

**Lebanese American University**  
**Compliance Program for United States Sponsored Programs & Procurement Contracts**

**1. PURPOSE**

- 1.1 A purpose of this Compliance Program is to provide the introduction and integrate the guidance by which LAU and its faculty, staff, and other individuals working on Sponsored Programs will address compliance with applicable United States (“U.S.”) government regulations, agreement provisions, and other legal requirements, as amended from time to time, relating to U.S. grants and other financial assistance awards (“Awards”), which include subawards (“Subawards”) and subcontracts (“Award Subcontracts”) issued under such Awards. Such Awards are subject to their own set of U.S. regulations found at 2 CFR Part 200 and applicable agency supplements, including, for example, 2 CFR Parts 600 and 700 (“Uniform Requirements”). As set forth in greater detail below, this Compliance Program introduces and integrates the policies and procedures that govern Award compliance.
- 1.2 This Compliance Program also provides the introduction and integrates the guidance for compliance with applicable U.S. procurement contracts (“FAR Contracts”), which include subcontracts issued under a FAR Contract (“FAR Subcontracts”). Such FAR Contracts (including FAR Subcontracts) are subject to their own set of U.S. regulations called the Federal Acquisition Regulation (“FAR”) and applicable agency supplements.
- 1.3 This Compliance Program represents the over-arching guidance with respect to compliance for Awards and FAR Contracts. Specific guidance is contained in a series of policies intended to establish standards and guidelines, as identified and described in more detail below (“Policies”). Although some Policies for Awards and FAR Contracts may be similar for certain topics, there are distinct differences between Awards and FAR Contracts in form, substance, and compliance procedures. This Compliance Program, including its Policies, intentionally separates Awards and FAR Contracts where necessary. If the Compliance Program and its Policies do not make a distinction between Awards and FAR Contracts, that also is intentional and they should be read and interpreted consistent with that intention.
- 1.4 LAU maintains procedures that implement this Compliance Program and its Policies (“Procedures”). Some Procedures are specific to this Program and its Policies, but others have broader application. When applicable, each Policy will identify relevant Procedures in the References section of the Policy.
- 1.5 General references to this Compliance Program include the Policies and applicable Procedures, unless otherwise stated.

**2. TERMS AND DEFINITIONS**

- 2.1 Unless otherwise provided in a specific Policy or Procedure, the following terms shall have the meanings indicated below, regardless of whether the terms are capitalized:

- 2.1.1 Administrative Personnel - Personnel providing non-technical support that benefit LAU activities or objectives, generally. For example, although not an exclusive list, non-technical support includes clerical support, accounting and financial management functions, and personnel management.
- 2.1.2 Agreements Officer – The individual designated as such by the Awarding Agency. This individual is the Government official authorized to execute and modify Awards on behalf of the Government and the Awarding Agency. This individual may also be referred to as the Grants Officer. The two terms may be used interchangeably.
- 2.1.3 Award – U.S. grants, cooperative agreements, and any other Federal financial assistance from an Awarding Agency. These are agreements that would be subject to 2 CFR Part 200, if entered into after December 26, 2014.
- 2.1.4 Award Subcontract – A subcontract issued under an Award strictly for the purchase of property or services needed to carry out the performance of the Award. This term does not include an agreement that qualifies as a Subaward (i.e., an agreement to actually carry out part of the Award scope of work). See “Procurements, Subawards, and Subrecipient Monitoring” Policy for further explanation of the difference between a Subaward and an Award Subcontract.
- 2.1.5 Awardee – The recipient of an Award directly from an Awarding Agency.
- 2.1.6 Awarding Agency - The Government department or agency that solicits and enters into an Award or a FAR Contract.
- 2.1.7 Computing Facilities – Any computer, server, network, electronic storage medium, or similar device provided or supported by LAU. Use of computing facilities includes the use of information/programs stored on LAU computing systems, information/programs stored on magnetic tape, floppy disk, CD-ROM, flash drives, portable hard drives, or other storage media that is owned and/or maintained by LAU.
- 2.1.8 Contracting Officer or CO – The individual designated as such by the Awarding Agency. The Contracting Officer is the official authorized to execute and modify FAR Contracts on behalf of the Government and the Awarding Agency.
- 2.1.9 Costs – All costs incurred in connection with an Award or FAR Contract, charged directly or indirectly to an Award or FAR Contract, and/or which LAU claims as part of a Cost Share for an Award.
- 2.1.10 Cost Objective - as defined in applicable regulations, is a program, function, activity, award, organizational subdivision, contract, or work unit for which Cost data are desired or required and for which LAU takes steps to accumulate and measure the cost of processes, products, jobs, capital

projects, etc. A Cost objective may be a major function of LAU, a particular service or project, an Award, a FAR Contract, or an indirect cost activity (as defined in [2 CFR 200.414](#)).

- 2.1.11 Cost Principles - The Government statutes and regulations that govern the treatment and accounting of Costs related to Awards and FAR Contracts. U.S. statutes and regulations that govern the treatment and accounting of Costs related to Awards and FAR Contracts. For example, there are laws and standards in the Cost Principles that specifically identify which Costs may be charged to an Award or FAR Contract for the payment or reimbursement by the Government. However, Cost Principles can apply even if the costs are not being charged to an Award or FAR Contract. For example, the Cost Principles are relevant to the development and support for pricing of certain FAR Contracts and the Cost Share, if any, of Awards.
- 2.1.12 Cost Share or Cost Sharing – Some Awards are cost-sharing Awards, which means LAU will only be paid or reimbursed an agreed-upon portion of its costs to perform the Award. The portion not paid with Government funds is the Cost Share.
- 2.1.13 Direct Cost – Any cost that can be specifically and accurately identified with a particular Award, FAR Contract, or other activity. Examples of Direct Costs include, but are not limited to, equipment, salaries, and independent contractor costs.
- 2.1.14 Effort Reporting -The process LAU uses to document and map an accurate percentage of an individual's efforts to its Sponsored Programs and other projects. Effort reporting applies only to a certain group of LAU individuals (generally, faculty, other professionals, and graduate students paid an IBS) and is not used for or required from employees that officially track and submit their time on LAU hourly timesheets.
- 2.1.15 FAR Contract – Any contract awarded to LAU by an Awarding Agency for the acquisition of goods or services and that is subject to the FAR. Except in very limited circumstances, all contracts awarded by the Government for the acquisition of goods and services, as opposed to providing financial assistance, are subject to the FAR.
- 2.1.16 FAR Subcontract – A subcontract issued under a FAR Contract for the purchase of property or services needed to carry out the performance of the FAR Contract.
- 2.1.17 Federal Acquisition Regulation or “FAR” – The regulations in Title 48 of the Code of Federal Regulations implementing uniform policies and procedures for acquisitions by Government executive agencies. The FAR is the primary set of regulation, but Government agencies can issue their own acquisition regulations to supplement the FAR.
- 2.1.18 Government – The government of the United States of America.

- 2.1.19 Grants Officer – See definition of Agreements Officer above. Grants Officer and Agreements Officer are interchangeable.
- 2.1.20 Indirect Cost – Costs that are incurred for and benefit multiple activities, including those not directly related to Awards or FAR Contracts, and cannot be readily identified with a specific Award or FAR Contract. Examples of Indirect Costs include, but are not limited to, facilities and administrative costs and depreciation.
- 2.1.21 Information Owner – The person responsible for maintaining the confidentiality, integrity, and availability of information.
- 2.1.22 Institutional Base Salary or “IBS” - The annual compensation paid by LAU for a faculty/staff member’s employment or appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for LAU.
- 2.1.23 LAU –refers to Lebanese American University.
- 2.1.24 Prime Contractor – The recipient of a FAR Contract directly from an Awarding Agency.
- 2.1.25 Record – With respect to an Award or FAR Contract, any document created, received, and maintained as evidence by an organization or person in the transaction of business, or in the pursuance of legal obligations, regardless of media, that contains information relevant to the business of the Award or FAR Contract, including, but not limited to: contracts/agreements; drawings; performance and key events reports; financial statements; employee records and time entries; corporate policies and procedures; filings required by governmental agencies; and other items used in the ordinary course of business including invoices, purchase orders, receiving reports, maintenance files, and other accounting-related reports.
- 2.1.26 Sponsored Program – A program funded at least in part with an Award or Subaward.
- 2.1.27 Subaward – An agreement issued under an Award by the Awardee to a Subawardee, or made between two Subawardees, to carry out part of an Award. It does not include an agreement by which an Awardee or Subawardee merely purchases property or services needed to carry out the Award. See “Procurements, Subawards, and Subrecipient Monitoring” Policy for further explanation of the difference between a Subaward and an Award Subcontract.
- 2.1.28 Subawardee or Subrecipient – Recipient of a Subaward.
- 2.1.29 Uniform Requirements – the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award at 2 CFR Part 200, as

supplemented by applicable agency supplements, including, for example, 2 CFR Parts 600 (Department of State) and 700 (USAID).

### **3. RESPONSIBILITY**

- 3.1 It is the responsibility of LAU and each of its departments, faculty, staff, and all individuals working on Sponsored Programs to fully comply with this Compliance Program. It is imperative that each person with responsibility reviews, understands, and complies with this Compliance Program. Violations may result in severe consequences to LAU and all individual violators.
- 3.2 The Office of Grants and Contracts is responsible for the implementation and maintenance of this Compliance Program and is responsible for its general oversight, including, but not limited to, the following functions:
  - 3.2.1 Implementing the Compliance Program with the assistance and cooperation of other departments and individuals identified in specific Policies;
  - 3.2.2 Working with other responsible departments and individuals to ensure that faculty, staff and all individuals working on Sponsored Programs are properly educated, understand, and follow the Compliance Program;
  - 3.2.3 Keeping LAU officers, directors, and employees apprised of changes in relation to the Compliance Program; and
  - 3.2.4 Periodically reviewing this Compliance Program and its Policies for necessary modifications.
- 3.3 Additional responsibilities with respect to specific Policies are identified in each of the Policies.
- 3.4 Any questions concerning this Compliance Program should be directed to the Office of Grants and Contracts, which will coordinate with other responsible individuals. Questions regarding a specific Policy may be directed to any other office or individual identified in such Policy as a resource.

### **4. SCOPE AND APPLICABILITY**

- 4.1 This Compliance Program applies to all departments, faculty, staff, and other all individuals working on Sponsored Programs.
- 4.2 This Compliance Program is part of LAU's Policies and specifically supplements LAU's existing University Policies and Procedures ("University Policies and Procedures"). It is not intended to supersede LAU's existing University Policies and Procedures unless and to the extent there is a direct and unavoidable conflict between them, in which case the conflicting provisions of this Compliance Program should control.
- 4.3 This Compliance Program is intended to address specific compliance requirements, but is not intended to specifically address every obligation under the Awards, FAR Contracts,

and applicable regulations. If there is any question or concern about whether a specific situation may violate an Award of FAR Contract, please contact the Office of Grants and Contracts or any other office or individual identified in such Policy as a resource.

## **5. STATEMENT OF COMPLIANCE PROGRAM**

- 5.1 LAU and all of its faculty, staff, and service all individuals working on Sponsored Programs must abide by the rules and regulations outlined in this Compliance Program.
- 5.2 It is the policy of LAU to administer the Compliance Program and ensure its compliance with all requirements of its Awards (including Subawards), FAR Contracts (including FAR Subcontracts), and all applicable regulations.
- 5.3 The Director of the Office of Grants and Contracts in coordination with other departments and individuals identified in specific Policies shall be the primary point of contact and coordinate, communicate, and cooperate with the Awarding Agency to ensure compliance with all Awards, FAR Contracts, and their applicable regulations, including, but not limited to:
  - 5.3.1 Timely notice of actual or constructive changes that allow or require for an equitable adjustment; and
  - 5.3.2 Seeking and obtaining necessary consent(s) from the Agreements Officer or Contracting Officer.
- 5.4 The Office of Grants and Contracts, or designee, shall conduct and oversee the training of all individuals subject to this Compliance Program.
- 5.5 Any questions with respect to the applicability or interpretation of this Compliance Program or its Policies should be directed to the Office of Grants and Contracts. The Office of Grants and Contracts will coordinate with LAU Legal Counsel as necessary on the interpretation or applicability of this Compliance Program and any related legal requirement(s).

## **6. REFERENCES**

- 6.1 [2 CFR Parts 200 - 5999](#)
- 6.2 [FAR](#)
- 6.3 Policies:
  - 6.3.1 LAU Policies for United States Sponsored Programs and Contracts - Costs and Cost Accounting
  - 6.3.2 LAU Policies for United States Sponsored Programs and Contracts - Intellectual Property and Reporting

- 6.3.3 LAU Policies for United States Sponsored Programs and Contracts - Property Maintenance, and Management
- 6.3.4 LAU Policies for United States Sponsored Programs and Contracts - Procurements, Subawards, and Subrecipient Monitoring
- 6.3.5 LAU Policies for United States Sponsored Programs and Contracts - Records Retention and Audits
- 6.3.6 LAU Policies for United States Sponsored Programs and Contracts - Supplement to Code of Ethics
- 6.3.7 LAU Policies for United States Sponsored Programs and Contracts - Timekeeping

### **Attachments**

LAU Policies for United States Sponsored Programs and Contracts

### **Effective Date**

The foregoing Compliance Program for United States Sponsored Programs & Procurement Contracts was adopted by the Board of Trustees on September 6 & 7, 2018 and is effective as of September 7, 2018.