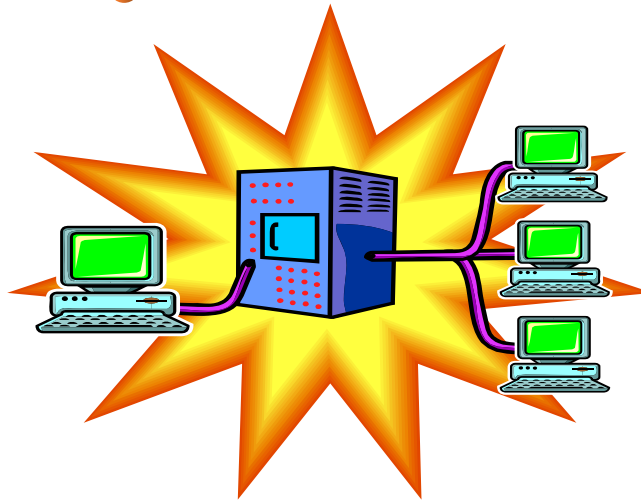
- 
- 
- **Extra Compensation Above Base Salary** only for education projects where specifically approved by NSF.
  
  - **Sabbatical Leave Salary** must be approved by NSF and be
    - proportional to the service rendered;
    - in accordance with established institutional sabbatical policies
    - may not exceed the individual's base salary

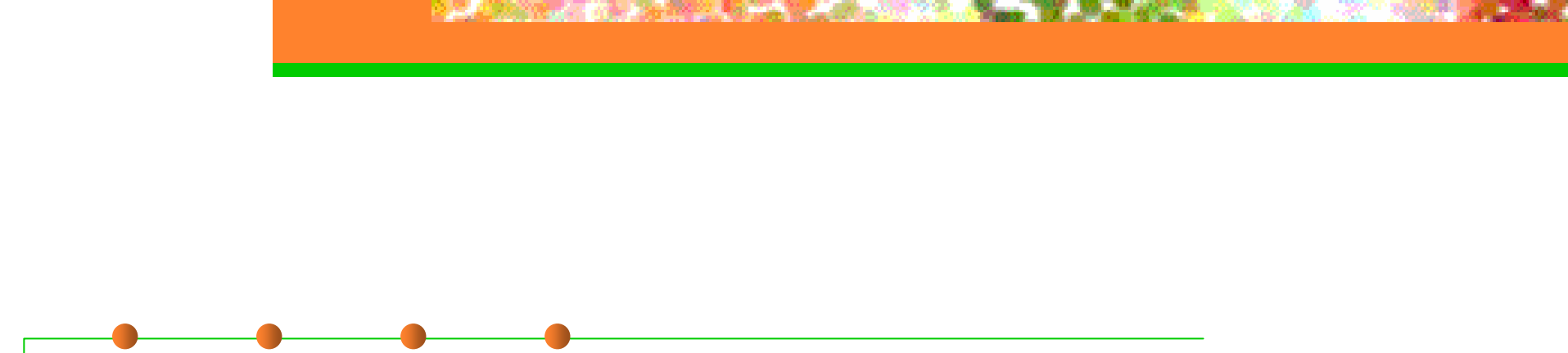


# Effort Reporting

- Current and Pending Support
- Summer Salary
- No one can work more than 100% of their time
- Must be after the fact certification
- Two signatures (individual and reviewer)
- No whiteout

# Subrecipient Monitoring



- 
- No significant part of the research or substantive effort under an NSF grant may be contracted or transferred without prior NSF authorization.
  - The grantee shall submit
    - a clear description of the work to be performed;
    - the basis for selection of the subawardee); and
    - a separate budget for each subaward.
  - If NSF approves award will be amended
  - Grantees shall ensure conditions flow down to all subawardees

# NSF Expectations

- An effective system for monitoring subrecipients; consider:
  - program complexity, dollar amount, percentage passed through
  - subrecipient (contract) vs. vendor (purchase order)
  - Nature of deliverable (a thing, research, a service)
  - fixed price vs. cost reimbursement.
  - Type of subawardee
- Technical, Financial, and Compliance reviews
- Comply with applicable A-133 subparts
- Comply with applicable A-110 parts

# Participant Support



# Be aware of the rules

- Use caution when supporting employees
- Use caution when supporting federal employees
- Direct costs of stipends, subsistence or travel allowances and registration fees
- Direct costs of dissemination and sharing of research results and publication / distribution of grant materials.

# Participant Support Costs

- Reduced indirect cost recovery
- Do not use for supplies
- Keep documentation
- Monitor subcontracts

TO REBUDGET OBTAIN **PRIOR** APPROVAL  
FROM PROGRAM OFFICER

# Cautions:

- Funds may not be used for other purposes without the **specific prior written approval** of the cognizant NSF
- Awardee must account for participant support costs separately.



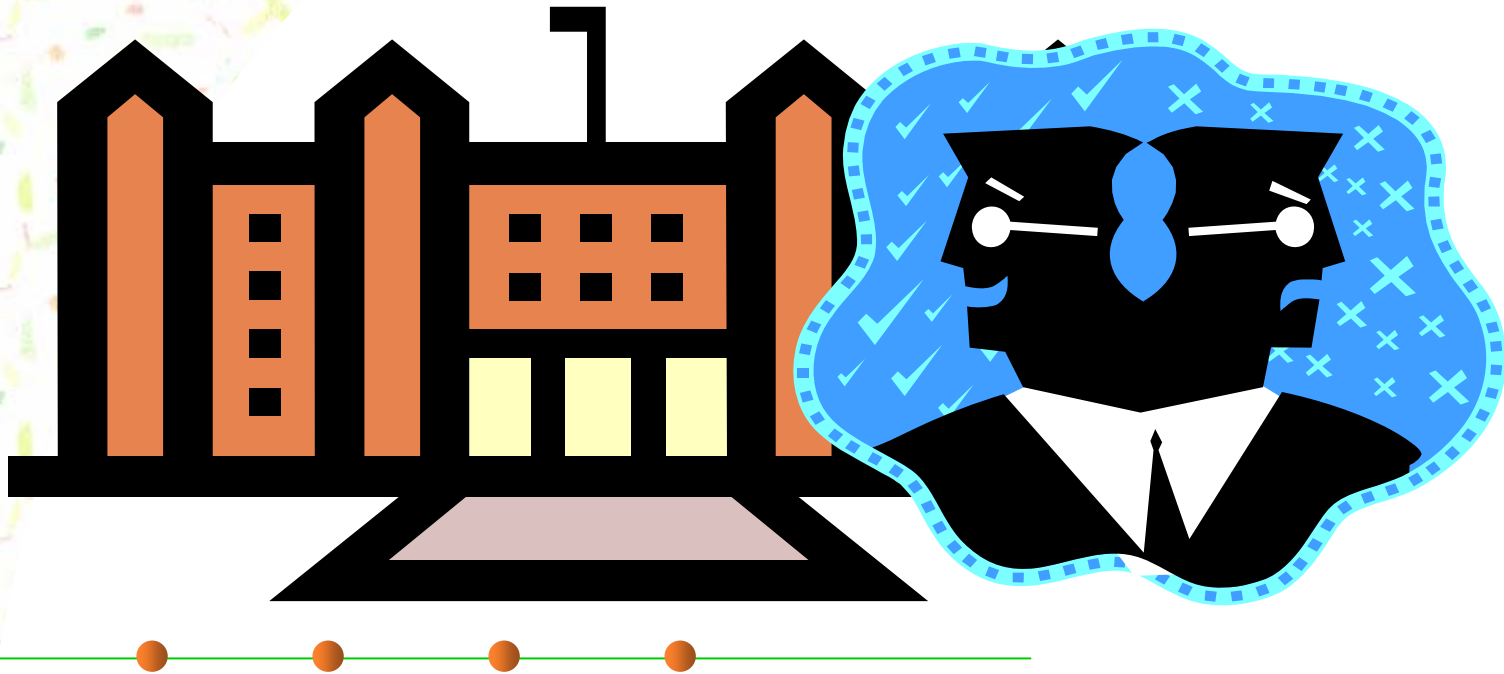
# Signature Responsibilities



# Proposal Signatures

- Compliance with award terms and conditions
- Accuracy and completeness of statements
- COI Policy
- Drug-Free Workplace
- Debarment and Suspension
- Lobbying (proposal >\$100,000)
- Certification (18 USC 1001)

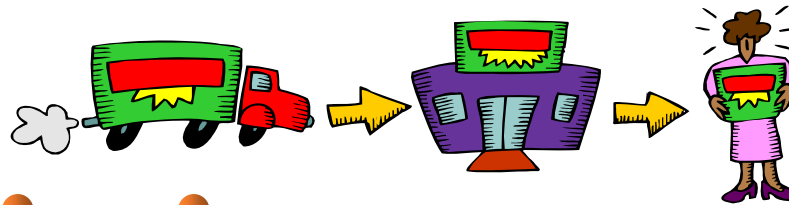




# Conflict of Interests

Institutional and Personal  
Financial and Commitment

# Process managed by Institution



- knowledgeable disclosures
- objective review by trained staff
- A signature, a date, an approval number, a responsibility warning
- incorporation with other review procedures
- disclosure of unmanaged situations to NSF
- Audit for compliance, proactive reviews

covers SBIRs, commitments other than financial

# Acting ethically may require that you choose among shades of gray



A well-structure compliance program can reduce your risk and guide your decisions

# References

- <http://oig.hhs.gov/fraud/complianceguidance.html>
- <http://www.usssc.gov/2003guid/CHAP8.pdf>
- <http://www.usssc.gov/corp/Murphy1.pdf>
- [http://www.usdoj.gov/dag/cftf/corporate\\_guidelines.html](http://www.usdoj.gov/dag/cftf/corporate_guidelines.html)
- Grant, G. Odell, G., and Forrester, R; Creating Effective Research Compliance Programs in Academic Institutions; **Academic Medicine**, Vol 74, No. 9, September 1999, p. 951.
- Jordan, K.S.; and Murphy, J.E.; Compliance Programs: What the Government Really Wants. Page 121.
- A variety of University web sites

# INTEGRITY STARTS WITH YOU!

If you are aware of, or suspect

➤ research misconduct

➤ fraud

➤ waste



➤ abuse

➤ Issues of economy or efficiency  
or if you just have questions,

Please contact the

**NSF Office of Inspector General**



- 
- 
- Internet: [www.nsf.gov/oig/oig.html](http://www.nsf.gov/oig/oig.html)
  - E-mail: [oig@nsf.gov](mailto:oig@nsf.gov)
  - Telephone: 703-292-7100 (Peggy x4889)
  - Anonymous: 1-800-428-2189
  - Write: 4201 Wilson Blvd. Suite II-705  
Arlington, VA 22230