

PROCEDURE NUMBER: FINA 3.00 Procedure

SECTION: Administration and Finance

SUBJECT: Sponsored Awards – PI Disengagement

DATE: November 1, 2024

REVISION:

Procedure for: All Campuses

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Procedure Statement:

The University Administration and Finance Division, Controller’s Office, will ensure compliance with University Policy FINA 3.00. This procedure is applicable to campuses, units, departments, centers, Principal Investigators (PIs), and administrators at the University who are involved with the initiation, administration, and conduct of sponsored awards. The purpose of this procedure is to supplement the associated policy by providing additional detail and guidance on PI disengagement.

A. Overview of PI Disengagement

According to 2 CFR 200.308, prior approval from the awarding agency is required when there is "disengagement from the project for more than three months, or a 25% reduction in the time devoted to the project by the approved project director or principal investigator."

The Uniform Guidance recognizes that a PI can be absent from campus yet remain engaged with the project; however, when a PI becomes disengaged as defined by federal regulation, appropriate actions must be taken. Examples of PI disengagement include, but are not limited to:

- Absence due to termination, suspension, or death
- Significant reduction in effort on the project
- Less than weekly contact with project personnel

When disengagement occurs, the department must take prompt action to ensure compliance and avoid risks related to continued funding.

B. Notification of PI Disengagement

The PI or department must promptly notify the Office of Sponsored Awards Management (SAM) of the PI's disengagement and the designation of a new PI.

This notification must be written and include the following details:

- Sponsor, Project Number, and Project Name: Clearly identify the project and the sponsor funding the project.
- Initial PI's Name and Rationale for Disengagement: Provide the background for the disengagement (e.g., termination, death, reduced effort, etc.).
- New PI's Name and Designation: Include the name of the new PI taking over the project and provide a rationale for the change.
- Dean Approval: Include the approval of the Dean of the college/school, confirming both the new PI's responsibilities and the department's acceptance of the changes.

If there is an ongoing need for the project to continue, the department must request that the project be put on risk with the newly assigned PI listed. This will allow for continued expenses to post to the project while waiting for sponsor approval.

If the sponsor does not approve the PI change and instead terminates the project, the department will assume responsibility for any expenditures incurred during the period awaiting sponsor approval and those costs will need to be covered by a non-sponsored departmental account.

C. Roles and Responsibilities

The responsibilities regarding PI disengagement are shared among various parties, as follows:

Principal Investigator

- Communicate planned absences, reduction in effort, or departure in a prompt manner to the department and SAM.

Department

- Monitor project activity for sponsored awards.
- Notify SAM immediately regarding PI disengagement, through completion and submission of an appropriate and timely written notification.
- Request a risk account as soon as disengagement is determined.
- Accept the financial risk associated with any expenditures incurred while awaiting sponsor approval of the PI substitution.

Grants and Funds Management

- Coordinate with the PeopleSoft Finance Team to ensure transactions are routed to the new PI or designee to ensure timely approval in the financial system.
- Notify the SAM Office of any disengagement that is communicated from PIs or departments.
- Place the project bill plan on hold until appropriate changes and approvals have occurred.

Office of Sponsored Awards Management

- Correspond with the sponsor for approval of the changes as required.
- Update the project status (to risk) in USCeRA if sponsor approval is not obtained before the date of PI disengagement.

D. Resources and Forms

Resources, trainings, and guides can be found on the Controller's Office website under the Grants and Funds Management and Resource and Training Toolbox sections.