

## APPENDIX ##

### *Guidelines for the Solicitation of Sponsored Agreements*

The Office of Sponsored Programs and Research (OSPR) is committed to helping faculty and staff seek and obtain external funding, submit proposals, administer awards, and comply with all applicable University and sponsor policies.

In order to ensure consistency and best practices are followed (as well as to avoid duplication in efforts), it is essential that faculty and staff communicate with the appropriate office. Funding requests cannot be made without consulting the appropriate office. The following process is for sponsored agreements only. Please see Section II. O. GUIDELINES FOR DEFINING, REQUESTING, AND RECEIVING EXTERNAL SUPPORT Parts III and IV for guidance regarding whether the external support sought is a sponsored agreement or philanthropic gift.

#### 1. DEFINITIONS

- a. Contract: A contract is a mechanism for procuring a product or service with specific obligations for both sponsor and recipient. A contract is a legally binding document.
- b. Cost Share: The terms "cost sharing," "matching," and "in-kind" refer to that portion of the total project costs not borne by the sponsor. The terms "cost sharing," "matching," and "in-kind" are often used interchangeably. Committed cost sharing is an official part of the budget and should be detailed in the budget justification.
- c. Effort: Effort is defined as the amount of time spent on a particular activity. Effort is measured as a percent of the individual's total activity within his or her University appointment, and includes all research, teaching, and administrative duties. Effort is not based on a standard work week or number of hours, but is based on the total time attributed to institutional activities.
- d. Facilities and Administrative (F&A) Costs: F&A costs are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. Facilities and administrative costs are synonymous with indirect costs.
- e. Grant: A grant is a type of financial assistance awarded to an organization for the conduct of research or other program as specified in an approved proposal. A grant's defining feature is that it is at once governed by specific rules or regulations pre-established by the sponsor yet provides for some flexibility in the conduct of the activity.
- f. Project Director (PD): The Project Director is the person responsible for the scientific, technical, and administrative conduct of a project. The PD must have sufficient experience to responsibly manage the project and must be a University employee. The terms "principal investigator" or "project director" may be used interchangeably.
- g. Proposal: A proposal is a document requesting external funding that is prepared in accordance with the sponsor's instructions. The proposal represents an official record of what is promised to the sponsor by the University in return for the funding requested in the proposal budget.
- h. Sponsor: Any governmental agency, private foundation, corporation, or association that provides financial (monetary or otherwise) support for a project is a sponsor.
- i. Sponsored Agreement: A sponsored agreement is the mechanism through which sponsoring agencies award funding to provide direct services or to conduct research.

- j. Sponsored Program: A sponsored program is a research project, program, scholarly activity, or community service project for which an external agency has provided financial support and for which a formal written agreement exists, specific outcomes or deliverables are expected, and technical and financial reports are required.

## 2. ROLES AND RESPONSIBILITIES

- a. The University, in accepting externally sponsored awards, assures its sponsors that project activities are conducted in accordance with the scope of work and that expenditures incurred under these awards comply with applicable sponsor and University policies. This assurance is not possible unless there is a coordinated effort between the project directors, their departments and colleges, and the University's central administrative offices to properly administer the sponsored awards
- b. Office of Sponsored Programs and Research (OSPR) is responsible for the oversight, support, coordination, and submission of sponsored agreements at the University.
- c. The Grants and Contract Financial Administration Office is responsible for post-award grant administration. It serves as the fiscal manager on projects and programs funded by sources outside the University, assists in the preparation of budgets, manages expenditures, and prepares reports to the funding agency as needed.
- d. The Project Director is responsible for overseeing the programmatic, financial, compliance and administrative aspects of the sponsored project in accordance with relevant regulations and University policies.
- e. The Department Chair/Supervisor is responsible for fostering a culture of compliance with regulations and policies pertaining to sponsored projects. The Department Chair or Supervisor reviews and approves proposals to assure appropriate PD effort given other academic and administrative commitments, confirms that proposals are in accord with department objectives, and gives approval to any cost-sharing commitments.
- f. The Dean/ Vice President reviews the proposal to verify that the grant seeker is eligible to be a PD, reviews budgets, gives official approval to any cost-sharing commitments or provisions for additional college/unit resources, and confirms that proposals are in accord with college/unit objectives. The Dean's / Vice President's office will accept financial responsibility for any eventual overruns and/or cost disallowances.
- g. The University Official is the individual, named by the applicant organization, who is authorized to act for the applicant and to assume the obligations imposed by the Federal laws, regulations, requirements, and conditions that apply to grant applications or grant awards. The Vice President for Administration and Finance is the designated University official authorized to submit grants and accept awards on behalf of the University.

## 3. PROPOSAL REVIEW AND APPROVAL

- a. Prior to the development of a proposal, the faculty or staff member should contact the Office of Sponsored Programs and Research to discuss the proposal. The OSPR can provide assistance not only in determining if the University is eligible for funding under the potential funding source's guidelines, but can also provide assistance in budgeting and proposal development.
- b. Any faculty or staff member intending to submit an application for funding should obtain a copy of the Proposal Approval Form (PAF). This form is required for every grant or contract application submitted for external funding support from the University. The form is available online at [\[link\]](#).
- c. The PD is required to complete the Proposal Approval Form, sign it, and obtain the following required signatures:
  - All co-investigators and participating faculty/staff members
  - Chair(s)/supervisor(s) of all faculty/staff members involved in the project
  - Dean(s)/Vice President(s) of all faculty/staff members involved in the project

- d. It is the responsibility of the PD to obtain all required institutional approvals for applications including, but not limited to, human subjects, animal use, university matching dollars, indirect cost recovery waivers, the acquisition of computers and software, new or renovated space, or the hiring of permanent or temporary personnel. The OSPR is available for assistance with this process.
- e. The PD submits the signed form, proposal budget, and budget narrative to the OSPR. The OSPR will review the form and obtain the remaining required signatures. The signed Proposal Approval Form should be submitted to the OSPR **ten working days** prior to the proposal deadline. It is not necessary to submit the full and final proposal to the OSPR when the signed Proposal Approval Form and accompanying budget and budget narrative are submitted; proposers may continue working on the final version of the narrative after these documents are submitted.
- f. When all required approvals have been obtained and the final proposal has been prepared, the OSPR will assemble and deliver/submit it to the sponsor in order to meet the deadline. Please note, the OPSR cannot guarantee that deadlines will be met for proposals submitted less than two days in advance of the deadline.

#### **4. AWARD ACCEPTANCE AND ADMINISTRATION**

- a. Award notices and all accompanying documents should be directed to OSPR for review, negotiation, acceptance, and processing.
- b. The Vice President for Administration and Finance is the only designated University official authorized to accept grants and contracts on behalf of the University. No other University employee is authorized to sign award documents on behalf of the University. This formal acceptance must occur before any project activities can begin.

#### **5. BUDGET PREPARATION POLICIES AND GUIDELINES**

##### **Cost Share Commitments**

- a. Cost sharing should be limited only to those situations where:
  - It is mandated by a sponsor, or
  - The University has determined that such a contribution is critical to ensure the success of a competitive award or proposal, or
  - It is necessary to fulfill the University's requirement of a minimum commitment to the project by the project director.
- b. All cost sharing commitments become binding obligations when identified in a proposal and must be approved in advance by the Vice President for Administration and Finance.
- c. Project directors should identify the funding source for each cost sharing contribution at the time of the proposal. Authorization for approval of the cost share must be indicated on the PAF by the person responsible for the source of funds that will be used for cost sharing.
- d. Costs used to satisfy cost sharing or matching/in-kind commitments will be subject to the same policies as other costs under the approved budget, unless they are specifically authorized by that sponsor.
- e. To qualify for cost sharing, matching, or in-kind, all charges must be:
  - allowable under University and sponsor policies and the terms of the Notice of Award;
  - allocable as a cost to the project;
  - reasonable and necessary for performance of the project; and
  - allowed as a direct cost on the project. (Administrative salaries, for example, cannot normally be used as cost sharing on federal projects.)

## Effort Commitments

- a. Proposing Effort
  - Effort is committed to the sponsor in the proposal. When the sponsor accepts the proposal, the commitment becomes an obligation that the University must fulfill.
  - Effort is based on the activities for which an individual is compensated by institutional base salary (or annual salary). Effort is not based on a standard workweek.
  - Compensation for effort charged to a sponsored project must be for work that benefits the sponsored project performed during the period for which the compensation is paid.
- b. Limits on Commitments
  - Faculty are expected to propose some level of activity (1% or more) or the minimum required by the program on proposals on which they are listed as Project Director or key personnel unless specifically exempted by the sponsor.
  - The total of an individual's level of commitment for all university related activities may not exceed 100%. In preparing proposals, PDs must take into account the time required for existing responsibilities.
  - PDs may submit multiple proposals simultaneously on the assumption that only some of them will be funded. However, once a grant is awarded, the PD is responsible for confirming the total amount of time devoted to the project, and must stipulate whether that effort will be paid for by the University or the sponsor. PDs may submit proposals on the assumption that a reasonable representation of time to be devoted to the project, whether that effort will be paid for by the sponsor or by the University, is necessary. Subsequent changes in levels of effort may also require advance notification to and approval by sponsors.
- c. Effort Documentation
  - Effort must be documented for all individuals who receive salary support from a sponsored project or who expend committed effort on a sponsored project without receiving salary support.
  - Faculty and staff are required to certify their effort each semester. The time of key personnel reported and charged on sponsored projects will be certified by the project director each semester. Guidance for effort certification can be obtained from the OSPR.

**Salaries, Wages, and Fringe Benefits:** OMB Circular A-21 (section J.10.a) provides the following guidelines for charging salary and wages for University personnel: "Compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits. These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly on sponsored agreements."

Guidelines for salary rates for faculty members:

- a. Academic Year
  - Faculty may not receive more than their regular annual salary as a result of participation in sponsored projects during the academic year.
  - Per OMB A-21 regulations, salary figures for faculty are based on the individual's institutional base (or annual) salary.
  - In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period.
- b. Summer Months
  - Summer Salary is available to faculty with nine-month appointments for work on sponsored projects during the summer months. Faculty who receive summer salary must expend the effort associated with the summer salary during the summer period.

Additional guidance for salary compensation from sponsored funding can be obtained from the Office of Sponsored Programs.

**Subcontract/Subaward.** A subcontract may be required if a significant portion of the work proposed is to be performed outside the University by a third party. Subawards must be approved by the sponsoring agency in advance.

- a. When the University is the lead institution, OSPR requires a statement from each participating organization that includes a full cost budget and work scope, and is signed by an authorized representative.
- b. When the University is a sub-grantee or is identified as a partner in another institution's proposal, the narrative and budget must be reviewed by the OSPR prior to submission.

**Facilities and Administrative (F&A) or Indirect Costs.** F&A rates are applicable to all externally-sponsored projects (grants, contracts, cooperative agreements, subgrants, and subcontracts) funded by federal, state or private sponsors. The application of these rates allows the University to recover certain costs (e.g. facilities, utilities, libraries, administration, student services, etc.) associated with externally-funded training and research activity. All proposals to sponsors must include budget requests for F&A costs using the rate negotiated with the federal government unless:

- a. The sponsor does not allow indirect costs, or specifies a rate below that charged for federal sponsors. Such policy must be provided in writing.
- b. A reduced rate is approved by the Vice President of Administration and Finance, on a case-by-case basis.

Please refer to the following link for the current indirect cost rate [\[link\]](#).

**Internal Distribution of F&A Costs.** The Commonwealth of Virginia requires that 30% of indirect cost received will be transferred to education and general revenue (E&G) in support of grant and contract administration costs. The distribution of the remaining 70% of indirect costs will be equally divided into two restricted cost pools as follows:

- a. Grants, Administration, and Other Expenditures Restricted Cost Pool: A restricted cost pool shall be established to fund the cost of grants administration and other expenditures in support of grants, grant writing or other expenditures deemed appropriate by the Provost and Vice President of Academic Affairs in consultation with the Vice President of Administration and Finance, and other Vice Presidents as necessary.
- b. Project Director Restricted Cost Pool: A restricted cost pool shall be established for each PD generating the indirect costs. The PD generating the indirect cost revenue shall have the discretion to expend the funds generated by the indirect costs of his or her grant for any and all legitimate expenses subject to the normal approval process for University expenditures. In the case of multiple PDs, the indirect cost pool shall be equally divided among them. These funds do not revert at the end of the fiscal year.
- c. The distribution of indirect costs shall be reviewed in the spring semester of even numbered years when requested by the VPAA, VPAF, or Faculty Senate.

Note: Grants/applications/proposals/contracts that are not processed through the proper channels as outlined herein may not be eligible for internal re-distribution to the PD.