

## **DODPI Guidance**

Q: What do I need to know as PI of a Defense Contract?

A: Research and development contracts from the Department of Defense or any of its agencies (e.g., Army, Navy, Air Force, DARPA) are relevant to all four of NJIT's basic missions of instruction, public service, economic development and research. DOD sponsorship is associated with special administrative constraints, unlike those you may be familiar with based upon experience with other sponsors. When executing a contract for DOD, please be mindful of these constraints. Otherwise DOD will not reimburse NJIT for the expenses of your project, and this will drain away NJIT resources that you and other NJIT stakeholders would prefer to see used in other ways.

DOD demands to see receipts for travel and other expenses. Therefore it is important to provide clear original receipts with your travel claim. DOD limits the amount they will reimburse for travel (e.g., hotels and per diem) to the amounts listed on the federal General Services Administration web site of reimbursement limits by travel location. These limits are quite low, and in many cases will not cover the full cost of travel. If you travel on DOD funds, you must be willing to absorb the difference personally, or to obtain supplemental reimbursement from another account (e.g., another sponsor's grant, your department's account) for costs beyond the DOD limits. Here is the URL for the limits to which DOD will reimburse travel expenses:

<http://www.policyworks.gov/org/main/mt/homepage/mtt/perdiem/travel.shtml>

It is imperative that the DOD contract Principal Investigators carefully plan their work, and then scrupulously work their plan. If changes are necessary, then the PI should work through NJIT's Office of Sponsored Programs to request a budget modification from DOD. The Defense Contract Audit Agency expects to see year-'round charges to contract or cost sharing accounts, to reflect year-'round effort on the DOD contract. So, proposal budgets for PI reimbursement should include release time.

A potential cause of failure to obtain DOD reimbursement is contract work outside the award beginning and end dates. Plan your purchases and other expenditures to be paid, not just encumbered, before the end date. This is a general requirement for all sponsored programs, not just those of DOD.

Upon receipt of notice by DOD officials to stop work on a DOD-sponsored project it is incumbent upon the PI to terminate expenditure for the project, and to notify Office of Sponsored Programs and Grant and Contract Accounting, so that the project can be closed-out by the University.

DOD and its subcontractors have refused to reimburse NJIT, in the past, if equipment bought under the contract, or loaned by the government, is not made available to the government at the end of the contract. Ensure that you get such equipment back from NJIT's subcontractors before paying their final invoice. Of course you should maintain careful custody of DOD equipment in case the government wants it.

Another cause of DOD delay or refusal of reimbursement is delinquent or unsatisfactory technical reports from the PI or other project personnel. The PI is responsible for the technical reports of subcontractors; do not pay subcontractor invoices until their technical product has satisfied the sponsor. Of course, the PI should ensure that satisfactory NJIT technical reports are submitted timely.

Although DOD's administrative requirements are, in some cases, more stringent than the requirements of other sponsors, NJIT administers DOD awards in the context of all its other programs. Here is the URL for general NJIT Finance and Budget guidance: <http://www.njit.edu/old/budg/>. Guidance specific to NJIT sponsored programs can be found at: <http://www.njit.edu/old/budg/Grant%20&%20Contract/faq.html>.

An invaluable resource to help you administer your sponsored programs from DOD or other sponsors is your grant/contract accountant. Grant/contract accountants are assigned to accounts based upon academic department. Coordinate with your accountant to keep your DOD contract operating smoothly.

This answer is based upon a Defense Contract Audit Agency audit conducted at NJIT in 2003. The Senior Auditor reviewed this material has validated this information for Defense contract PIs as being "a good idea."