SHAW UNIVERSITY 1865

Office *of* Sponsored Programs

POLICIES AND PROCEDURES

The Office of Sponsored Programs is primarily responsible for pre and post award activities to include comprehensive services in award administration, project monitoring and regulatory compliance.

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Shaw University Mission Statement

Shaw University Mission Statement exists to advance knowledge, facilitate student learning and achievement, to enhance the spiritual and ethical values of its students, and to transform a diverse community of learners into future global leaders. (Approved by the Board of Trustees October 16, 2008.)

Expanded Statement of Purpose

Shaw University was founded in 1865 by the American Baptist Home Mission Society of the Baptist Church to provide theological education to freedmen after the Civil War. It is a private, coeducational, liberal arts institution of higher learning with the main campus located in Raleigh, North Carolina, and eight satellite campuses dispersed throughout the state. Shaw University is committed to providing educational opportunities to all segments of society without regard to race, creed, or ethnic origin. However, as the oldest historically African-American university in the south, it has maintained a special interest in the education of minorities from diverse backgrounds, with academic potential for success. Consistent with its motto, Pro Christo et Humanitate (For Christ and Humanity--that religion and learning may go hand in hand, and character grow with knowledge), Shaw University seeks to empower students with a sense of moral purpose based on Christian principles that provide guidance for intellectual and personal growth.

Shaw University is committed to the transformative educational process of preparing graduates for citizenship in the twenty-first century workplace and for graduate or professional school, and seeks to instill in its students a philosophy that values lifelong learning, leadership, and service. In order to meet the challenges of a global society, Shaw University endeavors to develop graduates who are broadly educated in the liberal arts and sciences, possessing the knowledge and skills required of all disciplines, and the competencies associated with their chosen fields of study. Students who successfully complete undergraduate degree programs at Shaw University will demonstrate proficiency in critical and creative thinking, an ability to communicate effectively, both orally and in writing; proficiency in mathematical reasoning skills, scientific inquiry, technological and information literacy, an awareness of and commitment to ethical judgment, awareness of global issues, knowledge of diverse human cultures, and a commitment to personal and social responsibility. Students enrolled in graduate degree programs will, upon graduation, be able to demonstrate advanced knowledge in their chosen discipline.

Central to the accomplishment of this mission is the recruitment and retention of qualified faculty and staff, who possess the qualifications and expertise to actively support students in the learning process. The University demonstrates its commitment to teaching and learning by providing quality educational programs and services in a safe and supportive learning environment, which meet the needs of students, promotes personal growth and development, and fosters academic achievement and student success. In addition to teaching and learning, Shaw University strives to create and maintain an academic climate that promotes the scholarship of research and the pursuit of new knowledge through active research programs. The University also recognizes its responsibility to instill in students the importance of making a difference, not only in their own lives, but in the lives of others, by partnering with local communities to provide services that improve the human condition and contribute to the betterment of society. (Approved by the Board of Trustees May 7, 2010)

Introduction

At Shaw University (SU), faculty, staff, and researchers, often referred to as Principal Investigators (PIs), are encouraged to seek additional financial resources to support their research and projects beyond that which is available through the university's budget. Such resources have been identified by the university community in its strategic planning effort and document as an additional resource to ensure the growth and sustainability of the university. This additional support is generally obtained by receiving a sponsored project award. Sponsored projects are financial assistance or contract mechanisms that provide funding, property, or both, to carry out an approved project or activity. An application for a sponsored project award generally takes the form of a proposal.

The solicitation of a sponsored award must be conducted through the appropriate SU offices as described in this document. All proposals and awards for sponsored projects are processed through the Office of Sponsored Programs (OSP) (for all government agencies and some other nonprofit agencies) and the Office of Institutional Advancement (for corporations, foundations, and other for-profits). Employees are not empowered or authorized to submit proposals, negotiate the terms of an award, accept awards or execute contracts on behalf of the University. There are two types of proposals submitted by PIs in search of funding for sponsored projects:

Solicited Proposals - Solicitations, or requests for proposals (RFPs), are issued by agencies or private funding sources that make requests for a specific research project. These RFPs are generally subject to open bidding to any qualified researcher. Deadlines are specified in the announcement and must be adhered too. The resulting agreement usually takes the form of a contract between the funding agency and the University.

Unsolicited Proposals - are submitted to an agency that generally funds research of the type being proposed. If the agency decides to fund the research, the funding may take the form of a grant, contract or cooperative agreement. Most large agencies have set deadlines for submittal of unsolicited proposals each year, and funding decisions are made once all proposals received in that time period have been reviewed. Corporate sector funding is frequently in the form of individual contracts for specific work, programs or projects and included are clinical trials.

Sponsors issue various types of solicitations to announce funding opportunities (public or private) and invite applications and proposals, generally distinguished by the nature of the funding area and the type of award that would result. Some common types of solicitations are defined as follows:

- **Funding Opportunity (FO) or Program Announcement (PA)** commonly used to announce a regularly recurring grant program.
- **Request for Applications (RFA)** commonly used to announce a specific, more targeted program that will hold a single competition, generally resulting in a grant or cooperative agreement award.
- **Request for Proposals (RFP)** usually used to solicit proposals to complete very specific work, as prescribed by the sponsoring agency, generally resulting in a contract. Cost is not always the overriding factor in this process, as proposals may also be evaluated in terms of investigator qualifications, research resources, and a number of other criteria.
- **Request for Quotations (RFQ)** usually used to solicit statements of current prices for items to be procured, when price is the overriding factor.
- **Letter of Interest (LOI)** also known as a Letter of Intent or Inquiry is often in the form of a proposal and is a prospecting application for funding that includes all information that is necessary to describe the project aims and objectives, funding requirements and fit.

Office Mission Overview and Purpose

The mission of the Office of Sponsored Programs (OSP) aims to further programmatic grant writing and research excellence at Shaw University. This mission is accomplished by identifying, encouraging, distributing and facilitating the securing, awarding and use of external sponsorship for projects, programs and by serving as stewards of funds provided to the University by sponsors. All sponsored project awards received by the University include terms and conditions that are agreed to when a sponsored project award is accepted by the University. The terms and conditions typically include the timely and accurate submission of one or more of the below listed reports. Generally, sponsored programs reporting falls into six basic categories:

1. Technical Reports
    a. Interim and Final Project Performance/Progress/Programmatic Reports;
    b. Other requirements specified in the terms and conditions of the award document.
2. Financial Reports
    a. Invoices
    b. Financial Status Reports

   c. Federal Cash Management Reports
   d. Letter-of-Credit Reports
   e. Outlay Report and Request for Reimbursement for Construction Projects;
   f. All other Financial Reports
   g. Person-Hours/Days Reports
   h. Details of Salary Charges by Employee
   i. Income Reports
   j. Final Close-out
3. Cost Sharing/Matching Reports
4. Time and Effort Reports
5. Intellectual Property/Technology/Invention Reports
6. Property and Inventory Reports

Contracts tend to have more reporting requirements than grants. Some of the more common reports required by contracts include:

a. Contract Deliverables
b. Contractor's Release
c. Contractor's Assignment of Refunds, Rebates, Credits and Other Amounts
d. Patent Releases;
e. Government Property Forms
f. Financial Status Reports
g. Invention Statements

Procedures included in this document are implemented to support the identification, submission, and implementation of grants, awards, and contracts. Emphasis is placed upon the importance of timely compliance to reporting requirements. Reporting compliance sustains the University's integrity in research, maintains continuity of sponsoring agency support, prevents the threat of debarment to the University research community, and protects the University's sponsoring agency and research partnerships from being compromised. In serving faculty and administrators at Shaw University these procedures assist in preparing and submitting proposals for sponsored project funding and managing sponsored funds awarded to the University.

Their threefold purpose is to:

- Present and explain in an organized and coherent fashion existing policies and procedures affecting sponsored program funding at Shaw University.
- Describe services available to faculty and staff through OSP and other offices involved in sponsored project management.
- Serve as a reference, supporter and a source for further information and assistance in grant identification, grant writing, reporting, monitoring and compliance.

Office Sponsored Programs Employees

Director

Reporting to the University President, this position provides oversight for all activities under the Office of Sponsored Programs. The Director is the lead administrator connecting the University's strategic initiatives with efforts to obtain external funding through grants, contracts, and other sources. The Director is responsible for the administration and management of the Office of Sponsored Programs, ensuring compliance with all Federal administrative requirements and costing principles, state regulations, grantor request and restrictions, and university fiscal policies are adhered to. Support includes all aspects of proposal administration, sponsored program agreements, and contract negotiation with external agencies. The position assists senior administrators and principal investigators with issues related to sponsored research activities and affiliated contractual requirements.

Grants Coordinator

Reports to the Director of Sponsored Programs and provides pre-award and post-award activities campus-wide. Activities include assisting faculty and staff in the research, assimilation and delivery of grant and contract application and submission. The coordinator upholds compliance and required guidelines set forth in award directives. S/he coordinates the pre-award planning, training, organizing, and preparation of public/private funding opportunities and the post-award administration of various funding awards assigned to one or more researcher and/or departments of the university. The coordinator interacts with program officers, investigators, administrative staff and students to ensure that grants and awards comply with regulatory requirements, funding agency request, and University policy.

Title III Program Assistant

Reports to the Director of Sponsored Programs and is responsible for assisting the Director with the managing and monitoring of all Title III projects; as well as provide administrative support for all Title III projects. Activities include expense tracking, customer service, administrative problem-solving, drafting of correspondence, report preparation, calendar management, meeting and workshop coordination. The assistant creates and maintains hard copy and digital files and records; adhering to Federal regulations and compliance requirements.

Office Grants Management Support Pre-Award Practices

Office of Sponsored Programs works with Shaw faculty and staff to prepare and submit applications for external funding. Please contact us at the start of your research opportunities pursuit, we will provide up-to-date information and guidance to you.

Deciding where/whether to apply

- OSP will conduct grant opportunity searches and/or teach you how to use various grant databases to explore opportunities that we have access to.
- If you have an opportunity you are interested in, OSP will meet with you, read a funder's call for proposals, highlight key sections and advise you about the fit.
- When a funder limits the number of applications that Shaw may submit, OSP will convene the grants advisory council for input.
- If more than a single faculty member wants to apply for the same grant, OSP will advise on the benefits of team matching and convene the grants advisory council.
- OSP always consider creating collaborative partners and/or teams internally and externally to reduce individual workload and build sustainable funding relationships.

Preparing to apply

- If needed, OSP will create an account for you on funder portals like Fastlane and eRA Commons.
- Using the application guidelines, OSP will prepare a list of tasks and milestone target dates to keep the proposal preparation on track.
- For some programs, OSP may be able to locate sample proposals or gather advice from successful applicants.
- OSP will contact the funder Program Officer for clarity and to establish relationship support.

Coordinating with Shaw internal processes and procedures

- OSP will assist to secure internal approval from any required entities, e.g. Deans, Vice Presidents, and President when necessary. (lead time minimum: 2 weeks).
- OSP will request and collect letters of support, signatures, collaborators' CVs and other required documents.
- OSP will assist in collecting institutional data to support your proposal.

Coordinating with collaborating institutions

- OSP maintains a database of faculty areas of expertise in order to be able to respond to requests for possible collaborators from institutions and researchers outside Shaw.

- When possible, OSP will help you identify and reach out to potential collaborators, coordinate inter-campus communication and facilitate team activities.
- OSP will communicate with grants administrators at any collaborators' institutions to coordinate internal approval processes, budget requirements, etc.

Preparing the budget

- OSP will provide a template for you to prepare your project budget, or draft one for you after you have identified what resources you will need.
- OSP will advise you about funder and Shaw guidelines limiting the amounts and types of expenses that may be included in the budget, if needed.
- OSP will help you prepare requests for cost-sharing or matching, when required.

Writing and editing the project narrative

- Depending on the nature of the project, OSP may be able to help draft and/or edit proposal sections on institutional background, broader impacts, project evaluation, data management or other non-disciplinary areas.
- Depending on the degree of disciplinary jargon in the proposal, OSP may be able to review, copy-edit or give substantive feedback on your narrative understanding that each grant is unique.

Submitting the application

- OSP will assist in preparing notice of or letters of intent, pre-proposals and statements of work, as well as the grant proposal.
- OSP will upload application components to funder portals, including NSF's Fastlane/e-grants.gov and the Federal SF424, or through private funding request submission requirements.
- OSP will assemble and mail your completed application (minimum of three (3) business days before postmark deadline, or seven (7) days before receipt deadline).

Proposal Support and Award Processing Path

Preparing a Proposal/Application for Submission

1. **Principal Investigator or Project Director (PI/PD)**
   The below steps also apply to Letter of Inquiry/LOI, contracts, agreements, and sub-awards.
   - Develops project idea consistent with mission of department/unit, college/school, and/or University.
   - Locates potential sponsor or responds to Request for Proposals (RFP) or Program Announcement (PA).
   - Obtains required proposal materials (guidelines/forms) and Shaw University (SU) Notice of Intent to Submit (NIS) with the Internal Routing Form (IRF) transmittal forms.
   - Consults with OSP on proposal and budget development, proposal forms, and other materials and requirements, as needed.
   - Drafts proposal narrative and budget, and sends drafts to department Chair/Academic Dean/Unit Vice President, and/or Co-PI for review, if necessary or requested to the Grants Advisory Committee.
   - Prepares final LOI or proposal narrative and budget, as well as forms and other materials.
   - Prepares SU Transmittal Forms for proposal, and routes it with proposal and budget for required direct report signatures.
   - Delivers proposal package to OSP with signed transmittal sheet at least seven (7) working days before mailing deadline or electronic submission deadline.
2. **Office of Grants Management Support (OSP)**
   - If requested by PI/PD, helps prepare and edit narrative and/or LOI.
   - Reviews draft budget for compliance with Federal, state, sponsor, and university policies, identifies any changes needed.
   - Notes deadline dates and confirms required direct report signatures and approvals are in place on transmittal sheet.

- Reviews transmittal sheet for complete and correct information.
- Notes any applicable compliance areas and confirms information with appropriate office (Ex. IRB, Information Technology, or OSPIRE).
- Reviews project budget and cost-sharing commitments for accuracy and compliance with Federal, state, sponsor, and university policies; when all is correct, OSP signs transmittal sheet.
- Reviews proposal narrative for compliance with Federal, state, sponsor, and university policies, as well as university mission and priorities.
- Resolves any questions or issues arising during review process.
- Obtains appropriate signatures on all proposal forms and assurances.
- Submits proposal directly to sponsor or, if required, returns signed proposal to PI/PD for submission.
- Saves submitted package on OSP SharePoint file.

When funding is awarded;

3. **OSP**
    - Sends copies of award letter and any other documents to PI/PD with instructions
    - In cases where award letters are sent directly to PI/PD, PI/PD are required to forward original copies of the notice of award to OSP.
4. **PI/PD**
    - Reviews award documents and confirms budget, as well as any terms and conditions.
    - If acceptable, signs and returns award acceptance memo to OSP.
5. **OSP**
    - Reviews any contract language and negotiates any necessary changes with sponsor.
    - Obtains appropriate approval signatures on all award documents and assurances.
    - When fully executed award document is received, transmits all award information to SU Business Office for grant/contract account setup.
    - Assists investigators with post-award administration.
6. **Shaw University Finance and Administration Office**
    - Assigns university grant/contract account number and notifies OSP and PI/PD.
    - Receives grant/contract funds and processes expenditures.
    - Assists investigators with fiscal post-award administration.
    - Prepares and submits fiscal reports and closes out accounts when project ends.
    - Oversight is supported by collaboration between OSP, PI and Finance and Administration.

NOTE: Please note this is a simplified and abbreviated version of the proposal/award process. PI/PD is responsible for knowing and adhering to applicable Federal, state, sponsor, and university policies and regulations. OSP staff is available to assist PIs/PDs at any stage of project development or administration.

OSP Post Award Practices

All activities after the award is issued by the sponsor and accepted by the University are considered post-award administration. Once OSP has received and examined the award to make sure all the conditions for acceptance have been met, it will release the award for budget account establishment and set-up.

When an entity receives Federal or private funds, it assumes definite responsibilities. There are certifications that the entity makes upon signing and submitting a grant application. The initial drawdown of Federal funds indicates acceptance of the terms and conditions applicable to respective grant award. Collectively, these actions convey that persons within the entity are familiar with Federal requirements and are in a position to assure that the entity is accountable with respect to the grant terms and conditions. OSP conducts mandatory training for all PIs/PDs, undergraduate and graduate students engaged in research as required contact hours by the Federal government and/or granting agencies. Contact hours are defined as instructional activity face-to-face.

OSP is considered the liaison between the sponsor and the University and intervenes to address issues related to the grant and the sponsoring agency. OSP approves all requests for modifications or prior approvals to existing agreements, provides assistance in interpretation of rules, regulations and other legal requirements, and assists in closeout once the award period ends.

Grant and Contract Accounting (GCA)

1. Post Award Administration Oversight and Guidance
2. New Award Set-up
3. Review and Processing of Sponsored Research Project Expenditures
4. Time and Effort Reporting – (required on Federal awards)
5. Invoicing and Financial Reporting
6. Award Closeout
7. Financial Audits

Policy

External fundraising has been identified as an additional means to support the institution's plans for growth and sustainability. External fundraising through grant funding efforts requires Presidential approval from the university to engage in such with the Federal government, its agencies, and from private sources. The President has designated The Office of Sponsored Programs as the unit responsible for institutional steward and oversight, administration and non-financial management of Federal and non-Federal contracts, grants and cooperative agreements. Thus, any document and/or transaction related to the administration of these types of grant and research-related instruments are reviewed by OSP on behalf of the University to confirm accuracy and appropriateness to the university mission, strategic plan and project. In some instances, OSP may delegate certain portions of tasks to other University units that have direct oversight.

Responsible Conduct in Research

Shaw University complies in a timely and accurate manner with Federal, State, and other sponsoring agency reporting requirements regarding programmatic, regulatory, fiscal, personnel, and property stewardship requirements of sponsored projects. Principal Investigators (PIs) on sponsored projects are responsible for the management and conduct of sponsored project activities. As part of that responsibility, PIs are responsible for understanding and complying with sponsored project reporting requirements associated with their sponsored project awards. Furthermore the **Responsible Conduct in Research (RCR)** is critical for excellence, as well as public trust, in science and engineering. Consequently, education in RCR is considered essential in the preparation when applying for grants.

Post Award Changes

After an award has been made any changes affecting the award or budget or the award period are sometimes necessary but must gain approval through OSP. Regulations regarding post award changes vary among agencies. Particularly, changes in some items may require approval such as travel, time extensions, non-competing renewals, absences, supplemental funds, re-budgeting or change of PI.

The Office of Sponsored Programs (OSP) and the Office of Finance and Administration works in partnership with Principal Investigators, Deans and administrative department heads to provide accurate, timely changes to sponsoring agencies. The Office of Sponsored Programs monitors fiscal reporting requirements and other fiscal related deadlines to ensure compliance with the terms and conditions of the sponsored award and to provide a continuous exchange of accurate, current information among the University, the Principal Investigator, and the sponsoring agency.

Compliance

The University must provide sponsors with certain assurances regarding every research project. These assurances generally involve areas of potential physical, psychological, financial or legal liability that the researcher, the sponsor, and/or the University may be subject to during the course of the research project and beyond.

Awards are made to SU under specific terms and conditions. All sponsors reserve the right to conduct an audit of the expenditures for a research project. Sponsors may determine that certain expenditures may be disallowed if the letter and spirit of their regulations are not followed. In this case, SU may be required to refund to the sponsor all disallowed expenditures.

In order for the affected parties to minimize potential liability, the Federal government and the University require that certain approvals be obtained before a project is begun. "Approvals" in this sense involve the conduct of an examination by unaffected, technically qualified individuals of those specific elements of the research project that pose potential risks. The examination of these risks is based, for the most part, upon Federal and/or University regulations specific to the elements being examined. OSP offers detailed information regarding policies, training and other information pertinent to the responsible conduct of research during campus workshops held throughout the year.

Use of Human Subjects in Research

The University must approve any research project involving the use of human subjects. The University must give assurances regarding research that involves both physical and psychological testing. This includes social data collection and analysis. Complete information regarding what is required concerning the use of human subjects in research can be acquired from the SU Institutional Review Board (IRB).

Alterations and Renovations

Any modification of laboratory or office space must be approved by the appropriate Division Head and Vice President before any information is conveyed to a potential sponsor. The alterations of space involve various levels of cost and have ramifications that could affect space allocations for an entire academic unit and University as a whole.

Capital Equipment

First-rate research often requires the acquisition of major equipment systems. However, the University is required by the Federal Government to avoid acquiring equipment that is duplicative or easily and conveniently available within a department. This inquiry, therefore, helps the University to determine equipment needs in those instances where it is disadvantageous to utilize the existing equipment.

Conflict of Interest

- Conflicts of interest exists when external commitments made by University employees threaten or impair independent scholarly inquiry, compromise one's freedom of thought or action, or impedes an employee's ability to capably perform the duties of his/her University position. If a conflict of interest is present for a PI's grant, the relevant investigator needs to disclose to OSP all significant financial interests of the investigator (including those of the investigator's spouse and dependent children): (i) that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by the grantor; or (ii) in entities whose financial interests would reasonably appear to be affected by such activities. If there are any questions, the PI should consult with OSP about these potential conflicts of interest to decide whether a financial disclosure is necessary at the time. All financial disclosures must be kept up-to-date during the period of the award, on an annual basis, or as new reportable significant financial interests are obtained.
- Should a conflict of interest be identified, OSP may recommend the imposition of the following remedies: (a). public disclosure of significant financial interests; (b). monitoring of research by

independent reviewers; (c). modification of the research plan; (d). disqualification from participation in the portion of the proposed research that would be affected by significant financial interests; (e). divestiture of significant financial interests; or, (f). severance of relationships that create conflicts.

- Should these provisions be violated and financial interests not disclosed, OSP will notify the relevant University officials regarding sanction. OSP will maintain records of financial disclosures per this policy and of actions taken to resolve any conflicts for at least three (3) years subsequent to the termination or completion of the grant to which relate. In addition, OSP will coordinate with granting agencies to ensure consistent implementation of the conflict of interest policy or if there is a change in potential conflict status over the period of grant award implementation.
- The term “investigator” means the PI/PD, co-PI/co-PDs, but also any other person identified on the proposed award who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by the grantor. The term “significant financial interest” means anything of monetary value, including, but not limited to, salary or other payments for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights).

Certifications and Representations

Due to Federal mandates, the University must often certify that it conducts its activities in a manner that does not violate specific Federal laws or regulations associated with the obligations of entities that receive Federal funds. These assurances to the Federal constitute “promises” on the part of the University that it understands the sum and substance of the regulation, and that it will do its best to behave in accordance with regulations. The documents that convey our assurances in these matters are called “Certifications and Representations.”

Most agencies have a single form, which covers a general set of certifications regarding non-discriminatory employment practices, accuracy of cost and pricing data, employer identification number and the like. The more highly visible certifications are the “special certifications” that usually reflect a conspicuous attempt by the government to address problems of contemporary importance. Among these assurances would be those that the University is a Drug-Free Workplace; that SU has not experienced Debarment or Suspension in previous Federal grants or contracts; that the University does not Lobby to attract research funding; that equipment purchases are not duplicative, etc. Certifications regarding the University’s Research Misconduct Policy are addressed through the University’s Research Misconduct Policy. Because certification requirements are constantly changing, OSP monitors Federal requirements in these areas. Whenever questioned about required certifications and representations, please direct them to OSP.

Non-compliance with the processes and procedures detailed in these Procedures can result in the University’s inability to collect funds from the sponsor, audit exceptions, fines for serious or repeated non-compliance, suspension and debarment of Shaw University from receiving Federal funds.

Proposal Writing and Submission

Proposals are written by the PI with the assistance of OSP and provides assistance with obtaining and interpreting agency guidelines, providing administration data such as rates and assurance dates, and by reviewing the completed proposal.

In general, a proposal consists of a narrative or technical section, an administration section or document, and a budget and budget narrative. The narrative or technical section should be a clear and concise explanation of the planned effort including specific goals and methodologies. The budget is the best estimate of support needed to perform the proposed project, program or research. The budget narrative should detail and justify each item of cost.

General Format

Most Federal and many private agencies provide application forms and guidelines. Proposals could be eliminated even before reaching the review units/committee or panel if the agency's instructions are not precisely followed.

In cases where these are not provided, the following basic format is suggested:

1. Cover page
2. Certifications and representations as required by agency
3. Abstract containing a brief overview (approximately 250 words) of the proposed research including goals and methods
4. Introduction which identifies the problem and the need for the project, program or research
5. Statement of work which outlines precisely the goals, methodologies, dissemination of information and a description of resources
6. Budget estimates for every item of cost along with budget justifications providing detail for requested item
7. Listing of current and pending research support
8. Appendix, including vitas for key personnel and other pertinent documents or forms

Budget Format

Budgets generally contain itemized direct and Facilities and Administration (F&A) costs, other cost requirements, appendices and required forms. Budget estimates should outline all costs for a given project. The following is a general budget format:

Direct Costs

Direct Costs are the expenses directly associated with a specific research project. The sponsor is expected to provide for all direct costs, which may include:

1. **Fringe Benefits**: Varying fringe benefits are associated with different personnel categories.
2. **Materials and Supplies**: These are normally expendable items with a useful life of less than one year. It is generally unacceptable to include office supplies. Provide details for all materials and supplies required.
3. **Capital Equipment:** Identify the piece of equipment including the model number, manufacturer, name of vendor, contact person and telephone. Capital equipment must be directly related to the proposed research, have a useful life of more than one year, and cost in excess of $5,000. General purpose equipment, such as desks and computers, is generally not allowed. Consult agency regulations or call OSP for more specific information.
4. **Travel:** Describe separate domestic and foreign travel associated with the project. Provide a breakdown of costs according to destination, purpose and relationship to project, number of travelers, number of trips, etc.
5. **Consultants:** Identify the names of consultants, specialty, university daily rate and justification for their use. SU employees cannot serve as consultants on SU sponsored projects.
6. **Printing and Publication Costs**: Estimate the number of pages, page charges, and name(s) of journal(s).
7. **Subcontracts/Sub-awards**: List the names and addresses of all subcontractors/sub-awardees. Obtain a proposal from the subcontractor/sub-awardee (signed by an authorized official) that includes a statement of work, detailed cost estimate, rate agreement and list any deliverables and costs or payments associated with such.
8. **Alterations and/or Renovations:** Itemize the requirements and costs after consultation with the university Vice President for Finance and Administration to determine renovation requirements and assurances and certifications.
9. **Other Direct Costs**: Includes direct costs not specifically described by the general headings above such as tuition remission.

Facilities and Administrative Costs (F&A)

Facilities and Administrative (F&A) Costs, previously known as indirect costs, are the expenses incurred for general University operations while conducting the project or research, such as library services, administrative costs, and building use and maintenance. F&A costs are calculated as a percentage of direct costs and are established by the Federal government.

The Federal government provides rules (OMB Circular 2 CFR 200) governing the calculation of F&A cost rates and periodically audits the costs supporting the rates negotiated. Some items, such as capital equipment and tuition, are excluded from the F&A cost calculation. Known as Modified Total Direct Costs (MTDC), this formula entails deducting the following direct cost items prior to calculating F&A: Equipment exceeding $5,000 per item; subcontracts in excess of $25,000; tuition, patient care costs, rental of off-site facilities; capital expenditures; and fellowships and scholarships. F&A cost rates may vary according to the type or location of the research project.

Application of F&A Rates to Sponsored Programs

F&A cost rates are applicable to all sponsored projects (grants, contracts, cooperative agreements, sub-awards and subcontracts) funded by Federal, State or private sponsors. The application of these rates allows SU to recover certain costs (e.g., facilities, utilities, libraries, administration, student services, etc.) associated with externally funded training and research activity that, although true costs, cannot be identified specifically with a particular project or activity. The Federal government (DHHS for SU) determines the rate that is necessary to collect these costs from sponsored awards.

The first step in determining the proper F&A rate is to read the sponsor program guidelines/announcement. If there is a limit on F&A, the program guidelines or announcement will list the rate that should be used. Full F&A should be used if no limitation is specified.

The next step in determining the appropriate rate is to establish what type of project you have. OMB Circular 2 CFR 200 describes the different types of awards – Organized Research, Instruction and Training, or Other Sponsored Activities.

It is important to select the correct Facilities and Administration Cost rate for a project as the proposal budget is being prepared. SU has three categories of negotiated F&A rates, and in each category there are ON- and OFF- Campus rates. The appropriate rate to use depends on the nature of the project. It is important to note that some programs may have statutory or regulatory limits on F&A recovery, but that does not change the nature of the project.

Cost Sharing

Some agencies require that a percentage of the research costs be shared by the University. Cost sharing represents a financial commitment to a research project. Whenever the full costs of a project are not recovered (direct or F&A), the University is sharing a percentage of the research costs and it is considered cost-sharing. University cost-sharing should not be included in a proposal unless it is mandatory by statute, regulation or written policy. No cost sharing, waiver or modification can be accepted without the approval of the appropriate Vice President and Fiscal Office.

Cost-sharing may take the form of outright, in-kind, or matching. Outright cost sharing generally constitutes a cash contribution specifically earmarked for participation on a project. In-kind contributions may include University or third-party contributions of efforts, services or goods. To be acceptable as cost sharing, an expenditure must be verifiable from the official University records; not be used as cost sharing for any other sponsored program; be necessary and reasonable for proper and efficient accomplishment of the project; be allowable under the University governing cost principles and policies (OMB Circular 2

CFR 200); be incurred during the effective dates of the award, and not paid by the Federal government under another sponsored project. It is important to remember that all types of cost sharing must be accounted for, even if only mentioned in the proposal text and not specified in the budget.

Effort Reports

Principal Investigators are responsible for certifying that effort expended on a grant is documented and he or she is responsible for submitting the Time and Effort Reports to the OSP by the University's reporting deadline. Signed Time and Effort Reports are legal documents in which an individual attests to the accuracy of the effort spent on sponsored program. Knowingly signing an inaccurate effort certification is a serious violation of University policy, as well as potentially, a violation of civil and criminal fraud statutes, leading to civil and criminal penalties and Federal cost disallowances. False Claims Act, 31 U.S.C. § 3729 & § 3721.

The University's Time and Effort Report is monthly report that accounts for all effort a University employee expends on behalf of the University. Effort is the proportion of personnel time spent on any institutional sponsored project activity expressed as a percentage of the TOTAL institutional activities of the employee, regardless of the funding source. Effort reporting provides a means of verifying that (1) effort compensated by a sponsored program has been performed as promised AND (2) effort expended on a sponsored program but not compensated by that program (cost sharing) has been performed as promised. This includes all effort expended on instruction and training, unsponsored scholarly activities, sponsored program activities, administration, business development, and other activities. Total institutional effort always equals 100%. Only actual effort can be reported, not budgeted or estimated effort as submitted in the sponsored project application or proposal.

Federal Property Reports

Principal Investigators are responsible for understanding property reporting requirements for their sponsored projects. Most sponsored projects do not require a property inventory reports. However, sponsored project award notices and accompanying terms and conditions will state property reporting requirements if required.

Principal Investigators are responsible for understanding property reporting requirements for their sponsored projects. Federal projects will require property inventory reports. Reporting requirements differ between Federally-owned property and Federally-funded property. Some government agencies require negative reports when there is no equipment listed on a specific grant, contract, or cooperative agreement.

a) *Federally-Owned Equipment*: Title to property owned by the Federal Government remains vested in the Federal Government and must be identified and labelled to indicate Federal ownership. Principal Investigators shall be responsible for maintaining an inventory of Federally-owned property, which should be reconciled annually with the official University property records.

Principal Investigators, in collaboration with the Fiscal office and the OSP, are responsible for submitting the requisite annual and final inventory reports of Federally-owned property in its custody to the sponsoring agency. Principal Investigators must notify the OSP and the Fiscal office upon receipt of government-owned property from a sponsoring agency. In the event Federally-owned property is lost, damaged, destroyed, or consumed, Principal Investigators must notify the OSP, the Finance and Administration Office and the University Police Department in the case of stolen property. Failure to inform the Federal agency may result in University liability to the Federal government with subsequent appropriate reimbursement.

b) *Federally-Funded Property*: Title to Federally-funded equipment generally vests with the University without further obligation to the Federal Government although the Federal sponsoring agency may, when statutory authority exists, issue the title to property acquired with Federal funds conditional. Principal Investigators shall be responsible for maintaining an inventory of

Federally-funded property, which should be reconciled no less frequently than every other year with the official University property records. Principal Investigators and the Finance and Administration office, are responsible for accounting for and submitting the requisite annual and final property inventory reports to the sponsoring agency.

Principal Investigators are responsible for reporting any misuse of, embezzlement, damage, arson or theft of any fixed assets/equipment in the possession or owned by the University no more than three days from the date of discovery to OSP, the Finance and Administration Office and to the University Police Department. Principal Investigators are responsible for reporting to the OSP Office equipment that is being returned to the vendor.

Reporting Requirements

Most grant and contract agreements require interim and/or final reports. These reports may include equipment, patent, financial and/or technical. Most of these reports are required to be submitted on an annual basis; however, some sponsors may require more frequent reporting. Final reports are required at the close of the award, usually within 90 days of the expiration of the final project funding period. OSP (Post-awards) shall notify the Principal Investigator, in writing, at least ninety (90) days in advance that the end date of an award is approaching. Firm due dates for interim and final reports are customary and sponsoring agencies expect to receive the report on or before that date.

It is important that all reporting responsibilities be fulfilled as failure to do so may jeopardize future funding to the entire University. While it is the PI’s responsibility to ensure all requirements of the award are met, OSP can assist by coordinating non-fiscal reporting compliance. OSP assists by negotiating the disposition of remaining equipment at the termination of the project if not addressed in the original agreement. Finance and Administration is responsible for preparing all financial reporting requirements.

All interim and final reports require the signature of the Principal Investigator, the Division Head and/or appropriate Vice President, in addition to the authorized University official. The University will submit the performance reports. Some sponsoring agencies have developed electronic submission procedures for reports that require certification by an authorized University official. The OSP will assist facilitating the process with the PI by providing information and notification during the life of the grant.

Sub-award and Subcontracting Administrative Procedures

Occasionally, a significant portion of the required work may need to be provided outside the University by a third party. The third party is made responsible for a discrete portion of the project award, providing the leadership and direction of a responsible investigator and the resources necessary to conduct that portion of the work. Costs associated with this work may include personnel costs, supplies, equipment, travel, F&A, etc. Such an arrangement is carried out through the issuance of a sub-award (under prime grant awards) or subcontract (under prime contract awards). The U.S. Government’s Office of Management and Budget (OMB) require recipients to analyze and monitor funds awarded to sub-awardees and subcontractors. The guidelines and specific office procedures set out in this manual have been developed by the Office of Sponsored Programs for establishing sub-awards and subcontracts for research, development and services to ensure compliance with U.S. Government regulations. These instructions should also be used as guidance in establishing private subcontracts and Federal and private sub-awards.

OSP is responsible for oversight of subcontractor/sub-awardee compliance with the terms of the subcontract/sub-award, including compliance with the reporting requirements of the subcontract/sub-award during the life of the grant.

Activities performed by private individuals who are not employees of SU are normally administered through consulting agreements. For further information on consultants and independent contractors, please contact Finance and Administration directly.

PI Subcontract/Sub-award Monitoring

The PI holds all final approval rights for all technical components of the subcontract/sub-award as well as monitoring expenditures to determine if costs are in accordance with the negotiated budget. This enables the PI to monitor the rate of expenditure to determine if costs are reasonable, if the work is progressing as planned and if there will be sufficient funds for the duration of the agreement.

The PI is responsible for monitoring all work in progress. Prior to issuing a subcontract/sub-award modification, the PI must determine if the proposed modification will involve a change in scope of work or objectives which will impact the project. In such a case, OSP may be required to obtain sponsor approval prior to issuing a modification.

Actions Required for Delayed or Late Reporting

If a Principal Investigator cannot submit a report by a required due date, s/he should contact OSP prior to the due date (preferably 90 days before due date or at the time OSP sends 90 day close-out notification) with the reasons for the delay. OSP shall be responsible for contacting the sponsoring agency to request an extension of time to complete the report. In most cases, no costs or expenses can be charged to the project after the expiration date even though some may occur.

When a Principal Investigator has not prepared a technical report by the required due date and has not sought an extension, OSP will contact the Principal Investigator to determine the reasons for the late submittal. If the Principal Investigator does not respond or does not provide the technical report (typically within 30 days of the inquiry), OSP will notify the Principal Investigator’s department chair and dean as well as the Vice President for Academic Affairs.

Closeout of Subcontracts/Sub-awards

OSP reviews the subcontract/sub-award to ensure that all necessary closing actions have been carried out, including receipt of all appropriate closing documents. The following reports are required for closeout within 30-45 days of termination and obtained by OSP;

- Final technical report – submitted directly by PI.
- Final equipment report, if required – to be obtained by OSP.
- Final patent report – to be obtained by OSP.
- Final voucher or invoice – approved by PI and copied to OSP.
- All appropriate releases, if required – to be obtained by OSP.

OSP performs a final desk audit for expenditures on sub-awards and compliance on sub-awards. OSP retains the complete file for a predetermined period to satisfy all audit requirements. The PI is responsible for seeing that an acceptable final report is received from the subcontractor/sub-awardee and will be asked to execute a “certification of final technical completion” stating such before final payment will be made.

Research Records Retention

The length of time that income records must be retained is determined by the sponsoring agency’s requirements. Federal regulations financial and programmatic records, statistical records, supporting documentation and any other records pertinent to the sponsored award must be retained for three (3) years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the submission of the quarterly or annual financial report, as authorized by Federal sponsoring agency after the end of the grant year in which the grant support terminates.

Exception: If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved. If the audit or litigation is unresolved at the time the grant support terminates, then the records must be kept for as long as the audit or litigation is pending.

*Status of Proposed Government-Wide Standard Grants Reporting Forms

Public Law 106-107 required the Office of Management and Budget (OMB) to direct, coordinate, and assist the Executive Branch departments and agencies in establishing an interagency process to streamline and simplify Federal financial assistance procedures for non-Federal entities. One of the results of this effort is the development of six standard government-wide forms listed below. These forms along with their instructions are intended to replace multiple agency or program-specific forms used for similar purposes. Each form, which has been sponsored by a Federal agency, and is now in various stages of the approval process. For updated information on the status of the forms listed below, go to http://www.whitehouse.gov/omb/rewrite/grants/grants_standard_report_forms.html.

RELATED INFORMATION

Federal Guidelines

2 C.F.R. 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.”

2 C.F.R. part 215 (formerly OMB Circular A-110), “Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, HOSPitals, and Other Nonprofit Organizations.” http://www.whitehouse.gov/omb/circulars/a110/a110.html

(For the University’s State or Local Government Sub-recipients)

OMB Circular A-102, "Grants and Cooperative Agreements with State and Local Governments."

http://www.whitehouse.gov/omb/rewrite/circulars/a102/a102.html

(For the Department of Health and Human Services' (HHS) grants and agreements awarded to institutions of higher education, HOSPitals, other nonprofit organizations and only to commercial organizations).

45 C.F.R part 74, “Uniform Administrative Requirements for Awards and Sub-awards to Institutions of Higher Education, HOSPitals, Other Non-Profit Organizations, and Commercial Organizations.”

http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title45/45cfr74_main_02.tplhttp://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title45/45cfr74_main_02.tpl

(For the Federal Government and Commercial Organizations That Are Subcontractors)

Federal Acquisition Regulations, http://www.acquisition.gov/far/index.html

Sponsoring Agency Administrative Guidelines and Expanded Authorities.

Sponsored Program Award Terms and Conditions

FDP Prior Approval and Other Requirements Matrix

http://www.nsf.gov/home/grants/grant_fdp.htm

Cost Principles 2 CFR part 220 (formerly OMB Circular A-21) “Cost Principles for Institutions of Higher Education.” http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdfhttp://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf

(For the University’s State, Local or Indian Tribal Government Sub-recipients)

2 C.F.R. part 225 (formerly OMB Circular A-87) “Cost Principles for State, Local and Indian Tribal Governments,” http://www.whitehouse.gov/omb/fedreg/2005/083105_a87.pdf

(For the University's Non-Profit Sub-recipients)

2 CFR part 230 (formerly OMB Circular A-122) "Cost Principles for Non-Profit Organizations"
http://www.whitehouse.gov/omb/fedreg/2005/083105_a21.pdf

(For the University's HOSPital Sub-recipients)

45 CFR part 74, Appendix E, "Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with HOSPitals"

http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=8b214334156e5c3dba9751c69f5426b8&rgn=div9&view=text&node=45:1.0.1.1.35.6.11.3.11&idno=45

(For the University's Federal Government or Commercial Organizations That Are Subcontractors)

48 CFR part 31, "Contract Cost Principles and Procedures"
http://www.arnet.gov/far/current/html/FARTOCP31.html

Lists of Parties Excluded From Federal Programs

The U.S. General Services Administration (GSA) provides an on-line database of parties excluded from Federal procurement and nonprocurement programs. This database provides an up-to-date source of information on those firms and individuals that have been suspended, debarred, or otherwise excluded from Federal procurement or nonprocurement programs government-wide. OSP routinely accesses this database prior to the issuance of sub-awards to verify the status of the sub-recipients. This is a free government service, available 24 hours a day, 7 days a week. The website is https://www.epls.gov .

Definitions

Closeout - The process at the end of a sponsored project award by which the University completes any required accounting to the sponsor via final reports and prevents any further expenses from being incurred on the sponsored award.

Contract – An agreement between the University and another entity with specific obligations for both the sponsor and the recipient where the sponsor is seeking to procure a product or service, has more involvement, and uses the project to achieve a specific outcome or delivery of a specific product that can be an instrument, device or technical report. In general, contracts contain a more precisely stated expectation than grants of a definable work product or service on some set schedule as a condition of payment. Consequently, are less flexible than grants and sponsor personnel tend to maintain stricter oversight. Federal contracts are governed by the Federal Acquisition Regulations as well as the specific terms and conditions in each contract document.

Cooperative Agreement – A cooperative agreement is an arrangement where both parties are involved in carrying out a portion of the research. Cooperative agreements generally stipulate the responsibilities of both parties. Federal cooperative agreements are governed by the same regulations as Federal grants.

Deliverables –Documents such a data, graphs, or software, etc., that must be submitted to the sponsoring agency, in accordance with the terms and conditions of the sponsored project notice of award.

Export Controls - Export Controls refers to regulations used by the Federal government to control the export of information or items for reasons related to national or economic security and foreign policy.

Federal Mandated Committees: Office of Grants Management, 919-582-4985

Human Subjects - Regulated by policies and procedures established in 45 C.F.R. 46 Subparts A-D by the Department of Health and Human Services, the Institutional Review Board (IRB) is charged with the protection of human subjects used in research.

Financial Report - An accounting of expenditures and obligations incurred during the period of performance and/or at the conclusion of the sponsored project. The financial report reflects the University's official accounting records.

Grants - Financial assistance instruments that provide the researcher with significant flexibility to determine spending categories and research direction. Grants are usually made in support of basic research, requiring technical and financial reports rather than specifying definite services or product deliverables. Unlike cooperative agreements, grants do not require substantial programmatic involvement between the parties. Federal grants are governed by the Office of Management and Budget (OMB) Cost and Accounting Circulars and by each individual agency's grants policy document.

Signing Official (SO) - A Signing Official (SO) has institutional authority to legally bind the institution in grants administration matters. The SO can register the institution, and create and modify the institutional profile and user accounts.

Sponsor (or Sponsoring Agency) – The organization that funds a project via a contract, grant or cooperative agreement, or other award agreement.

Sponsored Agreements -Contracts that require the University to provide goods and /or services in exchange for payment and grants or cooperative agreements that require the University to provide technical and/or financial reporting to the sponsor on the results of research or other sponsored activity.

Sponsored Project or Sponsored Program - An externally funded activity, which is funded by a governmental agency, corporation, or private foundation, and is governed by specific terms and conditions.

Sponsored Project or Sponsored Program Award – Funding from an external entity such as a governmental agency, corporation, or private foundation for an activity with a defined scope and purpose undertaken by the University with the expectation of an outcome or something of value that directly benefits the sponsor.

Technical Report – A written accounting of a sponsored project progress and performance during the reporting period and includes (i) a comparison of actual accomplishment with the project goals and objectives established for the reporting period, (ii) the findings of the Principal Investigator; (iii) where project output can be quantified, a computation of the cost per unit of output; (iv) reasons why goals and objectives were not met, if appropriate; and (v) other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.