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NIH to Monitor Institutional Compliance with Conflict of Interest Regulations

On September 21, 2012, NIH's Division of Grants Compliance and Oversight announced a Proactive Financial Conflict of Interest (FCOI) Compliance Program to assess institutional implementation and compliance with the new Final Rule on conflicts of interest in research, which went into effect on August 24, 2012. The FCOI Compliance Program will assess grantee compliance with conflict of interest requirements and assist grantees in fully implementing their conflict of interest policies.

The initial phase will build on a review and evaluation of the publicly accessible conflict of interest policies from a sample of NIH grantee institutions. The names of the sampled institutions will remain confidential. If deficient areas are noted by NIH, institutions will be notified and expected to formally address and resolve all identified issues. As with other such proactive initiatives, NIH will share the results of its review to assist other institutions in achieving compliance.

To review USC's Conflict of Interest in Research policy, which was revised to meet these requirements, please visit http://policies.usc.edu/p4acad_stud/conflic_interest_research.html. To make a disclosure of a conflict of interest, please visit disclose.usc.edu to access USC's online disclosure system.

IACUC-Approved Protocols, Grant Applications Must Be 'Congruent'

When submitting a grant application that proposes to conduct animal research, the grantee institution is required to attest to NIH that the research described in the proposal is congruent with any corresponding protocols approved by the institutional animal care and use committee (IACUC). However, it is not necessary for the IACUC to review a grant application prior to submission. Nor does an IACUC have to perform its own comparison between the grant application and a protocol to assure congruence.

Rather, the PI is responsible for demonstrating congruence when completing the SF424 and PHS Form 398 at the time of proposal. In Form 398, the PI must complete the Vertebrate Animal Section, which requires a detailed description of the proposed use of animals in the research. Although the PI does not need to obtain IACUC approval prior to submission of the grant application to meet the congruence requirement, it is important for PI's to ensure that the description of the use of animals in the proposal corresponds to the protocol eventually submitted for IACUC approval.

To access an NIH webinar on the congruence requirement, please visit <http://grants.nih.gov/grants/olaw/news.htm#20120612>

HHS OIG Requires Florida State to Refund \$3 Million in Unallowable Grant Charges

The Office of Inspector General (OIG) for the Department of Health and Human Services (HHS) concluded in a recent audit of Florida State University (FSU) that the university charged approximately \$3 million in unallowable transactions to HHS grants, contracts, and other agreements during fiscal years 2009 and 2010. The OIG found that the unallowable charges occurred because FSU did not provide adequate oversight with respect to a number of salary and non-salary transactions, which resulted in:

- Direct charging of administrative and clerical salaries and general use supplies (i.e. toner) already compensated through indirect cost recovery.
- Inconsistency between salary charges and related effort reports.
- Inadequate documentation to support salary charges.
- Overcharging of graduate student compensation.
- Recharge center rates that did not correspond with actual costs of services provided.

Under OMB Circular A-21, administrative and clerical salary and non-salary expenses may not be directly charged to a sponsored project unless the research qualifies as a "major project" requiring extensive amounts of administrative and/or clerical support. (See http://www.whitehouse.gov/omb/circulars_a021_2004).

Also, universities are not allowed to charge graduate student compensation beyond the stipend levels established yearly for Kirschstein-NRSA awards (the current ceiling for a first-year postdoctoral scientist is \$39,264). (See <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-12-033.html>).

Finally, with respect to recharge centers, costs of services provided must be charged based on actual usage of the services on the basis of a schedule of rates or established methodology, and cannot discriminate between federal and non-federal users. (See http://policies.usc.edu/p2admOpBus/recharge_centers_policy.html).

The OIG report is available at <https://oig.hhs.gov/oas/reports/region4/41101095.pdf>

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