

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – Merit Review, Application Requirements, and Agency Review of Risks Posed by Applicants

1. Ref.: [2 CFR Part 200.204-205](#), False Claims Act - 31 U.S.C. §§ 3729–3733

2. Effective Date: July 1, 2015

3. Originating Office/Agency: Office of Management and Budget

4. Key Words: Merit review process; risk assessment, financial integrity information; financial stability; history of performance, fabrication, falsification; plagiarism; suspension; debarment

Scope and Merit Review

In preparing a proposal in response to a Federal funding opportunity, Eastern Washington University faculty and staff should be aware that each Federal agency is responsible for designing and executing a merit review process for evaluating the quality of each application received and extent to which it responded to the agency's funding criteria. Under Uniform Guidance this process must be described or incorporated by reference in the applicable funding opportunity or request for proposal/application announcement. Proposal narratives and budgets that are incomplete or do not respond to the evaluation criteria will not score high enough in the merit review process to receive funding or may be disqualified.

In addition, in order to avoid disqualification from the merit review process, applications must also meet the submission deadline, font, page limit, margin, and other technical requirements of the submission process. Therefore, draft proposals must be received by the Office of Grant and Research Development 10 working days before the submission deadline. This timeline allows Grants Office staff adequate time to work with Project Directors/ Principal Investigators to make sure the final application is responsive in all components.

Risk Assessment

Prior to making a Federal award, the agency is required by [31 U.S.C. 3321](#) and [41 U.S.C. 2313](#) to review information eligibility qualification and financial integrity information on the university found at the following Office of Management and Budget repositories:

- Federal System for Award Management (SAM) exclusions;
- The Department of the Treasury's centralized "Do Not Pay" system; and
- The government wide list of debarred and suspended persons and organizations.

If a proposal or application scores high enough in the merit review process to be recommended for funding, under Uniform Guidance, the Federal agency must evaluate the risks imposed by the university before an award is made. This evaluation may incorporate the results of the evaluation of the university's eligibility and/or the quality of its application. Further, the Federal funding agency may impose special conditions in its awards that correspond to the degree of risk posed by each applicant organization.

The agency may consider the following items in determining the degree of risk:

- Financial stability;
- Quality of management systems and ability to meet management standards;
- History of performance including the university's record of managing Federal awards, timeliness and compliance with reporting requirements, conformance to terms and conditions of previous awards, and the extent to which any previously awarded amounts will be expended prior to future awards;
- Reports and findings from program specific and university audits;
- The university's ability to effectively implement statutory, regulatory, or other requirements imposed on the university; and
- Whether or not the university or any of its principals are debarred, suspended, or otherwise excluded from or ineligible for participation in a Federal program.

False Claims (see also specific [Memorandum on False Claims](#))

Project Directors, Principal Investigators, or other key personnel who make or engage in false claims are subject to debarment, suspension, or exclusion from participation in a Federal program as well as subject to civil or criminal penalty.

While there is a strong focus on unlawful financial activities, false claims can also be related to research misconduct, which is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results.

False claims/research misconduct that impose risk to program personnel and the university may include:

- Falsifying a grant application in order to secure a grant.
- Falsifying, fabricating or excluding research data and/or results.
- Plagiarism which consists of any attempt to receive credit for the work of another, including taking credit for someone else's work, ideas, or methods, copying the writing of others without proper acknowledgment, or otherwise taking credit falsely.
- Abuse of confidentiality or nondisclosure agreements including the use or release of information given to one under the understanding of confidentiality.
- Over-charging for time, costs and other expenses associated with a grant, improper or false level of effort certification.
- Falsifying purchase orders for equipment or materials.
- Using grant funds for unrelated research.
- Using grant funds for personal use or expenses.
- Improper conflicts of interest by Principal Investigators or key personnel.
- Falsifying progress reports or other documentation.
- Failing to comply with applicable government safety and other regulations.
- Violations of research-related property rights such as deliberately taking or destroying the research-related property of others (e.g., data, research papers, notebooks, equipment, or supplies).

Specific Conditions

The Federal awarding agency may impose specific award conditions as needed under the following circumstances:

- The results of the agency's review of risk imposed by the university;
- If a Project Director/Principal Investigator and/or the university has a history of failure to comply with the general or specific terms and conditions of the Federal award;
- If a Project Director/Principal Investigator fails to meet expected performance goals as described in the Federal award; and
- When an applicant or recipient is not otherwise responsible.

Therefore, the Project Director or Principal Investigator is ultimately responsible for the proper conduct of the work (performance of the project activities) and for the administrative and financial management of the project. While the university is the legal recipient of awards and has overall responsibility for the performance of the funded activities and the proper use of Federal funds, the university cannot meet its responsibilities to the agency unless the PD/PI meets his/her responsibilities. Only the PD/PI can truly know if expenses charged to a Federal award are legitimate, project-related costs. Only the PD/PI can assure performance of the technical aspects of the project and completion of the required technical reports. The university is responsible for maintaining adequate fiscal controls and ensuring that fiscal policies are applied consistently. Therefore, management of a Federal award is the joint responsibility of the PD/PI and the OGRD. A failure to comply with a Federal award's terms and conditions subjects the PD/PI and the university to the specific award conditions and civil or criminal penalty described above as well as any sanctions that might be imposed on an employee for violating EWU policies and procedures.