1. **Purpose**

General regulation to ensure that faculty and staff are in compliance with grant terms and conditions.

2. **Scope**

Applies to all grant funded projects.

3. **Procedures**

3.1 Awards to the University may be accepted only by the Chancellor or those whom signature authority has been designated. Currently, the Director of Sponsored Research and Programs accepts contracts and awards for the University.

3.2 Upon receipt and acceptance of a formal notice of award from the granting agency, the pre-award staff in the Office of Sponsored Research will establish the Notification of Award.

3.3 The post-award staff will prepare a Banner fund establishment form requiring the signature of the Principal Investigator, and area Dean or Vice Chancellor.

3.4 Once the Banner form is approved, a fund is established and the budgetary data is entered into the accounting system. The detailed budgets will be inputted based on what was approved by the funding agency and will coincide with the University’s accounting structure.

3.5 Principal Investigators have the primary responsibility for managing the sponsored project in accordance with award terms and conditions within budgetary allocations.

4. **Principal Investigator Approval**
4.1 The Principal Investigator of the grant is responsible for fulfilling the objectives of the grant and spending grant funds appropriately.

4.2 It is the official policy of the University as well as grant funding agencies that the Principal Investigator must approve all expenditures.

4.3 This approval is indicated by signature on all documents.

4.4 In the event of an emergency or when the PI is not available to sign, the PI may assign another person signature authority. This signature authority must be in writing and signed by the PI. It is recommended that signature authority be established immediately and placed on file in the Office of Sponsored Research and Programs.

5. **Allowable Costs and Expenditure Regulations**

5.1 Costs are allowable for a particular cost objective (i.e. a specific function, project, sponsored agreement, or department) if the goods or services involved are chargeable or assignable to the project.

5.2 To meet federal standards for allowability, a cost charged to an award must be allocable, necessary and reasonable, and treated consistently as direct or indirect cost.

5.3 A cost is allocable to a sponsored agreement if:

5.3.1 It is incurred solely to advance the work under the sponsored agreement.

5.3.2 It benefits both the sponsored agreement and the work of the institution in proportions that can be approximated through the use of reasonable methods.

5.3.3 It is necessary to the overall operation of the institution although a direct relationship to a particular cost objective cannot be shown.

5.4 When the purchase of equipment or other capital items is specifically authorized under a sponsored agreement, the amounts authorized for such purchases are assignable to the sponsored agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.

5.5 Expenditures must also follow grant and state regulations. While grant funding offers some spending flexibility, expenditures must be according to grant and state regulations.

5.6 The Office of Sponsored Research and Programs is responsible for verifying that all expenditure requests relate to the guidelines of the grantor. Therefore, documents received in Human Resources, Payroll, Purchasing, Accounting, and any other subsequent office must have the Office of Sponsored Research and Programs approval prior to processing.

5.7 If documentation is submitted with details showing how the expenditure is directly related to the specific objectives funded in the grant, (OSRP) can easily identify and approve the expenditure document expeditiously.

5.8 When expenditures vary from specific objectives stated in the funded grant, it is suggested that the budget category is identified on the source document to provide OSRP with clarity about how the expenditure relates to the grant goals.


6.1 WHEREAS, decisions concerning the employment, evaluation, promotion and compensation of academic personnel should be based in every instance on considerations of individual merit, and
6.1.1 WHEREAS, favoritism based on family or personal relationships between employees derogates from the merit principle of employment, and

6.1.2 WHEREAS, the risk of occurrence of such favoritism can be avoided most effectively by the advance establishment of general restrictions against the creation of situations where such favoritism could be operative; and

6.1.3 WHEREAS, a common policy concerning the employment of related persons, applicable to personnel practices at all constituent institutions of the University of North Carolina, is desirable.

6.2 Basic Principles of Employment:

6.2.1 Consistent with the principle that University employees and prospective employees shall be evaluated on the basis of individual merit, without reference to considerations of race, sex, religion or national origin, or any other factors not involving personal professional qualifications and performance, the following restrictions, designed to avoid the possibility of favoritism based on family or personal relationship, shall be observed with respect to institutional personnel.

6.2.2 Related persons shall not serve concurrently within the institution in any case where one such related person would occupy a position having responsibility for the direct supervision of the other related person.

6.2.3 With respect to proposed employment decisions which would result in the concurrent service of related persons within the same academic department (or other comparable institutional subdivision of employment), a person related to an incumbent employee may not be employed if the professional qualifications of other candidates for the available position are demonstrably superior to those of the related person.

6.2.4 With respect to the concurrent service of related persons within the same academic department (or other comparable institutional subdivision of employment), neither related person shall be permitted, either individually or as a member of a faculty or as a member of a committee of a faculty, to participate in the evaluation of the other related person.

6.3 Definition of "Related Persons"

6.3.1 The following relationships are sufficiently immediate to invoke the prohibitions against

6.1.1.1 Parent and child
6.1.1.2 Brothers and sisters
6.1.1.3 Grandparent and grandchild
6.1.1.4 Aunt and/or uncle and niece and/or nephew
6.1.1.5 First cousins
6.1.1.6 Stepparent and stepchild
6.1.1.7 Stepbrothers and stepsisters
6.1.1.8 Husband and wife
6.1.1.9 Parents-in-law and children-in-law
6.1.1.10 Brothers-in-law and sisters-in-law
6.1.1.11 Guardian and ward

6.1.1.12 Persons engaged in amorous relationships; an amorous relationship exists when, without the benefit of marriage, two persons voluntarily have a sexual union or are engaged in a romantic courtship (e.g., dating or engaged to be married) that may or may not have been consummated sexually.