



CLARK ATLANTA UNIVERSITY
Research and Sponsored Programs

PRINCIPAL INVESTIGATOR'S HANDBOOK

Overview

Research and Sponsored Programs (RSP) is the central administrative office responsible for submitting proposals and accepting awards on behalf of Clark Atlanta University. Sponsored project proposals must be submitted and awards accepted only by the authorized representatives within this office.

If a proposal is in response to a specific solicitation, both the potential Principal Investigator (PI) and RSP administrator should have a copy of the solicitation to ensure that the proposal meets the specific guidelines. All proposals submitted to external sponsors must undergo University review and approval prior to actual submission to the sponsor.

If the proposal is in response to a specific funding opportunity published via a Program Announcement (PA), a Notice of Funding Opportunity (NOFO), Broad Agency Announcement (BAA) or a Request for Proposal (RFP), the PI should review the document carefully for the sponsor's guidance on proposal development and content. Questions about budget preparation or internal University review requirements should be directed to RSP. Technical questions about the funding opportunity may be directed to the sponsor's contact listed in the funding notice.

When the proposal is presented to RSP for review and submission, it must have the written approval of the PI and the relevant Department Chair and/or Dean. RSP requires a minimum of five business days prior to the sponsor's deadline to review and approve a proposal for submission. RSP cannot guarantee timely submission to meet the sponsor's deadline if the above-referenced lead-time is not provided. Pre-award staff will reach out to PIs and set up submission meetings to provide assistance and review the administrative aspects of the budget development and grant application process.

Proposals that deal with instructional or training activities or have implications for teaching or curriculum issues, or those that seek to establish new institutes or centers, require review and approval of committees and/or individuals outside of RSP. Consult with RSP well in advance of the deadline if the proposal involves any of these features. Additionally, limited submission proposals require additional lead time.

CAU policy allows only CAU personnel to be listed on the cover page of a proposal. By signing the proposal, the University is certifying to a number of required statements regarding such issues as debarment and suspension, lobbying, drug-free workplace, adherence to applicable regulations regarding compliance, etc. RSP is unable to certify such compliance for individuals employed elsewhere.

Roles and Responsibilities During the Proposal and Award Process

Principal Investigator (PI): responsible for the overall design, conduct, management, and ethical oversight of a research project

Pre-Award:

- Identify project and funding opportunity
- Provide Intent to Submit Form to RSP ASAP (***preferably 30 days before application deadline***) after deciding to apply (***lead time for Limited Submissions is 45 days***)
- Meet with RSP's pre-award staff to ensure proposal and budget are correct and meet sponsor standards
- Prepare technical proposal and budget
- Develop workspace and upload documents
- Request and receive necessary approvals (IRB, IACUC, Biosafety, etc.)
- Provide all other proposal components required by sponsor
- Identify subcontractors and any administrative requirements
- Identify and address any space requirements and discuss with Department Chair/Dean how these needs will be met
- Identify sources of any required cost sharing with Department Chair/Dean and acquire necessary approvals from Finance and Administration
- Assemble all proposal documents
- Provide completed proposal with all required elements, along with the Proposal Routing Form to RSP ***no later than 5 days prior to submission deadline***

Post-Award:

- Provide resources and environment for research project
- Oversee research activities and ensure project goals and objectives are met
- Ensure compliance with institutional, Federal and ethical regulations
- Prepare and submit required reports
- Monitor sub-recipients
- Monitor project spending to ensure funds are expended fully and properly

Office of Research and Sponsored Programs (RSP): responsible for comprehensive assistance across the entire grant lifecycle

Pre-Award:

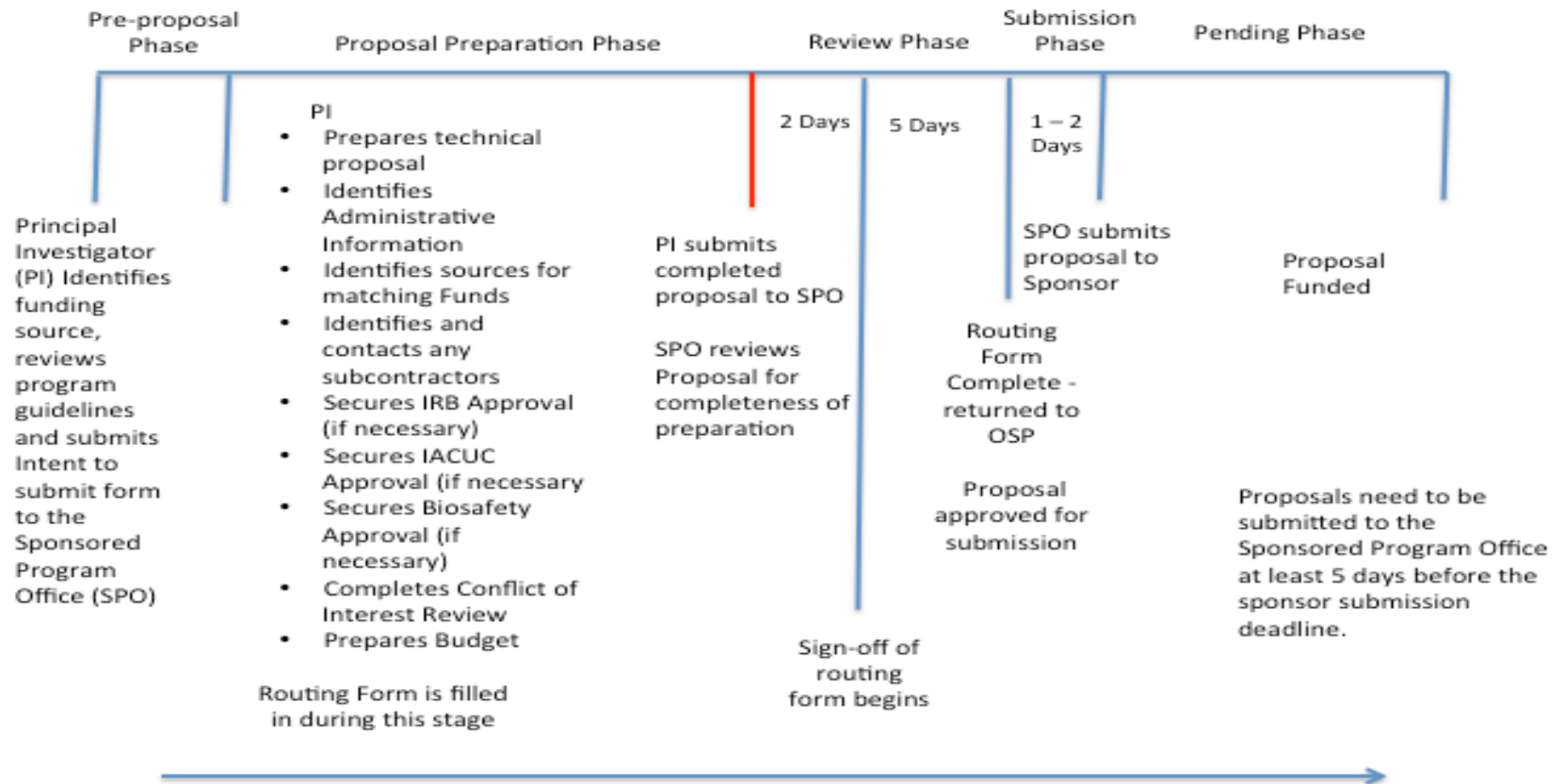
- Help identify funding prospects
- Meet with PI(s) to provide information and assistance in completing required administrative information
- Check proposal budget for accuracy from draft provided by PI
- Provide information and guidance on sponsor and university cost sharing

- requirements
- Contact sponsored program office at subcontractor's institution to request administrative materials
 - Ensure that all necessary compliance committees have reviewed and signed off on protocols provided within the application
 - Ensure that principal investigator and key personnel are aware of conflict of interest requirements and report any potential conflicts to Compliance Office
 - Evaluate subrecipient's risk level
 - Review proposal for conformance to sponsor and university requirements
 - Review budget – both sponsor and cost shared
 - Provide institutional signature
 - Submit proposal through appropriate web portal

Post-Award:

- Negotiate and accept awards
- Initiate project Kickoff
- Manage administrative functions of award
- Ensure compliance with institution, funding entity guidelines and ethical regulations
- Help monitor spending via Quarterly Expenditure Meetings and/or other means
- Ensure proper closeout

Phases of Proposal Preparation



Proposal Guidance

Funding Announcement* – an official public document advertising available funding and soliciting applications. These notices are issued by Federal agencies, State governments or private foundations to announce the availability of discretionary grants or cooperative agreements that align with the issuing agency's objectives, often through a competitive process, and to guide applicants through the funding procedure. Announcements are legally binding documents that outline the terms, conditions and requirements for applying for and receiving funds.

*Can be called a Program Announcement (PA), Funding Opportunity Announcement (FOA), Request for Application (ROA), Notice of Funding Opportunity (NOFO), Request for Proposal (RFP) or Broad Agency Announcement (BAA). Note: this is not a comprehensive list.

Proposal – a detailed request for funding prepared in accordance with a sponsor's instructions. A proposal must comply with both University and sponsor policies. The proposal becomes an official record of what was promised by Clark Atlanta University to a sponsor. A proposal normally includes:

- Abstract – a brief narrative (usually one or two pages) describing the proposed project. Refer to sponsor guidelines to determine appropriate format.
- Project Narrative – a detailed discussion of the proposed project and generally consists of the following parts:
 - Introduction: Similar to abstract.
 - Problem/Opportunity: Why is the project is needed, and why are you positioned best to carry it out?
 - Goal/Objectives: Who, or what, will be changed? How? (or what product will result?)
 - Method/Activities: How will you accomplish the goal?
 - Obstacles: What obstacles do you anticipate and how will you address them?
 - Evaluation: Assessment plan. How will you know you have accomplished the goal?
 - Personnel: Key personnel who will be involved and their roles in the project.
 - Timeline: Estimated timetable for grant activities
 - Results/Significance: Summary: the impact will this project will have for CAU and the wider world.
- Summary Budget
- Budget justification (narrative) for all costs
- Representations and Certifications
- Compliance Data
- Letters of Institutional Commitment
- Other – i.e., current & pending support, bios, supporting documents, cost-sharing information, data and resource-sharing information, etc.

Sponsor Guidelines – details exactly what is to be included in the project proposal and how it is to be presented. Be sure to closely follow these guidelines as they also specify the allowable fonts and font sizes, line spacing, margin sizes, page limits, etc. Failure to conform to these guidelines will generally result in the proposal being deemed non-responsive and will not be read or considered for funding.

Data and Resource Sharing – Check individual sponsor guidelines for data and resource sharing requirements.

Representations and Certifications – For some proposals, special representations, certifications and acknowledgments may be required. The PI should review the notice of funding opportunity carefully to determine which forms are required and contact RSP for assistance.

Budget – an important part of the proposal development process. Sponsors and peer reviewers are responsible for comparing the level of funding requested to the work proposed. Therefore, the budget section of the proposal should reflect, as accurately as possible, the funding necessary to carry out the project. In general, budgets consist of what are referred to as **direct** and **indirect costs**.

Budget Guidance

Direct Costs – costs that can be identified specifically with a particular funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Direct cost categories include:

- *Salaries, Wages and Other Personnel* – compensation for the work to be completed by faculty, graduate students, post-docs and/or technical assistants who will work directly on the project. Usually, salaries and/or wages are “billed” to a grant/contract as a portion of an individual’s overall compensation. That is, normally, project staff work part-time on any given project. As such, it is important to consider each individual’s commitments to other sponsored projects for program management purposes. PIs may not budget any individual in excess of 100% of their time on funded projects, which includes all sponsored projects, instructional and other University activities. Sponsored activities may not result in any employee receiving compensation at a rate in excess of his/her salary as authorized by CAU. PIs or departments should not include salary levels that exceed what the University’s normal practices allow (see <https://www.ecfr.gov/current/title-2/section-200.430>).
 - Some sponsors, such as the National Institutes of Health (NIH) place a limit on the rate of permissible salary reimbursement. Any such limitations will be noted in the funding announcement, or general agency guidelines.
 - The Federal government will not normally pay the salaries of clerical and administrative personnel, as they are considered to be part of the indirect costs (F&A) incurred by CAU (see below for a discussion of indirect costs). For certain types of major federally funded projects and for non-governmental sponsors, such costs may be justifiable. Refer to the funding announcement for guidance, or seek advice from RSP.
 - It is acceptable to include incremental budget increases to salaries for professional and non-professional personnel on proposals extending more than one year. If specific incremental increase figures are not available, estimate the increase at 4% per year.
 - Although uncommon, some sponsors require a financial contribution to a project by CAU. This cost sharing is often accomplished through uncompensated effort contributed to the project by the PI or other personnel. Cost sharing cited, either in the budget or in the narrative of the proposal, is a binding commitment if the project is funded and must be tracked for auditing purposes by the University’s financial system.
 - It is **mandatory** to discuss any cost sharing commitment with Finance and Administration prior to including cost sharing in any proposal budget.
 - Some cost share is considered *voluntary* when not mandated but is included. These include not charging release time during the

academic year if activities occur during the academic year, contributions by third party without compensation, etc.

- *Fringe Benefits* – the University's share of contributions to social security, unemployment insurance, group medical coverage, retirement, etc. Employee benefits rates are calculated as a percentage of employee salaries and wages.
 - As these rates change periodically, confer with RSP for the current rates.
 - Be aware, that if the fringe rate changes during the course of a multi-year project, the project will be responsible for re-budgeting to account for these changes.
- *Travel* – reasonable and necessary costs for project-related travel.
 - Reimbursement for travel expenses is subject to University policies and sponsor regulations. Many sponsors request specific data on each proposed trip, including destination, transportation costs, number of days of travel, and purpose of each trip.
 - Domestic and Foreign travel should be separately identified and budgeted. Domestic travel usually includes trips within the U.S. and to Puerto Rico, Mexico, and Canada. Foreign travel is anything outside this area.
 - “Fly America Act” – all foreign travel on federally-funded projects, including that which may be cost-shared, must utilize U.S. flag air-carriers whenever possible, regardless of cost or convenience. These costs must be fully justified in the proposal budget. Exceptions to the requirements of the “Fly America Act” can only occur under unusual circumstances and must be documented and approved in advance.
 - Typically, when budgeting for overnight travel, the estimated costs for lodging, meals and incidentals should be consistent with rates allowable according to the General Services Administration (<https://www.gsa.gov>).
 - Refer also to CAU Policy 7.5.4- University Travel.
- *Equipment* – for purposes of proposal budgets, equipment is considered to be items that have an active life of greater than one year and a cost of \$10,000 or more (<https://www.ecfr.gov/current/title-2/section-200.313>). Typically, items such as laptop or desktop computers are budgeted within the materials and supplies line item (see below).
- *Materials and Supplies* – consumable items such as general office supplies are allowable under federal guidelines (2 CFR 200.453). Ensure that such supplies meet the cost principals detailed in the Uniform Guidance Subpart E.

- *Contractual* – costs for a non-federal entity that provides a good or service to the project, but otherwise does not participate.
 - A contract is a procurement action in which an entity:
 - Is to perform a series of repetitive tests or activities requiring little or no discretionary judgment (e.g. Entity performs a test on data we provide to them and gives us the results to analyze)
 - Provides the goods and services within its normal business operations (e.g. Entity regularly sells the goods or services as a part of their routine business operations, usually at a fixed price or rate (e.g., pipettes, tanks of hydrogen, etc.))
 - Provides similar goods and services to many different purchasers
 - Operates in a competitive environment
 - Is not subject to the compliance requirements of the prime sponsor
 - Note: There is an important distinction between subawards provided to subrecipients and contracts, irrespective of what they are called in the proposal. See Subrecipient section below.
 - In either case, consult with RSP to determine if the proposed subrecipient or contractor is acceptable (see also CAU's Subrecipient Monitoring Policy).
- *Consultants* – experts in a particular subject matter that are used for a fixed period of time to accomplish a portion of the project. The use of paid consultants may be justified when the project calls for such expertise and on-campus expertise does not exist or is not readily available (individuals or entities outside of Clark Atlanta University).
 - By definition, consultants are not employees of the University and do not use University facilities to perform their work.
 - The use of consultants must adhere to University policy, i.e., individuals may not be employed by the University and also serve as a consultant in the same calendar year.
 - If you wish to engage University employees from other departments on a project, they must be listed in the salaries and wages portion of the proposed budget, and consequently, included in the base for calculation of fringe benefits.
 - Normally, consultants are paid a fee plus travel and other expenses. Some sponsors do not permit payments to consultants. If in doubt as to the allowability of, or rates paid to, consultants check the sponsor's program literature or contact RSP.
 - PIs are expected to anticipate and indicate the need for consultants in grant or contract proposals. The proposal and corresponding budget should therefore include the following:
 - Consultant name
 - Description of services to be provided
 - Number of days of anticipated consultation
 - Expected rate of compensation, travel, per diem, etc.

- Curriculum vitae for the consultant, if required by the sponsor
- In addition, many sponsors require a letter from the consultant confirming his/her role in the project
- **Publication Costs** – the anticipated cost of publishing the results of the research.
 - Keep in mind that page charges may vary from journal to journal.
 - Consider both page charges and reprint costs. It is important to justify the need for these costs since some sponsors may arbitrarily delete them.
- **Other Direct Costs** – other legitimate project-related costs that can be clearly attributed to the specific project, such as graduate research assistant tuition (if not shown on a separate line item for tuition), etc.
 - PIs should refer to the program announcement/guidelines for any reference to allowable and unallowable budget costs.
 - Departmental expenses, including but not limited to, office supplies, postage, local telephone costs, photocopy costs, network charges, cell phones, etc. should normally be treated as Indirect Costs.

Indirect Costs – also known as overhead or facilities and administrative costs (F&A), reimburse the University for laboratory and office space, utilities, communication charges, administrative services (e.g. purchasing, accounting, research administration, human resources, security), custodial services, building, grounds, street and parking lot maintenance. In other words, they include those things essential to support sponsored research activities that cannot be specifically identified and directly charged or attributed to a particular research grant or contract.

- Indirect Cost percentages are determined periodically from actual cost records through a detailed cost-accounting procedure, and are audited and approved by the federal government.
- Full Indirect Costs should be charged on all projects unless the sponsor has a published policy that limits Indirect Cost recovery. Any exceptions to full Indirect Cost recovery, other than sponsor-imposed restrictions, must be approved by RSP in advance of proposal submission.
- CAU's Indirect Cost rates represent a percentage of Modified Total Direct Costs (MTDC).
- When preparing a budget, the Indirect Cost amount is calculated by multiplying the MTDC by the Indirect Cost rate. The MTDC is determined by subtracting the following costs, if any, from the total costs in the proposed budget:
 - Capital equipment (any non-expendable equipment estimated to cost \$10,000 or more and with a useful life of one year or more)
 - The amount of each research subcontract in excess of \$50,000
 - Tuition and fees charged directly to the project
 - Participant support costs

- Alteration/renovation of facilities costs
- Some of the University's non-federal sponsors (e.g. foundation and association) do not reimburse CAU for Indirect Costs at the federally-negotiated rate, and some do not reimburse for any Indirect Costs.
- An off-campus Indirect Cost rate may possibly be used for projects that are performed off campus or in a non-university owned space. A project, or part of a project, is considered to be performed off-campus if the activity is conducted at a location that is rented/charged directly to project's budget (see Off-Campus F & A Rate Policy). *Prior approval from RSP is required in order to use the off-campus rate.*

Cost Principles

Direct costs being charged to a sponsored research award must be:

- **ALLOWABLE** as defined by the Uniform Guidance (2 CFR 200) and/or by the terms of the particular award (see below) and must be in accordance with University policies
- **ALLOCABLE** – the project which paid the expense must benefit from it
- **REASONABLE** – the cost reflects what a "prudent person" might pay

- *Allowability* – for a cost to be allowable, it must conform to:
 - Terms and conditions of the agreement
 - 2 CFR 200 (federal awards)
 - CAU policy
 - Some costs may be an appropriate University expense but are not allowable as a charge to a sponsored project. Conversely, some costs may be allowable as a charge to a sponsored project but are not allowable under CAU expense guidelines.
 - The terms of an award are applied before other regulations, including 2 CFR 200. For example, the Uniform Guidance lists travel as an allowable cost; however, a particular award may stipulate that funds cannot be used for foreign travel expenses; therefore, foreign travel expenses may not be charged to that particular project.
 - The PI and RSP are expected to review and approve transactions to ensure:
 - The expense is included in the approved budget (or in an approved re-budget request).
 - The funds are available in the account and the transaction is properly documented and deemed to be allowable, allocable and reasonable for the project.
 - The PI or his/her designee is responsible for initiating the request and assuring that the cost is necessary to carry out the scope of work.
 - As stated in the previous section, prior approvals are required when it results in a change in scope, it exceeds the percentage outlined in the NOA, the expenditures are disallowed in the NOA, etc.
 - Such approval requests should be made before the cost is incurred.
 - Without this approval, the expenditure is an unallowable cost.
 - Consult the award document or RSP regarding specific questions.

- *Allocability* – An expense is allocable to a project if the item charged, (e.g., salaries, supplies, travel, student tuition) benefits the project. Having current funds available on the project or the inclusion of specific expenses in the approved budget is not sufficient evidence to support allocability.
 - When allocating charges, ask:
 - Are the expenses allocated on a consistent basis?
 - Is the method of allocating expenses between projects sound?

- Is the expense allocation clearly documented?
 - RSP will assist the PI in determining the allocability of the expense.
 - Some expenses are appropriate for a single award while other purchases may be attributed to more than one project and should be allocated based on an "approximation of the degree to which each project benefits."
 - As stated in <https://www.ecfr.gov/current/title-2/section-200.405>:
 - (c) A cost allocable to a particular Federal award under the principles provided for in this part may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal awards, or for other reasons. However, this prohibition would not preclude the non-Federal entity from shifting costs that are allowable under two or more Federal awards in accordance with existing Federal statutes, regulations, or the terms and conditions of the Federal awards.*
 - (d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital asset is specifically authorized under a Federal award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.*
 - Reasonable bases of allocation include head count of researchers, floor space and number of experiments. The department may have some other approved method of allocating costs, which meets the federal criteria.
 - The method of allocation must be documented in the department, current, easily understood by a third party and available for review.
 - Non-administrative supplies purchased in bulk for multiple ongoing projects may not be distributed in an arbitrary manner - e.g., charged entirely to one project one month and then entirely to another project the second month - (unless that is the way the supplies were actually used).
- **Reasonableness** – A cost is reasonable when it reflects what a "prudent person" might pay for a good or service.
 - The three questions a PI must ask to determine reasonableness of cost are:
 - Is it necessary for performance of the award?
 - Does it advance the scope of work?

- Is it consistent with established institutional policies and practices?

Subrecipient – a non-federal entity that is an active participant in the funded project. For example, a subaward is a formal, legal agreement between CAU and another non-federal entity that meets the following criteria:

- A defined portion of the CAU work statement's intellectually significant activity is assigned to another entity ("the subrecipient") to fulfill
- Work is generally performed by the subrecipient's personnel using their resources, usually at their site
- The subrecipient takes full responsibility, including intellectual leadership, for the portion of CAU's work statement that they will undertake
- The award terms and conditions CAU has accepted from the funding agency are "flowed down" to the subrecipient, who must also agree to comply with them (e.g., audit requirements, restrictions on re-budgeting, human and animal subjects approvals, conflict of interest, clean air and water, etc.)
- When a subrecipient is to be used, the PI should include the following in his/her proposal documents:
 - Subrecipient's Statement of Work, including a clear description of the work to be performed, the proposed timelines and deliverables.
 - Subrecipient's Budget and Budget Justification, including the breakdown of Subrecipient's direct and indirect costs, calculated using the Subrecipient's approved F&A and fringe benefit rates. The budget should also include any committed cost sharing.
 - A Subrecipient Commitment Form completed and signed by the Subrecipient's authorized institutional official.
 - Any additional elements that may be required by a prime sponsor (e.g., Certificate of Current Cost or Pricing data, Subcontracting Plan, Biographical Sketches of Subrecipient key personnel, etc.).
- Subrecipient proposal elements are expected to conform to the sponsor requirements for CAU's prime proposal.
- PIs are responsible for ensuring that they request all materials from their Subrecipients in the correct format.
- The subaward is then incorporated into CAU 's primary proposal. A list of the Subrecipient's total costs should be included in the subaward, consortium/contractual or other direct costs categories of CAU's budget, depending on the sponsor's requirements.
- The first \$50,000 of each subaward in the project will be subject to F&A costs. Subaward costs in excess of \$50,000 per Subrecipient do not incur F&A costs.

Cost Sharing – According to the University's Cost Sharing Policy, the University limits cost sharing to that which is mandated by the sponsor or is necessary for another compelling reason. Therefore, the responsible Chair or Dean and the CFO must approve mandatory and voluntary cost sharing arrangements before the proposal is submitted to RSP.

- The following steps must be completed during the proposal preparation process if cost sharing will be included in the proposal's budget:
 1. The designated RSP staff and PI must examine the sponsor's proposal guidelines or program solicitation to determine whether cost sharing is mandatory or voluntary.
 2. The RSP staff and PI must forward any request for voluntary committed cost sharing for prior approval.
 3. The RSP staff and PI must identify, provide resources and obtain all necessary commitments for the proposed cost sharing arrangement.
 4. The RSP staff and PI must confirm that all identified cost sharing funds are allowable and eligible as cost sharing.
 5. A detailed cost sharing budget must be prepared that includes the appropriate level of detail required by the sponsor. If details are not required by the sponsor, a detailed cost sharing budget must be prepared for internal evaluation of the University's ability to fulfill the cost sharing obligation.
 6. RSP and the PI must ensure all approvals are obtained prior to submitting the proposal to the sponsor.

- In order to be eligible and considered as cost sharing, costs must be verifiable from the official University records. Costs are allowable if they meet all the following criteria:
 - They were not previously used as cost sharing for another project (the same cost sharing expenditures cannot be used for multiple projects)
 - They are reasonable and allocable to the project
 - They are allowable under the terms of the award
 - They conform to other provisions of the Uniform Guidance

Salaries and Effort – The largest category of direct project expenses at CAU is salary and benefits.

- Appointments of all personnel to sponsored projects are subject to the policies of the University.
- Sponsors of research work expect a direct relationship between the salary costs charged to a sponsored project and the amount of effort provided in service to the project by an individual.
- Other related costs, such as employee benefits allocation and the related Indirect cost distribution, are charged in proportion to the salary.
- The control and management of salary charges are critical to a project's financial planning and management.

Allocability of Effort – The PI is responsible for reviewing the way in which effort is allocated to projects.

- Percentages of effort charged to a project are validated and certified by the PI.

- A research project should be charged with a portion of each employee's salary equal to the portion of time or effort devoted directly to the project.
 - For a faculty member with a nine-month appointment, one month of effort is one-ninth of his/her academic year salary.
- Salary increases can be charged proportionally to the project if they can be accommodated within the project budget.
- When effort is written into the proposal budget or budget justification and subsequently approved, any corresponding effort must be expended on the project, resulting in salary being charged to the award.
- When a PI manages a lab with multiple ongoing projects, the distribution of effort of the PI, students, researchers and other staff must be carefully considered.
- When charging salary, there should be a reasonable relationship between salary distribution and the actual proportion of effort devoted to the project.
- Effort is allocated on the basis of a distribution of total full time equivalent (FTE), including teaching, research activities, university citizenship, etc.
- No one has more than 100% FTE, and 100% research effort is not realistic for individuals with administrative or teaching obligations.
- Arrangements for shift in duty assignment and salary allocation between teaching and sponsored research programs or projects are made in accordance with established procedures that include departmental recommendations and appropriate approvals.
- Federal sponsors must approve any reduction in PI effort that would exceed 25% of what was approved in the award budget. For example, if a one-month summer salary effort were approved, and the PI wanted to charge less than 75% to the project, s/he must write to the program officers for specific approval of the change.
- The PI, along with the departmental support staff, is responsible for allocating the salaries of staff and students to the project according to the award budget and the amount of effort they provide to the project. The PI is also responsible for certifying, after the fact, that the effort was dedicated to the project.

Summer Salaries – Some sponsors will provide for compensation of faculty members with nine-month salary bases during summer months at their regular University salary rates, when included as part of the project proposal.

- Submission by the University of a proposal that provides for summer salary does not imply a University commitment to pay such salaries in the event that the sponsor does not provide for summer salaries in the project award, nor does it imply that the University will pay the capped portion of a salary if the sponsor imposes such a cap.

Additional Compensation Information

- Project funds may not be used to increase the regular compensation of the principal investigator or other University staff members.
- NIH salary cap – NIH (and other HHS agencies) limit the amount allowed which can be charged to a NIH project (or related cost sharing account) by limiting the maximum annual salary rate for a 100%, 12-month FTE. This rate is set annually and applies to all awards made during that year.
- NIH establishes the funding limitation for salaries at the time that a competitive award is made. However, if subsequent (non-competing) funding is awarded during a year with a higher salary cap, NIH will allow existing funds to be re-budgeted to that higher level. Typically, no new funds will be awarded to cover this higher salary cap.
 - NIH salary cap may change annually.
 - NIH funds salary up to the level of the cap in effect on the award date.
 - The amount of fringe benefits charged to the award must be proportional to the salary cap amount.
 - The difference between the actual salary and the limited rate for the effort charged to the NIH project must be charged to an unrestricted project/grant.

Administrative Clerical Expenses – <https://www.ecfr.gov/current/title-2/section-200.413> states that:

- (c) *The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:*
 - (1) *Administrative or clerical services are integral to a project or activity;*
 - (2) *Individuals involved can be specifically identified with the project or activity;*
 - (3) *Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and*
 - (4) *The costs are not also recovered as indirect costs.*
- Examples of circumstances where the direct charging of salaries of administrative or clerical staff may be appropriate are as follows:
 - Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective clinical records studies).
 - Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
 - Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).
 - Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy

- projects, and other research field sites that are remote from campus.
- Individual projects requiring project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.
- These examples are not exhaustive nor are they intended to imply that direct charging of administrative or clerical salaries would always be appropriate for the situations illustrated in the examples.
- Costs which are incurred for the same purpose and in like circumstances must be treated consistently as either direct or indirect costs and consistently applied throughout the University. Consistency may be achieved simply by following CAU's policies.
- On projects where administrative costs may legitimately be charged directly, these expenses should be proposed in the budget and, if awarded, charged appropriately.
- This "major project" requirement applies to FEDERAL SPONSORS ONLY.
- A PI may be able to charge administrative and clerical expenses and certain other expenses to non-federal awards. The costs must be allowable, allocable and reasonable, and they must be approved by the sponsor.
- This is designed to help determine whether an administrative or technical expense is allowable under a federally funded award.

Benefits – Employee benefits are automatically charged whenever salary charges are incurred against a project grant.

- The benefit rates may vary from year to year and may be found by contacting RSP.
- Other Than Personnel (See Finance and Administration Policies and Procedures).

Consultants – Occasionally our faculty and researchers require assistance from outside professionals to help complete research projects.

- CAU will issue a Professional Service/Consultant Statement of Work Form when the services of a consultant are requested. Personal insurance is also required if the Consultant is working on the CAU campus.

Honoraria – Honoraria are not allowable as a charge against most federally-sponsored projects. They are considered a payment or reward where the primary intent is to confer distinction on, or to symbolize respect, esteem or admiration for, the recipient. Services chargeable to a federally sponsored project should be classified as to type of service, i.e., consulting fees, lecture fees, etc.

Capital Equipment – The proper identification and use of equipment is critical to the University's management of both the direct and indirect costs of research. The integrity of this system depends on individuals throughout the campus paying proper attention to the acquisition, use, tracking, physical inventory and disposition of equipment.

- Assets are currently defined as capital equipment when the following two criteria are met. The asset must
 - cost more than \$10,000; and
 - have a useful life of more than one year.
- It is important to check the terms and conditions of the particular award for information regarding the acquisition, ownership and disposition of property. Note: Unless stated by the sponsor, all equipment remains the property of CAU. Some awards do not allow the purchase of particular types of equipment, while other awards are specifically for that purpose. Some awards require pre-approvals before equipment may be purchased.

Computers – Direct charging of computers to sponsored research must be in accordance with the policy on direct and indirect costs on federally funded sponsored projects and programs.

Travel – CAU 's travel policies can be found on the Compliance Office website.

- Some sponsors may limit the amount or type of travel for which they will reimburse. Check the terms of the award, or the sponsor's guidelines, for particular provisions on travel expenses, pre-authorizations for certain types of travel, or line-item budget restrictions related to travel. All travel must benefit the sponsored project. Each travel request should clearly state the relationship of the trip to a sponsored project effort. Document the benefit in the remarks section of the expense report. What may be allowable for one project may be specifically identified as unallowable for another project.
- Foreign travel is defined as travel originating or terminating outside of the United States or travel within a foreign country.
- It is important to note that all federal sponsors require that foreign travel be on U.S.-owned airlines, i.e., U.S. flag carriers. In the 1970s Congress enacted the *International Air Transportation Fair Competitive Practices Act* , which became known as the Fly America Act (the Act).
 - The Act calls for grantees to use U.S. flag air carriers for all transportation of personnel and property when the travel is being charged to a federal grant or contract. This includes any air transportation to, from, between or within a country other than the U.S. when a U.S. flag carrier is available. This requirement is still in effect and applies even if a foreign carrier has a lower price for the same service. Some general exceptions to the Act may apply in cases where no U.S. air carrier service is available or if the requirement would cause significant time delays for the trip.

Food – Meals while traveling for a sponsored project are usually allowable; however, meals consumed at a local business are rarely allowed on federally-sponsored projects. Alcoholic beverages are never allowable on a federal research project.

- Include Adequate Documentation – Auditors routinely question local food costs and, unless they find adequate documentation to show that the costs were associated with a bona fide technical conference or other activity, they may be disallowed. It is important to document how the food charges benefit the project.
- If the PI knows in advance that a conference on campus with food service is necessary, then the expense should be included as part of the proposal submission.
- Visiting U.S. Government officials – When US government officials visit campus, the PI should avoid directly charging costs for their meals. Typically, government officials are restricted from accepting meals and other benefits from recipients of federal funding.
- Most of CAU's federal sponsor representatives who visit campus usually offer to pay for meals on campus, and it is appropriate to accept their payment.

After Proposal Submission

Award Notification – The time between when the proposal is submitted and when the sponsor notifies the University of its decision can take nine months or more, depending upon the sponsor.

- If the proposal is denied, the sponsor will often provide the PI with the reviewer's comments and recommendations for how the proposal can be revised and resubmitted.
- If the proposal is awarded, RSP will usually receive notice that an award has been made or a contract is being prepared.
- If the PI receives such a notice, s/he must contact RSP immediately to ensure that RSP has also received the notice.
- RSP cannot administratively initiate the project without formal sponsor notification.
- RSP will negotiate any contractual terms of the award. Many award instruments are received which require both sponsor and University signatures before they become effective.
- Principal Investigators (PIs) and/or Department Chairs are not authorized to sign award documents on behalf of the University.

Notice of Award (NOA) – an official document that signifies the awarding of a grant. It serves as a legally binding agreement between the awarding agency and the recipient, outlining the terms and conditions of the grant. Just as the PI, RSP and GCA should review the proposal guidelines before beginning the process of developing a research proposal, the PI and RSP should review the terms and conditions in the NOA and award document before commencing work and charging expenses to a sponsored research project.

- The NoA is essential for accessing and managing grant funds, and it includes critical information such as:
 - Grant Number/Award ID
 - Recipient Organization
 - Title of Project
 - Award Amount and Budget
 - Approved Indirect (F&A) Cost Rate
 - Cost Sharing Requirement (if applicable)
 - Project Period (start and end dates of the awarded project)
 - Key Personnel – information about the project director and authorized officials
 - Terms and Conditions – any specific requirements or restrictions associated with the grant
- It is the responsibility of the PI and his/her Program Manager to be familiar with the details of the award and any relevant sponsor restrictions or requirements.
- The PI, RSP and GCA are responsible for understanding the sponsor

award documents for each grant, paying specific attention to:

- Allowable costs
- Changes that require prior sponsor approval
- Program/Project deliverables
- Interim and final report due dates

Initiating the Project Award – When an award document is received, which requires University signature in order to be effective, it is the responsibility of RSP to return signed copies to the sponsor.

- Upon receipt of the fully executed documents, RSP, in conjunction with Grants and Contracts Accounting (GCA), will initiate the process of establishing an official fund for the award (Kickoff).
- On occasion, a sponsor may award support for an investigator without a formal proposal being submitted through the University. In such cases, formal approval of the project according to the standard University policies and procedures must be completed prior to RSP's acceptance of the award.

Funds Availability – Once an award has been accepted, RSP will set up a Kickoff Meeting between RSP, the PI and GCA to review the budget and applicable terms and conditions of the award. After the meeting, GCA will establish a fund code for the project. Once this process is complete, the PI will have access to the available funds.

Sponsor Payments – Most awards are made on a "cost-reimbursable" basis and the University is reimbursed for actual expense incurred, usually on a monthly basis, by billing the sponsor or by drawing against funds made available by the sponsor.

- GCA handles this process. Some awards, usually from private sponsors, are funded by a payment schedule that may include some advance payments.
- Should the PI receive a sponsor check, s/he should forward it immediately to RSP along with identifying information for deposit to the project account.

Managing Project Costs – Know your limits! Carefully read the funding opportunity for budget criteria. You should look for limits on the types of expenses, spending caps on certain expenses and overall funding limits.

- 2 CFR 200 requires that a university consistently implement cost policies. The key to consistency is the application of CAU 's policies.
- In addition, CAU's policies and procedures require that the transaction be sufficiently **DOCUMENTED**. Sufficient documentation provides clarity so that someone looking at the transaction later may understand and

- determine that it is allowable, allocable and reasonable.
- If costs are not allowable, allocable, reasonable and documented they may NOT be charged to a sponsored research project.
 - Documentation must be easy to understand by any third party either from CAU or an outside agency. It must also be understandable several years into the future, as audits may occur several years after the initial documentation. If possible, PIs should include an explanation in the comments area on requisitions. This way, an auditor will have access to necessary documentation through the system and may not have to take up the valuable time of the PI to further understand the transaction.
 - For supplies and other non-salary expenses, allocability may be documented through purchase/payment records and other files. For salaries and wages, the PI's certification of effort is the primary documentation of allocability, which assures, after the fact, that salaries were appropriately paid in relation to work performed.

Project Spending – As part of their normal project monitoring, PIs should be monitoring the rate of expenditure on a sponsored project as part of the ongoing fiscal management of the award. This includes regular monitoring against project period budgets. The Federal government considers the approved project budget the financial expression of the project, and thus will evaluate project progress against the budget.

- Although sponsors allow certain flexibilities with respect to re-budgeting and pre-award costs, CAU and sponsors expect expenditures to be reasonably consistent with the approved project and budget when a line item budget is part of the approved proposal. In the case of NIH modular budgets, only the items listed in the budget justification (e.g., personnel, equipment, and consortium costs) are subject to formal re-budgeting for purposes of accounting to the sponsor.
- Sponsors may question or restrict expenditures that appear inconsistent with the project plan and budget. PIs are obligated to request prior approval when budget and program plan revisions indicate a significant change in scope.
- Indicators of a change in scope may include reprogramming costs between major cost categories, for example, spending significantly more on equipment or materials and supplies than budgeted. Consult with RSP for additional guidance and for endorsement of the formal request to the sponsor.
- For Federal grants, advance written approval by the sponsor is required for change in project scope; reduction in PI level of effort by 25% or more; and PI's absence from the project of more than three months.
- In all cases, prior written approval must be obtained from the authorized grant or contract officer.

Late Expenses – Usually, the final months of the grant will accumulate relatively few expenses as many of the larger commitments take place in the early stages of the award period. However, if it becomes necessary to purchase equipment or other costly items late in the project period, the PI should contact RSP to request these purchases. In these cases, it is particularly important to document the allowability and allocability of the expense.

- Expenses including salaries may not be charged to a project after the project end date. An exception may be made if the product or service was acquired and consumed during the project period but is billed to the university after the project end date, or if specific written approval was received from the sponsor.
- Technical supplies or other project materials may be ordered at any time, as long as the materials will be **acquired and consumed** during the project period.
- If a requisition is submitted before the project end date, but the materials are received after the project end date, the expenses will be considered unallowable and not allocable because they were not consumed during the project period.
- Committing dollars for an expense does NOT mean that the item was USED during the project period. Common sense says that, if you order a new piece of equipment on the last day of the project period, it is unlikely that that piece of equipment will be used for project performance. In rare cases, a last-minute acquisition may be necessary.
 - Were the purchased items used during the project period?
 - Would you assume these items were allocable to the project?

No-Cost Extensions – If you will not be able to produce final reports during the project period, and you have the funds left in project accounts, you may request a "no-cost extension" from the sponsor. This will allow you to spend project funds after the conclusion of the project for the purposes specified in the extension. Check the terms and conditions of the award for the requirements for advance notice before requesting a no-cost extension.

- The PI is expected to plan and direct the project work so that it will be completed within the time and funds authorized. At times it is necessary and appropriate to initiate a request for additional time to complete the project, without additional funds (a no-cost extension).
- A no-cost extension lengthens the project period beyond the project end date. There is no additional funding, as the phrase "no-cost" suggests. A no-cost extension should be requested when funds are left in the project budget and there is a programmatic need to extend the project period.
- If prior approval is required by the sponsor, requests for such changes should be initiated by the PI, submitted to RSP which will in turn, forward the request to the sponsor well in advance (at least 45 days) of the project expiration date. General guidance is noted below.

- The sponsor retains the right to say "yes" or "no." An extension may not be granted, just because there is money left over. A good explanation as to why the extension is needed, and how the money will be used is required. Because of this reality, it is always a good idea to request the extension in enough time to manage an orderly accomplishment of project work, and to have a contingency plan in case the sponsor does not approve the extension.
- Federal Sponsors – The Federal government has granted universities expanded authorities for managing certain grants, which allows RSP to approve some re-budgets and one-time no-cost extensions for up to 12 months. Any further extensions of time require the prior approval of the sponsor. Sponsor approval is also required for federal contracts and grants not under expanded authorities.
- Non-Federal Sponsors – Non-federal sponsors typically require a formal request letter and/or the execution of an amendment to the grant or contract to effectuate changes or extensions of the terms and conditions of an award. Contact RSP for guidance in this situation.

Reporting – Several types of reports are generally required during the lifetime and at the expiration of the sponsored award. The PI and various administrative offices have shared responsibilities to assure that all required reports have been provided to the sponsor in accordance to the timeline specified in the terms and conditions of the sponsored award. Failure to provide reports may result in delayed or cancelled funding, non-payment, or early termination.

The Notice of Award and sponsored award document contains all reporting requirements, including the recipients. All responsible parties must review the report types, frequency, and recipients for each sponsored award.

Compliance Review – The University is responsible for assuring that all research activities conducted by its faculty and staff comply with federally-mandated regulations for the care and use of animals, treatment of human subjects, use of biohazardous materials and disclosure of investigator financial interests which may represent a conflict of interest.

- Many sponsors require the University to certify its compliance with these regulations via a checklist or other method of certification on the application form. It is the PI's responsibility to be aware of the various requirements that are relevant for the research that is proposed, and to discuss the possible implications in advance.
- Oversight for compliance issues is the responsibility of designated subcommittees within CAU. The RSP website contains links to the various institutional compliance committees and information about the University's policies and procedures. The subcommittees include:
 - Institutional Animal Care and Use Committee (IACUC)
 - Institutional Review Board for Human Subjects (IRB)
 - Institutional Biosafety Committee

- Review Panel on Conflict of Interest in Research

Record Retention – The University is required to retain all financial, technical, and other supporting award documentation for specified lengths of time after the project end date. PI's must ensure award documentation is maintained in accordance with the University's Record Retention Policy.

Award Closeout

Upon the expiration of a sponsored award, several activities are necessary to ensure that the grant is appropriately closed. The following indicates the areas of responsibility for a proper close-out:

RSP

- Works with PI to confirm the closeout of Subaward Agreements
- Works with subrecipients to obtain final invoices
- Ensures Accounts Payable has issued final payment to subrecipients
- Prepares and submits final property report

Grants and Contracts Accounting (GCA)

- Reviews records for inappropriate charges or overruns
- Notifies PI of any overruns or expenditure issues and resolves them in a timely manner
- Resolves outstanding encumbrances
- Reviews cost sharing commitments, if any
- Ensures sponsor payments have been received
- Prepares and submits financial report and/or final invoice
- Notifies RSP when final financial report has been submitted and Project is ready to be closed

PI

- Ensures scope of work is accomplished and results are publicly disseminated
- Manages the expenditures within the award funding limitations
- Prepares and submits technical reports to the sponsor in accordance with the award requirements

Award Transfers/Early Termination

A sponsored award may terminate prior to the original expiration date for any of the following circumstances:

- PI transfers to a new institution and requests termination of the existing award from the University in order for the sponsor to re-issue the award to the new institution
- PI has expended all of the awarded funding and delivered required report(s)
Sponsor requests early termination in the form of a written modification or government-issued order.

All requests initiated by the University or submitted by the sponsor must be coordinated through RSP.

Transfers – The PI, Department, and/or responsible Chair or Dean must submit a transfer request to RSP. RSP will submit the request to the sponsor for written approval. Sponsor approval is required for the transfer of the sponsored award from one legal entity to another. PIs are encouraged to submit a transfer request as early as possible. The process could take several months before the award can be re-issued to the new organization.

Early Termination – Sponsored award terms and conditions typically include early termination notification requirements that allow either the University or the sponsor to initiate an early termination. If the sponsor initiates the termination, the sponsor must provide written notification to RSP, who will contact the PI immediately. If the termination notice is sent to the PI or other entity RSP should receive a copy immediately. Alternatively, if the University initiates the termination, the written notification must be submitted by RSP to the sponsor.

RSP will work with the PI to evaluate the termination notice, plan a formal response to the sponsor, and begin the closeout process. In the event of early termination, all required reports must still be provided to the sponsor.