



# Office of Sponsored Programs: Policies & Procedures for Applying for and Managing Grants

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University Policies and Procedures for Requesting, Accepting, and Administering Grants,  
Contracts, and Cooperative Agreements  
December 26, 2014 (Updated 1/26/2016)

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## Acronyms and Commonly Used Terms

Chief Academic Officer: CAO	Material Transfer Agreement: MTA
Chief Financial Officer: CFO	Office of Sponsored Programs: OSP
Chief Operating Officer: COO	Principal Investigator: PI
Director of Technology Transfer: DTT	Sponsored Scholarship Agreement: SSA
Export Administration Regulations: EAR	
Financial Conflict of Interest Form: FCOI	

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## 1.0. OVERVIEW

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### 1.1. Purpose and Scope

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The Sponsored Programs Manual contains Concordia University's policies and guidelines regarding programs and projects sponsored by outside entities using grants, contracts, and cooperative agreements. Contributions, also called gifts and gifts-in-kind, are outside of the scope of this manual.

### 1.2. Glossary of Terms Commonly Used in this Manual

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This glossary provides definitions for terms commonly used in this manual. Readers will find definitions for more specialized terms in the section to which they specifically pertain.

#### **Application or Proposal**

The application (often times referred to as the proposal) is the written request for monetary support submitted to a sponsor (funder). At a minimum, an application includes a statement of work and a dollar request. Although proposals and budgets are necessarily estimates, they are typically incorporated in the sponsor's award as a term or condition. For this reason, Concordia University requires institutional review and approval of applications and proposals before submission to a sponsor for consideration.

#### **Notice of Award, Notice of Grant Award**

The Notice of Award or Notice of Grant Award is a legal notice from the sponsor to the University that describes the terms and conditions of an award. Some sponsors require that an Institutional Authorized Official sign and return the Notice of Award, while other sponsors regard the first expenditure of funds as notice that the institution has accepted the award. OSP endorsement is required in both cases. Acceptance of the award is typically completed within one week of receiving the notice and is followed by a post-award orientation meeting among Concordia representatives. This includes, the PI, OSP, and Business Office representatives to ensure regulatory and financial obligations are understood. Others present at the orientation meeting may include Human Resources, Department Chairs, Marketing, and others depending on the complexity of the project.

#### **Principal Investigator (PI) or Project Director**

The Principal Investigator (PI) or Project Director is the person designated by the University to direct the project supported by the grant. This person is normally listed on the cover sheet of the application and in the Notice of Grant Award. Responsibilities of the PI or Project Director are described in each section of this manual.

The term **Principal Investigator (PI)** is commonly used by sponsors, namely the National Institutes of Health and the National Science Foundation, to describe the person with primary responsibility for the design, conduct, and reporting of a research project.

The term **Project Director** is commonly used to describe the person with primary responsibility for the design, conduct, or reporting of a training or other non-research project.

For efficiency, the term Principal Investigator and its abbreviation PI are used throughout this manual to refer to both PIs and Project Directors.

### 1.3. Authorities and Responsibilities

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Sponsored project awards legally bind the University to complete the scope of work as prescribed in the grant award agreement. Federal grant award agreements require the University to:

- Comply with terms and conditions set forth by the sponsor, and if a federal award, the terms and conditions codified in 2 CFR 220 and 2 CFR Part 215 for awards received prior to December 26, 2014 and 2 CFR Chapter I, Chapter II, Part 200, et al. of the Uniform Grant Guidance for awards received after December 26, 2014.
- Perform a defined scope of work within a specified period of time.
- Provide fiscal reports that are subject to audit.
- Provide performance reports.
- Return unexpended funds.

The authority to request and accept sponsorship is vested in the Board of Regents and the President. The President has delegated this authority to the Director of the OSP, who is responsible for ensuring that the University has in place appropriate policies and procedures for the review and management of sponsored projects and sponsor funds.

The PI is responsible for the scientific and scholarly merit of the project, compliance with regulatory requirements, project management, performance reporting, data retention, and the appropriateness and allowability of expenditures. Departmental Chairs and Deans provide local oversight for sponsored projects, including ongoing assurance that the sponsored projects conducted in their units meet the University's standards and that resources are available to support the projects (roles and responsibilities are described in each section of this manual).

#### 1.4. Concordia's Eligibility for Extramural Support

As a nonprofit institution, Concordia University has the legal right to receive public and private grant money for activities relating to its "exempt purposes": the charitable, educational, religious, literary, or scientific purposes for which Concordia University was incorporated.

Concordia University is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Service Code, as stated in the IRS determination letter dated April 1, 1942. Concordia University has been further classified as an organization that is not a private foundation as defined in section 509(a) of the IRS Code, (see determination letter dated October 31, 1974).

As an institution that holds publicly financed bonds, Concordia University has obligations that restrict the use of its facilities for private business purposes. These restrictions are described in detail in IRS Revenue Procedure 97-14. Concordia University can enter into research agreements with corporations so long as any license or use of resulting technology by the sponsor is permitted on the same terms that the University would permit that use by a non-sponsoring party (i.e., sponsors must pay a competitive price). Concordia's standard Scholarship Services Agreement is compliant with IRS Rev. Proc. 97-14.

#### 1.5. Eligibility to Serve as PI or Project Director

Because the University is the legal and fiscal agent for extramural awards, eligibility to serve as a PI is limited to those individuals with whom the University has a formal written agreement that specifies an official relationship between the individual and the University. The agreement must enable the University to fulfill its responsibilities as fiscal and administrative agent of an extramural award and is normally extended through its regular full time faculty. Part-time faculty, adjuncts, and scientist-track employees may serve as PIs on a case-by-case basis with the approval of the Chief Academic Officer or his representative.

## 1.6. Types of Awards

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Sponsors use three main legal instruments to sponsor University projects: grants, cooperative agreements, and contracts. For the sake of economy, this manual uses the term "grant" to refer to all award types unless otherwise specified. Where the differences among the instruments are relevant, this document provides specific guidance. Unless specifically stated, all common OSP agreements such as Invention Disclosures, Material Transfer Agreements, and Sponsored Scholarship Agreements are included in the term "grant" for compliance and policy efficiency.

### **Grants**

A grant is an assistance instrument of which the primary purpose is to support the University in the pursuit of its mission. The sponsor generally has no substantial involvement in the conduct of the project.

### **Cooperative Agreements**

A cooperative agreement is an assistance instrument used by federal agencies in cases where the agency anticipates being substantially involved with the awardee in the programmatic aspects of the work.

### **Sponsored Contracts**

The primary purpose of a sponsored contract is to enable the sponsor to purchase services or goods from Concordia University. Contract performance is closely monitored by the sponsor to ensure that the purpose of the contract is met.

### **Subawards**

A subaward is an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor.

## 1.7. Guiding Principles

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To be eligible for federal support, Concordia University must uniformly adhere to the regulations that govern the conduct of research and the management of extramural funds. Concordia University employees must help the University preserve its eligibility for external funding by adhering to the requirements and policies of the University and the sponsor. The University has an obligation to help its employees understand and meet these requirements. By accepting the grant, the PI certifies that such requirements have been discussed and understood before funds are expended.

Excellence in scholarship works in concert with prudent and consistent grant administration. The OSP aims to preserve the University's eligibility for grants and enhance its reputation among sponsors by promoting best practices in grants administration. Excellent sponsored projects have:

- A PI who is responsible for the project's success and who understands and supports the administrative requirements of the award,
- A well-developed proposal with specific and thoughtful objectives and work plan,
- A thorough, accurate, fiscally sound, and well-administered budget,
- The support of the PI's Chair and Dean,
- Outcomes that advance the University's mission including: the search for truth, the discovery and sharing of knowledge, the fostering of personal and professional excellence, the promotion of a life of faith, and the development of leadership expressed in service to others.
- Oversight by the OSP through quarterly meetings with the PI to review grant expenditures and discuss overall progress.

### **Academic Freedom**

The individual researcher (PI) has the right to determine the subject matter of his or her research within the scope of the University's mission and in concurrence with any requirements of the terms and conditions set by the sponsorship or law. The PI is solely responsible for his or her conclusions.

Research methods are subject to limitation where (for example) they might harm human subjects, interfere with the ability of other scholars to conduct their research, or contravene University policy such as the prohibition against the use of human embryonic stem cells. The University has an obligation to establish and maintain appropriate policies, procedures, and guidance so that the rights of Concordia University scholars are protected and responsibilities are met.

### **Scholar's Right to Publish**

The scholar's right to publish the results of his or her research is fundamental. Concordia University will not normally accept funding from any sponsor under terms or conditions that deny this right. The University may nevertheless allow sponsors a reasonable length of time to review materials in order to prevent inadvertent disclosure of the sponsor's confidential or proprietary information or to allow time to protect patentable subject matter. The University or the PI may accept grants in which the right to publish is waived with prior approval of the Chief Academic Officer.

### **Research Subject to Export Administration Regulations**

The University may accept federal contracts that include terms requiring the University to ban access to research by graduate students, faculty, visiting professors, or postdoctoral fellows who are foreign nationals. Under the "deemed export" rule of the Export Administration Regulations (EAR), an export of a technology or source code is deemed to take place when it is released to such a person. Generally speaking, contracts with federal agencies and federal subcontractors for "fundamental research" will not be subject to the federal government's EAR or similar agency regulations.

The University requires the sponsor to request the University's prior written consent from the Director of Technology Transfer (DTT) before providing materials that are subject to the EAR. Where a PI has a need to accept such materials and their restrictions, the PI may submit a compliance plan to the Chair and Dean, who may in turn request that the University accept the materials and their restrictions by contacting OSP through the DTT. [Please also see 22 CFR Parts 120-130 (International Traffic in Arms Regulations), and Export Administration Act of 1979, as amended (Export Administration Regulations)].

### **Student Involvement**

Sponsored projects provide extraordinary opportunities for students to enrich their Concordia University experience. Involving students in sponsored research requires special attention to the educational benefit that they will derive from the activity. Whenever possible, the terms of sponsorship should not impede the student's educational progress or prevent the student from presenting and publishing his or her research results. In this regard, the University is particularly watchful when it is necessary to enter into confidentiality and other restrictive agreements with private sponsors, and such agreements must be approved by the CAO.

### **Fiscal Responsibility**

Concordia University's eligibility for federal funding is contingent upon adherence to the United States Office of Management and Budget 2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and 2 CFR Chapter I, Chapter II, Part 200, et al. of the Uniform Grant Guidance for awards received after December 26, 2014.



## **IACUC, IRB, Responsible Conduct of Research, Financial Conflict of Interest**

Concordia University Institutional Research and IACUC policies comply with the ethical research principles set forth by the federal government [[Federal Policy for the Protection of Human Rights \(45 CF 46\)](#) and [The Belmont Report: Ethical Principles and Guidelines for the Protection of Human Subjects of Research](#)] insofar as they protect the individual. The University's IRB website can be found at: <https://www.cuw.edu/Departments/irb/>

### Responsible Conduct of Research:

Federal Regulations define Research Misconduct as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research or in reporting research results. It does not include honest error or honest differences in interpretations or judgments of data. However, responsible conduct, as opposed to misconduct, encompasses many other aspects of ethical behavior in the practice of scientific research. (<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-10-019.html>)

Concordia University policies regarding Responsible Conduct of Research are in compliance with the National Institutes of Health Office of Research Integrity: [http://ori.hhs.gov/documents/42\\_cfr\\_parts\\_50\\_and\\_93\\_2005.pdf](http://ori.hhs.gov/documents/42_cfr_parts_50_and_93_2005.pdf)) and the Committee for Scholarship Integrity (CSI), under the jurisdiction of the CAO's office.

Financial Conflict of Interest Policies are in compliance with Federal Regulations as cited in the federal Register [http://grants.nih.gov/grants/policy/coi/fcoi\\_final\\_rule.pdf](http://grants.nih.gov/grants/policy/coi/fcoi_final_rule.pdf) and codified in [42 C.F.R. Part 50, Subpart F](#); (<http://grants.nih.gov/grants/policy/coi/>).

## **Human Embryonic Stem Cells**

Concordia University, in its public and official identity as a Lutheran institution, is committed to certain principles of the moral, intellectual, and religious order. Its policies and programs must, in fidelity to its purpose, conform to these principles. Although the fundamental principles are, for the most part, universally understood and need no explicit mention, in matters of possible ambiguity a clarification is in order.

The University reaffirms the sanctity and inviolability of human life and vigorously opposes any research on stem cells obtained by the direct destruction of embryos or fetuses and considers this unacceptable. It expects any use of its name, facilities, and resources to reflect this position.

### *1.8. Primary Source Material and Companion Resources*

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The Office of Sponsored Programs Policy and Procedures align with the Office of Management and Budget 2 CFR Chapter I, and Chapter II, OMB Circular A-21, Cost Principles for Educational Institutions (05/10/2004); OMB Circular A-21, Uniform Administrative Requirements, and OMB A-133, Audit Requirements for Federal Awards and agency-specific guidance, for awards received prior to December 24, 2014: ([https://www.whitehouse.gov/omb/circulars\\_default](https://www.whitehouse.gov/omb/circulars_default)). For awards received on or after December 24, 2014, the OSP adheres to 2 CFR Chapter I, Chapter II, Part 200, et al. of the Uniform Grant Guidance ([http://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tp=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?SID=6214841a79953f26c5c230d72d6b70a1&tp=/ecfrbrowse/Title02/2cfr200_main_02.tpl)).

Additional guidance and policies concerning research compliance matters include:

- Human subjects <https://www.cuw.edu/Departments/irb/index.html>,
- Animal care and use: <https://www.cuw.edu/Academics/iacuc/>
- (insert link to CSI manual here)

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## 2.0. PRE-PROPOSAL ACTIVITY

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### 2.1. Roles and Responsibilities

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#### **The PI:**

- Is knowledgeable about sponsoring agency and Concordia University policies and procedures related to proposal preparation and processing, conducting research, instruction, and training under a sponsored program.
- Processes proposals and resulting awards through the Office of Sponsored Programs and other appropriate administrative units.
- Obtains appropriate internal approvals required for the conduct of the sponsored program, such as use of human subjects, animals, bio hazardous materials, and/or recombinant DNA.

#### **Department Chairs and Other Unit Heads**

- Review proposals developed by faculty.
- Ensure the proposed project is consistent with the objectives of their unit.
- Determine the eligibility of the individual designated as Principal Investigator (PI) or Co-PI in accordance with Concordia University Policy, Principal Investigator Eligibility on Sponsored Programs.
- Ensure the appropriateness of the effort committed to the project by Concordia University faculty, staff and students.
- Ensure that appropriate space has been identified and is available for the project, if applicable.
- Confirm that support will be provided for the administration of the project.
- Determine that cost sharing and/or matching fund commitments set forth in the proposal can be met.
- Identify appropriate unrestricted fund sources at the departmental or program level to cover cost-sharing commitments.

#### **Deans**

- Review all proposals to ensure that the proposed project is consistent with the objectives of their unit.
- Review and approve requests for exceptions to the Policy on Principal Investigator Eligibility on Sponsored Programs.
- Approve cost-sharing or matching commitments.

#### **OSP**

- Assist in locating funding opportunities.
- Assist in proposal generation.
  - Obtain guidelines/applications.
  - Interpret guidelines
  - Provide budget guidance
  - Review/completion of required representations & certifications
  - Process for institutional approval and signature
  - Copy & mail or submit electronically to Sponsor
- Review and approve budgets to ensure appropriate charges for salaries, benefits, facility and administrative costs and other budget items.
- Set up PI on Cayuse 424, eRA commons, Research.gov, or similar for all Federal grants prior to grant submission.

- Ensure that approval from the appropriate department chair, dean or other unit head is received prior to proposal submission.
- Route files to Technology Transfer Office as needed.
- Determine the need for approval:
  - Institutional Review Board for the Protection of Human Subjects
  - Institutional Animal Care and Use Committee
  - Biosafety Research Committee
  - Research Misconduct Committee
- Conduct workshops on various sponsored programs topics.

**Business Office/Grant Accountant**

- Reviews pre-award budgets in preparation for final review via the Cayuse routing process.

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## *2.2. Identifying Prospective Sponsors*

OSP staff work individually with faculty to match projects to sponsors. See the OSP staff directory at [www.cuw.edu/OSP](http://www.cuw.edu/OSP).

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## *2.3. Initial Contact with Sponsors*

Discussing projects with sponsors before preparing a full application helps to determine if the project aligns with the sponsor's interests and whether the sponsor would be willing to consider a proposal. Such contacts require no internal review or approval so long as they do not make commitments on behalf of the University or constitute a request for financial support. PIs should contact OSP to help them prepare for pre-proposal contact with sponsors. It is also wise to seek guidance in advance of project submission from other internal stakeholders including the department Chair or Office of Advancement as relevant.

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## *2.4. Confidentiality and Nondisclosure Agreements*

Some private sponsors will seek a confidentiality or nondisclosure agreement to ensure the protection of information they may disclose during initial project discussions with faculty. Confidentiality agreements that name the University or identify the scholar as a University employee must be approved and endorsed by the DTT and OSP. Please contact DTT for help in developing appropriate nondisclosure agreements.

## 2.5. Cayuse 424

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Cayuse is a web-based system for submission of all applications via grants.gov. The system is easy to use, provides significant auto-filling of forms, extensive error checking and an electronic routing feature for internal approvals.

**Grants Transmittal Form:** Cayuse 424 has allowed the OSP to eliminate the Grants Transmittal Form due to the routing feature. Grants should be 'routed' to the PI's Chair, Dean, CFO, and finally the OSP for submission. It is recommended that you begin the routing process at least 5 days prior to submission. This allows enough time for review, error correction, and resubmission before the deadline.

## 3.0. Pre-Award: Preparing the Proposal

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The technical proposal is often referred to as the project narrative or statement of work. Sponsors vary widely in their requirements, which may include a needs statement, project timeline, and statement of prior experience or capability.

Applicants should contact OSP to ensure that they have the sponsor's most recent guidelines and application materials and to answer any questions they may have about the guidelines. In most cases, OSP has worked with the sponsor and can save applicants a great deal of time and effort.

If the proposal requires narrative or data describing the University, applicants should contact OSP for help to ensure that the presentation is up-to-date, accurate, and consistent with other applications that were recently submitted to the same sponsor.

### 3.1. Roles and Responsibilities

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#### **PI**

The PI is responsible for:

- Writing the technical proposal;
- Ensuring that the proposal meets the sponsor's requirements, including eligibility, format, and budget limitations or conditions.
- Ensuring that the information provided is clear, accurate, and compliant with the sponsor's instructions.
- Identifying other personnel, if any, needed to conduct the project.
- Identifying the need for subawards and subcontracts.
- If resources not already assigned to the PI are required for the project (e.g., space, facilities, or equipment), the PI must secure the endorsement of the person authorized to make the commitments. All commitments and endorsements must be documented using the Proposal Routing feature contained within Cayuse424.

#### **OSP**

- Provides guidance and interprets sponsor guidelines.
- Provides technical assistance with forms, format compliance, electronic applications, and other matters as requested by the PI.
- Provides editorial support if received at least seven days prior to submission.
- Completes forms (including the mandatory budget form) in Cayuse 424.

## 4.0. Pre-Award: Preparing the Budget

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The proposal budget provides a categorical breakdown of the project costs and presents a justification that relates the costs to the project objectives and tasks. The budget submitted to the sponsor consists of two interrelated documents: a budget worksheet and a budget justification or narrative. Budget categories correspond to the funder's required forms. The budget justification or budget narrative explains how the budget figures were estimated and relates the anticipated expenditures to the project's tasks and deliverables.

PIs are reminded that the proposal budget is a good faith estimate, but it is an estimate that becomes part of the legal agreement between the sponsor and the recipient after the award. For this reason, all budgets must be reviewed and approved by OSP and the CFO before they can be submitted to a sponsor. Some changes may be made after the award has been accepted. Sponsors vary in the amount and type of re-budgeting they allow. **See section 13.10, Budget Revisions.**

Applicants should consult with OSP well in advance of any sponsor deadline to ensure that the budget complies with the sponsor's guidelines and University policies, reflects the total cost of the project, and is justified in a clear and unambiguous manner. As of this writing, the University adheres to 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards regarding budgeting, expenditures, accounting, and administration for federally sponsored projects:

**Detailed Budgets.** Some sponsors do not require that applicants submit detailed budgets, as in the case of NIH applications using "modular" budgets. However, a detailed budget is necessary to ensure that the amount requested from the sponsor adequately covers the cost of the work proposed and to ensure the appropriate application of the Facilities and Administrative Cost Rate.

The University requires, therefore, that any budget estimate provided to a sponsor be based on a detailed budget that has been reviewed and approved along with the proposal using the Proposal Routing feature in Cayuse424.

**Definition of Facilities and Administrative Costs.** Facilities & Administrative (F&A) costs are real costs that the institution incurs in support of extramural activities but which cannot be directly charged to a specific grant or contract. The costs result from shared services such as libraries, physical plant operation and maintenance, utility costs, general, departmental and sponsored projects' administrative expenses, and depreciation or use allowance for buildings and equipment. F&A costs also are sometimes called indirect costs or institutional overhead. F&A rates for all Federal grants and contracts are periodically negotiated with our cognizant Federal audit agency, the Department of Health & Human Services.

### 4.1. Roles and Responsibilities, Preparing the Budget

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#### PI

- The PI is responsible for estimating the costs and resources needed to conduct the project and for the justification of those items as they relate to the work. The PI is responsible for ensuring that the costs are reasonable, allocable to the project, and allowable by the sponsor and the University.
- The PI is strongly encouraged to consult with the department Chair and to work with OSP to prepare the budget and budget justification. Alternatively, the PI may prepare the itemized budget and budget justification or supervise their preparation and submit them to OSP for review well in advance of the sponsor's deadline (at least 7 working days).
- The PI identifies Concordia University project personnel and secures commitments from persons to be named in the proposal, including any outside letters of institutional support.

- The PI identifies the need for consortium agreements, subawards, and subcontracts and works with OSP to secure appropriate documentation from prospective collaborators, subrecipients, and subcontractors as needed. The PI secures Letters of Intent and budgets from collaborating institutions.
- If required, the PI requests in advance the approvals for cost-sharing and in-kind contributions from the Chair and/or Dean. Commitments are documented in the Summary form within Cayuse.
- The PI may propose cost sharing through contributed effort, subject to the prior approval of the department Chair and Dean and documented on the Summary form within Cayuse.
- The PI identifies his or her current and pending support.
- The PI identifies anticipated program income and notifies OSP during budget development.
- The PI is responsible for obtaining all internal approvals via the routing feature in Cayuse prior to grant submission.

### **Department Chair and Dean**

The Chair, Dean, and CFO who approve the proposal and budget via the Cayuse 424 routing feature are responsible for ensuring that individuals designated as PIs are eligible and qualified to lead the project being proposed and must approve any cost-sharing or F&A waivers as recommended to the OSP on the Summary form.

### **OSP**

- Provides guidance on sponsor and University policies related to budget preparation.
- Provides institutional oversight for documenting cost sharing commitments with COO final approval.
- Works with the PI to develop the project budget and budget justification.
- Works with the PI to obtain letters of intent and budgets from collaborating institutions.
- Serves as the Concordia University Authorized Organization Representative (AOR) with permission to submit all grants.

**The following sections describe typical elements of the budget and policy considerations relevant to each:**

#### *4.2. Salaries and Wages*

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The time and effort of project personnel should be included in the budget. Proposed salaries and wages must be in accordance with University approved rates. PIs are encouraged to include fair and appropriate sponsor compensations for their percent effort dedicated to the proposed work.

##### *4.2.1. Faculty Salary Charged to Grants*

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Regarding payments to faculty members from government grants and contracts, Concordia University adheres to federal policy as described in Office of Management and Budget 2 CFR 200, et al. of the Uniform Grant Guidance.

- Because proposal budgets are submitted to sponsors in advance of the actual project start date, the amounts budgeted for salaries are estimates.
- Actual salary payments to faculty members are based on salaries at the time the research is conducted and are subject to the availability of funds.
- Salary chargeable to grants is limited to the effort actually expended on the sponsored project.
- As with all other expenditures, salary charged to a grant must be reasonable, allowable by the University and the sponsor, and allocable to the project using the University's accounting and effort reporting systems.
- All changes to effort and salary must receive prior approval from the OSP.

- All staff and faculty whose salary (partial or otherwise) is paid out of federal funds must complete a time and effort report (described later in this manual).

#### *4.2.2. Sponsor-imposed Salary Caps*

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Some sponsors, such as NIH, impose salary caps that limit the amount of salary that may be paid to an individual. The University will comply with sponsor-imposed salary caps. This does not mean that the institution will decrease the employee's salary: sponsor-imposed caps only limit the amount of salary that the University can charge to the grant.

**The NIH Salary Cap.** The FY 2002 HHS Appropriations Act allows that "none of the funds ...shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level II" of the Federal Executive Pay Scale." The NIH policy defines the term "salary" as "direct salary" which is exclusive of fringe benefits and F&A expenses. "Direct salary" has the same meaning as the term "institutional base salary." An individual's institutional base salary is the annual compensation that the applicant organization pays for an individual's appointment, whether that individual's time is spent on research, teaching, patient care, or other activities. Base salary excludes any income that an individual may be permitted to earn outside of duties to the applicant organization.

For current NIH salary limitations, contact OSP. See also the current NIH Guide notice regarding "Salary Limitation on Grants, Cooperative Agreements, and Contracts" (the most recent issuance as of this writing is NOT-OD-15-049, December 30, 2014).

The difference between the salary cap and the actual salary must be paid with non-federal funds. Where the sponsor allows it, the difference may be included in the budget as cost-share. **See 6.0, Cost Sharing.**

#### *4.2.3. Salary Supplements and Extra Compensation*

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Salary charges to government grants, cooperative agreements, and contracts are allowable at the approved University base salary rate.

- Extra compensation over and above the approved base salary rate is allowed if the following conditions apply: intra-institutional consulting or if the work performed is in addition to his or her regular departmental load and is approved in advance by the sponsor agency (NSF summer salary is an example). Approval for extra compensation must be obtained in writing from the federal program officer and the departmental Dean.
- Extra compensation is limited to 20% effort on a non-regular basis and subject to review and advance approval by the Dean.
- Salary supplements or extra compensation requested after the proposal has been submitted must be approved in writing by the sponsor, CAO, the appropriate Dean, and the OSP.
- Extra-compensation must be documented, included through the use of time and effort reports.
- Please also see 2 CFR 200 §200.430 (h)(Subpart E – Cost Principles)

**Supplemental Salary or Extra Compensation Allowed by the Sponsor.** Some private sponsors allow the payment of supplemental salary or extra compensation (e.g. speaker fees). Where the employee wishes to request such payment and where it is allowed by the sponsor, the employee's Chair, Dean, and CAO must explicitly approve the amount to be requested using the Additional Comments section of the Cayuse 424 Summary form.

#### *4.2.4. Graduate Students*

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Consult with the department Chair or OSP for guidance regarding compensation levels for Graduate Research Assistants. Consult with the Chair or Dean and/or the CFO for guidance regarding the forms and procedures required to hire and supervise graduate students.

#### *4.2.5. Undergraduate Students and LTE/Pharmacy Professional Students*

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Consult with Human Resources for guidance on appropriate compensation for undergraduates and the forms and procedures required to recruit, hire, and supervise them. Normally these students are limited to 18 hours per week. Exceptions must be approved by the Academic Dean.

#### *4.2.6. Limited Term Employees and Professional Students*

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Salaries and wages paid by sponsored projects to limited term employees must be consistent with the University's approved compensation levels for comparable positions. The Office of Human Resources has the responsibility for the classification and compensation of employees and can provide help and guidance.

#### *4.2.7. Salary Support for Personnel with Twelve-month Contracts*

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Generally, an employee may not receive more than his or her regular annualized salary by engaging in sponsored projects. All employees will have an approved maximum total compensation set by the University, which shall constitute that person's institutional base salary. On an irregular basis, up to 20% additional effort can be authorized by Human Resources.

#### *4.2.8. Administrative and Clerical Staff*

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The salaries of administrative and clerical staff are normally treated as Facilities and Administrative (F&A) costs. Direct charging of these costs may, however, be appropriate where a major part of the project or activity explicitly budgets for administrative or clerical activity and the individuals involved can be specifically identified with the project or activity. **See 4.9, Other Direct Costs.**

#### *4.2.9. Other Personnel Considerations*

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**Key Personnel.** NIH defines key personnel as individuals who contribute in a substantive way to the scientific development or execution of the project, whether or not they receive compensation from the grant supporting that project. NSF uses similar terms to identify the individual(s) responsible for the scientific or technical direction of the project. The PI and collaborators are included in this category.

Naming an individual as key personnel in the application or proposal has important implications for the award: Where key personnel are named in a sponsor's award notice, the sponsor's approval is typically required in the event a person so named leaves the project or is replaced. All key personnel must disclose their financial interests, using the approved University Financial Conflict of Interest Form, before the proposal may be submitted to the sponsor. Where the project involves Human Subjects, key personnel must also receive appropriate training. Consult with the OSP for guidance. Percent effort and key personnel must be documented and tracked regardless of whether or not they are sponsor compensated.

**PI, Co-PI, and Co-Investigator.** Co-PIs or Co-Investigators typically devote a specified percentage of time to the project, must be employed by or affiliated with the University or with another organization participating in the project under a consortium agreement, and are considered key personnel. NIH and NSF limit the number of individuals who may be named as Co-PIs: consult the sponsor's policy for guidance.



**Project personnel.** When preparing extramural proposals, PIs must follow established University policies and procedures governing the recruiting, appointing/hiring, and paying grant/contract personnel. These guidelines are meant to assure a smooth employment process and a prompt starting of the extramural award.

There are two ways to secure personnel for grant positions: (1) naming the individual(s) in the proposal, and (2) recruiting through regular University procedures.

PIs are encouraged to specifically name project personnel in proposals, where appropriate. These individuals should meet the qualifications of the positions and if they hold foreign national status, they must have the appropriate visa to come into the country and be employed. If the application is approved as submitted, no further posting/advertising is needed for these positions.

Positions for which the person is not named in the proposal are considered vacancies and must be posted or advertised in accordance with the University's equal opportunity/affirmative action policies.

### *4.3. Fringe Benefits*

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Employee benefits are charged as a direct cost on the basis of a fixed percentage of salary or wages. The University's allocated benefit rate is determined annually by the Human Resources Department and is based on the University's budgeted fringe benefit costs for that same period.

### *4.4. Consultants*

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A consultant is an individual who provides professional advice or services on the basis of a written agreement for a fee. Consultants also include firms that provide professional advice or services. IRS guidelines govern the determination of whether someone must be classified as a consultant or as an employee of the University.

The PI must anticipate the need for a consulting agreement before the award and before the consultant can begin work. The process of procuring consulting services is described in detail in section **17.0, Subcontracts for Services**.

Every consulting service must be documented by a statement of work that explains the services to be performed, the payment expected, and the period of performance.

The PI is responsible for ensuring that the consultant is adequately qualified to do the work and that the costs of the services are reasonable. The PI is responsible for securing a fully executed agreement before the consultant begins work. Concordia employees cannot be hired as consultants with funds awarded to the University for a Sponsored Project. Concordia employees performing services outside of their normal duties must still be paid as an employee through Concordia payroll. **See 4.2.3, Salary Supplements and Extra Compensation.**

### *4.5. Equipment*

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Purchases of special purpose equipment allowed by the sponsor are accounted for as direct charges to the project. This section provides guidance regarding the budgeting of equipment in grant proposals. **For post-award requirements concerning Equipment and Property Management, see 18.0.**

The University defines capital equipment as any individual item costing \$5,000 or more and having a useful life of more than one year. Component parts together costing \$5,000 or more should be capitalized

provided the item has a useful life of more than one year. A component part is any item that cannot stand alone and is an integral part of, or enhancement to, an existing piece of equipment.

PIs must adhere to the sponsor's requirements regarding the acquisition or construction of equipment as well as the University Business Office policies and procedures.

Note that some sponsors allow that equipment costing up to \$5,000 may be classified as a supply for the purpose of determining whether the sponsor's prior approval is required to acquire the item. Where the sponsor's dollar threshold for classifying an item as capital equipment is higher than Concordia University's threshold, the University will use its threshold for the purpose of budgeting and accounting the expense, but will observe the sponsor's threshold for the purpose of determining whether the sponsor's prior approval is required to acquire the item.

#### *4.6. Materials and Supplies*

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The PI specifies the type and quantity of supplies and provides an estimate of their cost. PIs must adhere to the university's policies and procedures as it concerns making purchases using federal grant funds.

PIs must take care not to engage in business relationships with debarred vendors. A current list of debarred vendors is available online at [www.sam.gov](http://www.sam.gov). Once on the SAM site, click "Search Records" This list is updated on a daily basis and must be checked each time a purchase is to be made.

The Concordia University Business Office is responsible for the selection of vendors and the negotiation and processing of purchases. The OSP will assist the PI in procurement compliance.

#### *4.7. Travel*

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The PI must specify the type, extent, and purpose of anticipated travel in the budget. The PI must adhere to the sponsor's guidelines regarding allowable expenditures for travel as well as the Business Office policies and procedures.

**Fly America Act:** Federal travelers are required by [49 U.S.C. 40118](#) to use only U.S. flag air carriers for international travel, regardless of cost savings available from foreign carriers. Those using "code share" tickets must purchase them through the U.S. flag carrier. Where U.S. flag carriers are unavailable, the traveler must so certify. PIs must provide their certification to the Business Office and OSP.

Some agencies prohibit the use of grant funds for international travel without prior agency approval. Clearly identifying the trip in the budget submitted with the application and approved by the sponsor will normally meet the requirement for prior approval.

Unless otherwise restricted by the sponsor, sponsored projects must adhere to the University's published policies regarding all travel-related expenditures including reimbursement for meals and mileage.

Federal agencies require grantees to adhere to the government's established maximum daily limits for meal expenditures and lodging rates, which vary by destination. Contact OSP for help identifying and applying the correct rate to the budget.

Where personal travel or travel unrelated to the project is combined with project travel, only those portions of the travel expense directly attributable to the project may be charged to the project. Where free lodging or meals are provided, such items may not be submitted for reimbursement.

Project personnel may, however, claim reimbursement for expenses related to project travel such as visas and health certificates. These expenses should be included in the budget and budget justification and documented by receipts. Please also see the Travel Policy located on the OSP website: <https://www.cuw.edu/departments/osp/policies.html>.

#### *4.8. Subcontracts and Subawards*

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**See also section 16.0, Subawards, and 17.0, Subcontracts for Services (Procurement).** For federal sponsors, there is an important distinction between subcontracts (procurement) and subawards.

Examples of procurements requiring subcontracts include speaker agreements, routine laboratory tests and assays, and facility rental. At the budget preparation stage, it is prudent for the PI to secure bids or letters confirming the estimated cost of the service. Procurement of goods and services from vendors by subcontract must comply with SPM 17. Contracts involving sponsored projects must be endorsed by the OSP. OSP involvement in the preparation and review of such contracts ensures that the contract is allowed by the terms of the sponsorship agreement and that the contract incorporates any required sponsor terms and conditions.

An example of an assistance arrangement requiring a subaward is collaboration with a co-investigator at another institution. Subawards must be endorsed by the Director of OSP and must comply with section **16, Subawards**.

#### *4.9. Other Direct Costs*

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Consult with OSP to ensure that other direct costs are readily allocable to the project and not already covered under Facilities and Administrative costs.

**Communication costs.** Costs incurred for telephone services, local and long distance telephone calls, telegrams, radiograms, postage and the like are typically not allowable and considered part of F&A base, unless the costs are allocable only to a particular grant.

**Memberships, subscriptions, and professional activity costs.** Costs of membership in business, technical, and professional organizations are allowable as are costs of subscriptions to business, professional, and technical periodicals. Please refer to [2 CFR §200.454](#) for further information.

**Conference registration fees** and costs associated with conference travel, meals, and lodging are allowable subject to the limitations described below and found in [2 CFR §200.432](#).

**Salaries of administrative and clerical staff** are normally treated as F&A costs. Direct charging of these costs may, however, be appropriate where a major part of the project or activity explicitly budgets for administrative or clerical activity and the individuals involved can be specifically identified with the project or activity. Examples include projects that involve extensive data accumulation, entry, or reporting, and projects that require making travel arrangements for large numbers of participants. These costs are allowable as direct charges subject to the limitations described below.

**Limitations:** costs are allowable as direct costs to the extent:

- They are permitted by the sponsor's published guidelines (NIH, for example does not allow an individual's membership dues or fees except as a fringe benefit or employee development cost).
- The project has a special need for the item or service beyond the level of such services normally provided by the University.
- The costs are specifically allocable to the sponsored project and are appropriately justified and documented by the PI with the concurrence of OSP.

- The costs are specified in the proposed budget submitted to the sponsor, and the special circumstances requiring direct charging are explained in the proposal.
- The sponsor accepts the cost as part of the project's direct cost budget (i.e., does not disallow the cost).

Administrative and clerical salaries may only be charged to grants if they **also** meet the following conditions:

- They fall within the special circumstances described in 2 CFR 200 (Subpart E – Cost Principles), of the Uniform Grant Guidance.
- The individuals have responsibilities specifically related to the work of the project, and their effort devoted to the project is documented.
- The title(s), percent of effort, and salary amount(s) for the clerical/administrative position(s) are included in the proposed budget submitted to the sponsor, and the special circumstances requiring direct charging of their services are justified in the proposal.
- The sponsor accepts the cost as part of the project's direct cost budget (i.e., does not disallow the cost).

**Post-award Note:** If the cost meets the first two of these conditions but was not included in the budget approved by the sponsor, it may be charged directly to the agreement if

- 1) The University has re-budgeting authority under the terms of the award,
- 2) The modification is approved by the OSP, and
- 3) The modification is approved by the federal program officer.

The PI must transmit his or her justification to OSP in writing, provide the same detail that would have been provided to the sponsor, and comply with all other rules regarding re-budgeting.

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## 5.0. FACILITIES AND ADMINISTRATIVE ("INDIRECT") COSTS

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### *5.1. Definition of Facilities and Administrative "Indirect" Costs*

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Facilities & Administrative (F&A) costs are real costs that the institution incurs in support of extramural activities but which cannot be directly charged to a specific grant or contract. The costs result from shared services such as libraries, physical plant operation and maintenance, utility costs, general, departmental and sponsored projects' administrative expenses, and depreciation or use allowance for buildings and equipment. F&A costs also are sometimes called indirect costs or institutional overhead. F&A rates for all Federal grants and contracts are periodically negotiated with our cognizant Federal audit agency, the Department of Health & Human Services.

Concordia University currently has a direct salaries and wages rate of 38% on campus and 20% off campus. The rate expires on June 30, 2017.

### *5.2. Roles and Responsibilities: F&A Costs*

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#### **CFO**

- The CFO prepares the F&A Cost proposal and negotiates the rate with the cognizant Federal agency.
- The CFO, with COO authorization, may approve requests for voluntary under-recovery of F&A Costs.

## Office of Sponsored Programs

- OSP provides institutional oversight for the application of the F&A Cost rate in proposal budgets.
- Where under-recovery of F&A Costs is required by a sponsor as a condition of eligibility, the OSP will communicate the rate and make a recommendation to the CFO who has final approval.

### 5.3.1. Under-recovery of F&A Costs as a Sponsor's Condition of Eligibility to Apply

If the sponsor has a written policy restricting or prohibiting F&A costs charged to a project, the University must either accept that policy in determining the level of F&A costs to include in the budget or elect not to submit an application. By approving the grant application and budget through the Cayuse 424 routing feature and as documented in the Cayuse Summary form, the department Chair and the Dean acknowledge and recommend the under-recovery as a sponsor's eligibility requirement. Final approval of any voluntary waiver must be endorsed by the CFO.

### 5.3.2. Voluntary Under-recovery of F&A Costs

The University strongly discourages the voluntary under-recovery of F&A Costs. Please also refer to section 5.4 below. Any proposed voluntary under-recovery of F&A costs must be explicitly approved by the Federal awarding agency and the Dean as authorized by the COO. Their approval must be indicated in the Cayuse 424 Summary form.

### 5.4. Cost sharing F&A

Also, per [2 CRF §200.306 \(c\)](#), “Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency.” See **6.6, Cost Sharing Facilities and Administrative Costs**.

## 6.0. COST SHARING

Per [2 CFR §200.306](#), “Under Federal research proposals voluntary committed cost sharing in not expected. It cannot be used as factor during the merit review of applicators or proposal, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly describe in the notice of funding opportunity.”

Typically, the University proposes cost sharing only to the extent required by the sponsor. Cumulatively, cost-sharing salary and fringe have the effect of reducing the University's F&A cost rate. Cost sharing of direct salary and wages is considered a part of the research base when calculating the F&A rate and is excluded from the indirect pool of expenses. This distribution lowers the amount of indirect expenses that can be allocated to sponsored projects and reduces the University's recovery of F&A costs. Thus, the cost share has a much larger impact on the institution: first, institutional resources are redistributed to make the cost share available to the project; second, the sponsor does not pay F&A costs on the cost-shared items; and third, the institution's F&A rate is lowered in the next negotiation. Additionally, there is an accounting and record keeping requirement that directly adds to the university's administrative costs. Because of the negative impact of cost sharing on the University's research base, cost sharing should only be considered if it is required by the sponsor or necessary to accurately reflect the resources required to conduct a project for which only partial sponsorship is available.

Two general restrictions apply to costs proposed for cost sharing: a) if the costs are used as cost sharing on a federal program, they may not be paid or used as cost sharing on another federal program unless expressly permitted by the sponsor; b) costs otherwise classified as F&A costs may not be represented as direct cost sharing.

## 6.1. Roles and Responsibilities, Cost Sharing

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### PI

- If required, the PI requests cost-sharing and in-kind contributions from the Chair. Commitments are documented and included in the Proposal Routing feature in Cayuse424.

### Department Chair or Unit Director

- The Chair is the first level of approval for proposed cost sharing. In cases where the cost sharing involves resources not under the Chair's authority, the Chair approves and forwards the request to the appropriate administrator, usually the Dean of the school. If the Chair does not approve the cost-sharing request, he or she must return the application to the PI for resolution.

### Dean

- The Dean is the second level of approval for proposed cost sharing. In cases where the cost sharing involves resources not under the Dean's authority, the Dean approves and forwards the request to the CFO or other person authorized to make the commitment.
- If the Dean does not approve the cost-sharing request, he or she must return the application to the PI for resolution.
- The Dean must approve any request for cost sharing or matching that involves fundraising. The Dean may not approve such requests without the concurrence of the CFO and the COO.

### OSP

- OSP interprets sponsor guidelines regarding cost-sharing requirements, consults the sponsor for clarification where necessary, and advises University personnel accordingly.
- OSP provides institutional oversight and documentation for cost sharing proposed by PIs and endorsed by Chairs and Deans, and final approval by the COO or designee.
- At the time the grant account with cost sharing is established, OSP notifies the Office of the Controller and the department to which the cost sharing will be charged.

## 6.2. Definitions

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The terms "cost sharing," "matching," and "in-kind" generally refer to the portion of the total project cost not borne by the sponsor. Although these terms are often used interchangeably, administrators and prospective applicants must pay special attention to a sponsor's particular definitions of these terms.

### Cost Sharing

Cost sharing, sometimes called "matching," refers generally to the salary or cash portion of the total project cost not paid by the sponsor. The University is making a cost sharing promise to a sponsor when the proposal or budget includes a statement that leads a reader to believe that non-sponsor funds will be available or devoted to a project. In the case of cost shared effort, cost sharing is promised or committed when the proposal or budget includes a statement that quantifies the amount of time to be devoted to the work. See **Voluntary committed cost sharing** and **Voluntary uncommitted cost sharing**, below, for examples.

### In-kind

"In-kind" contributions generally refer to non-cash contributions to a project (e.g., goods, commodities, or services provided by a third party).

### **Mandatory cost sharing**

Mandatory cost sharing is cost sharing that the sponsor requires as a condition of the award. Mandatory cost sharing is stated on the Notice of Grant/Contract Award, must be documented, and must be reported to the sponsor.

### **Voluntary cost sharing**

Voluntary cost sharing is cost sharing not required by the sponsor. There are two types of voluntary cost sharing: *voluntary committed cost sharing* and *voluntary uncommitted cost sharing*.

### **Voluntary committed cost sharing**

Voluntary committed cost sharing is cost sharing, often in the form of effort, which is not required by a sponsor but is nevertheless specifically pledged in the proposal or budget. Because sponsors incorporate the proposal (and its budget) by reference when making an award, voluntary committed cost sharing becomes a condition of the award. Voluntary committed cost shared expenditures must be accounted and reported in the same way that all other project expenditures are accounted and reported to the sponsor.

### **Voluntary uncommitted cost sharing**

Voluntary uncommitted cost sharing is cost sharing, usually in the form of effort, devoted to the project but not pledged or quantified in the proposal, budget, or award notice. According to the [OMB 2 CFR 200 Uniform Guidance §200.306](#), “voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity.” For most sponsors, cost sharing is not a requirement in order to receive the award. For example, the National Science Foundation (NSF) specifically prohibits voluntary committed cost share in proposals.

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## **6.3. Cost sharing Expenses**

To be allowed as cost sharing expenses, costs must be (a) allowable and allocable under federal cost principles (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) and the terms of the sponsor agreement; (b) certifiable in the effort distribution and certification process (for cost shared effort); (c) necessary and directly related to the project objectives (except for cost sharing involving F&A costs); (d) capable of being quantified and documented.

Mandatory and voluntary committed cost sharing must conform to University and federal policies regarding allowability, allocability, and reasonableness. The same is true for cost sharing involving gifts, donated services, or volunteer services.

The primary federal requirements for cost sharing are to be found in [OMB Uniform Guidance §200.306](#), "Cost Sharing or Matching." Guidelines for specific agencies or grant programs may also provide guidance on cost sharing. These requirements must be passed on to any subrecipients performing substantive work under grants and agreements that are passed through or awarded by the primary recipient, if such subrecipients are institutions of higher education, hospitals, and other non-profit organizations.

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## **6.4. Cost Sharing Facilities and Administrative Costs**

[OMB Uniform Guidance §200.306](#),(b) states that unrecovered indirect costs may be included as part of cost sharing or matching only with the prior approval of the federal awarding agency. Where allowed by the sponsor, unrecovered Facilities and Administrative Costs will be **imputed** as cost share in the proposal budget.

## 6.5. Cost Sharing from Third Parties

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Cost sharing may come from arrangements with non-University sources. These arrangements must be clearly documented before the proposal is submitted. Documentation ordinarily consists of a Letter of Intent from the entity making the commitment. The letter must be included in the proposal file at OSP, regardless of whether the sponsor requires the letter to be submitted along with the proposal. Cost sharing from third parties will comply with all other parts of this section as deemed relevant. Cost sharing that involves soliciting contributions from private entities or individuals ordinarily require the approval of the Dean and the Senior Vice President of The Concordia Office of Advancement.

## 7.0. LETTERS OF INTENT AND LETTERS OF SUPPORT

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### 7.1. Roles and Responsibilities: Letters of Intent and Letters of Support

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#### PI

- For a proposal submitted by Concordia University that names another institution as a collaborating entity or subawardee, the PI is responsible for requesting a letter of intent as needed from that institution.
- The PI is responsible for securing letters of support as needed.
- For a proposal being submitted by another institution that names Concordia University as a collaborating entity or subawardee, the Concordia University PI is responsible for the collaboration and must prepare a statement of work and a budget. On the basis of these documents and other materials as may be required from the applicant institution, OSP will prepare a letter of intent. The letter of intent and its attachments must be routed for approval using the Proposal Routing feature in Cayuse424 and properly authorized by Concordia University leadership before being transmitted to the applicant institution.

#### OSP

- OSP is responsible for determining the adequacy of letters of intent from proposed subawardees and for accepting and acknowledging such letters as appropriate.
- Where an outside entity proposes to name Concordia University as a collaborator or subawardee in an application to a sponsor, the institution submitting the application will require a letter of intent from Concordia University. The OSP Director is authorized to sign these letters and they are considered proposals requiring prior approvals as outlined throughout this OSP manual.

### 7.2. Letters of Intent and Letters of Support

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A **letter of intent**, sometimes called a letter of commitment, is an institutional promise to devote effort or resources to another institution's project in the event of award. The letter of intent is a precursor to a subaward and must be subject to all prior approvals of proposals as outlined throughout this OSP manual.

A **letter of support** expresses agreement with the aims, methods, or anticipated outcomes of the proposed project but makes no specific promise to perform in the event of an award. Letters of support are typically addressed to the PI at the applicant institution.



### 7.3. Letters of Intent

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For the form and content of a typical letter of intent, see **16.0, Subawards**.

Concordia University is the primary applicant and another institution is named as collaborator or subawardee: If a collaborating institution is named in a proposal submitted by Concordia University, a letter of intent must be prepared by the collaborating institution, signed by a person authorized to enter into agreements on behalf of that institution, and directed to the OSP. OSP must review and approve the letter of intent before Concordia's application is submitted to the sponsor.

In cases where the subaward is decided after an award has been made, the collaborating institution must provide a letter of intent to the OSP before Concordia requests the sponsor's approval to allow the subaward.

**Another institution will submit an application naming Concordia University as a collaborator or sub awardee:** Where an outside entity proposes to name Concordia as a collaborator or sub awardee in an application to a sponsor, the Concordia PI responsible for the collaboration must prepare a statement of work and a budget. On the basis of these documents and other materials as may be required from the applicant institution, the OSP will prepare a letter of intent. The letter of intent is prepared and the Proposal Routing feature is used to gain approvals. It is then transmitted to the applicant institution.

### 7.4. Letters of Support

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An investigator at another institution who will collaborate informally with the Concordia PI may provide a letter of support. However, if the Concordia proposal specifically promises that the individual will devote quantified effort or resources to the project, Concordia requires that the institution provide a letter of intent signed by that institution's authorized official and transmitted to the OSP Director.

## 8.0. PROPOSAL ROUTING

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Proposal routing is completed through the Cayuse 424 routing feature. The routing feature serves as an internal review of the proposal and provides a summary of project characteristics and commitments. The PI uses the Cayuse routing feature to obtain the appropriate institutional endorsements. The Cayuse Summary form must be completed **at least five business calendar days** prior to proposal submission. If it is not received at least five business calendar days prior to the submission date, OSP cannot ensure that a timely full review for submission can be made due to routing or technical issues. If multiple applications are submitted to OSP after the five business day requirement, grants will be submitted in the order they are received.

Please note that some commitments may require proposal routing and approval from additional people. For example, new space requires approval of the University CAO or COO. New academic programs may require approval by several campus committees and the Board of Regents. For such commitments, the person endorsing the Summary form warrants that the appropriate approvals have already been secured. Persons requesting these kinds of commitments are advised to give endorsers ample time to obtain these approvals in all cases **at least seven calendar days prior to planned submission**.

### 8.1. Roles and Responsibilities, Proposal Routing

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#### PI

- The PI prepares the Cayuse Summary form and provides the data required for its preparation.
- The PI reviews and endorses the Cayuse Summary form and is responsible for its accuracy and completeness.

- In cases where the project involves the use of regulated research resources (e.g., human subjects, vertebrate animals, recombinant DNA, radioisotopes), the PI must so indicate. See **11.0, Regulatory Compliance.**
- In cases where the form indicates the use of regulated research resources (e.g., human subjects, vertebrate animals, recombinant DNA, radioisotopes), the PI routes the Cayuse Summary form and a copy of the proposal to the IRB Committee.

### **Department Chair**

- The Chair approves the proposal with particular attention to appropriateness of committed effort, adequacy of the budget relative to the scope of work, appropriateness of the budget justification, and availability of departmental resources. If the Chair does not approve the budget, he or she must return it to the PI for resolution.
- The Chair is the first level of approval for proposed cost sharing. In cases where the cost sharing involves resources not under the Chair's authority, the Chair approves and forwards the request to the appropriate administrator, usually the Dean of the school. If the Chair does not approve the cost-sharing request, he or she must return the application to the PI for resolution. See **6.0, Cost Sharing.**
- The Chair must approve and recommend to the Dean any required or voluntary under-recovery of F&A. See **5.3 Under-recovery of F&A Costs.**

### **Dean**

- The Dean approves the proposal with particular attention to commitment of school resources. If the Dean does not approve the proposal, he or she must return it to the Chair and PI for resolution.
- The Dean approves proposed cost sharing by the school. In cases where the cost sharing involves resources not under the Dean's authority, the Dean approves and forwards the request to the person with authority to make such commitments. If the Dean does not approve the cost-sharing request, he or she returns the application to the Chair and PI for resolution. See **6.0, Cost Sharing.**
- The Dean may recommend or approve under-recovery of F&A costs where required by the sponsor and forward to the OSP for final approvals. See **5.3 Under-recovery of F&A Costs.**
- The Dean may recommend to the OSP Director any voluntary under-recovery of F&A Costs and forward to the CFO for final approvals.

### **Business Office**

- The Business Office is responsible for reviewing and approving the proposal budget to ensure that University financial policies and procedures have been addressed.
- The CFO, within the Business Office is responsible for approving the budget within the Cayuse system at least 24 hours prior to the sponsor's submission date and time. Due to the time sensitive nature of grant submissions, the COO or his or her designee has authority to approve budgets in place of the CFO.

### **OSP**

- OSP assists with preparation of the Cayuse Summary form at the request of the PI and relies upon the PI for data required for its preparation.
- OSP is responsible for final review and acceptance of the Summary form.
- In July 2007, the State of Wisconsin Department of Administration has chosen not to participate in grant reviews per Executive Order 12372: <http://www.doa.state.wi.us/>.

## *8.2. Endorsements and Routing*

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The PI creates a routing chain in Cayuse 424 beginning with him or herself to certify that personnel named in the application have agreed to participate in the project if funded. By doing so, the PI certifies that he or she accepts responsibility for the conduct of the project. The PI also certifies that he or she and all key personnel have received or will receive sponsor-mandated training and compliance certifications.

**Routing** The PI is responsible for routing the proposal and through the Cayuse routing feature for electronic signatures. The department Chair and Dean must review and approve the proposal, certifying that the project is consistent with the unit's mission, and that commitment(s) of University resources are clearly understood and approved. Where resources are committed beyond his or her authority to approve, the department Chair or Dean must seek approval from the appropriate University official. Where the proposal involves two or more departments or units, the Principal Investigator must secure appropriate endorsements from each area using the Cayuse routing feature and Summary form.

The proposal and Cayuse 424 Summary form is then reviewed for compliance by the OSP with the regulations and requirements of the federal government, the sponsor, and University. OSP will add to the application packet any assurances and certifications required by the sponsor and may collaborate with other offices to secure appropriate documentation as needed.

### *8.3. Final Approval and Transmittal to the Sponsor*

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The OSP Director must approve all applications before they are submitted to the prospective sponsor. Approval to submit the proposal to the sponsor is granted when the Director electronically signs the Cayuse Summary form and, where appropriate, the application coversheet and other forms as required by the sponsor.

The PI is responsible for making any required copies and transmitting the application to the sponsor. Where proof of mailing is required, the PI is responsible for obtaining appropriate proof and retaining it for future reference.

## 9.0. DISCLOSURE OF FINANCIAL INTEREST

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Concordia's Conflict of Financial Interest Certification Policy was approved by the CAO. Instructions are available at the OSP web site, [www.cuw.edu/OSP](http://www.cuw.edu/OSP). This form must be completed at the time of proposal submission and kept in the pre-award grant file.

### *9.1. Roles and Responsibilities*

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#### **PI**

- The PI is responsible for signing the completed Financial Conflict of Interest Form as appropriate and collecting a signed version from all key Concordia personnel and providing them to OSP in a timely manner for upload into Cayuse 424, prior to grant submission.

#### **Deans**

- Deans provide local oversight and may be involved in the resolution of conflicts of interest disclosed by faculty in their reporting line.

#### **OSP**

- The OSP coordinates the collection and keeping of completed Financial Disclosure form in the project file (or electronically in Cayuse 424).
- The Director is responsible for review of Certification forms.

- The Director is responsible for determining the existence of a conflict based on the Certification and developing and implementing a plan to manage, reduce, or eliminate the conflict.

## 9.2. University Policy

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To avoid or manage any possible conflict of interest in the conduct of grant or contract activities, the following safeguards are established, as mandated by federal law<sup>1</sup>, to prevent employees or consultants from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties. Adopting this policy not only complies with federal requirements, but also helps insure that high standards of scientific integrity govern the conduct of sponsored projects, thereby bolstering public understanding and trust of science. Accordingly, this policy is effective immediately.

## 9.3. Implementation

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At the time a grant or contract is submitted to an extramural sponsor and registered in the OSP, whether to a governmental or nongovernmental sponsor, the PI or Project Director<sup>2</sup> must file a Financial Conflict of Interest form with the OSP. The following provisions apply:

Each PI or Project Director must disclose all significant financial interests<sup>3</sup> of the investigator, including those of the investigator's spouse and dependent children:

- That would reasonably appear to be affected by the research or education activities proposed for funding, or
- In entities whose financial interests would reasonably appear to be affected by such activities.

While the initial disclosure must be provided at the time the proposal is submitted, each disclosure must be updated annually or sooner if new reportable significant financial interests are obtained.

If an actual or potential conflict of interest exists<sup>4</sup>, the Dean will determine what conditions or restrictions, if any, should be imposed to manage, reduce, or eliminate such conflicts. These conditions or restrictions might include, but are not limited to, the following.

- Public disclosure of significant financial interests
- Monitoring of research by independent reviewers
- Modification of the research plan
- Disqualification from participation in the portion of the grant or contract that would be affected by the significant financial interests<sup>1</sup>
- Divestiture of significant financial interests
- Severance of relationships that create actual or potential conflicts

If the Dean determines that imposing conditions or restrictions would be either ineffective or inequitable and that the potential negative impacts that may arise from a significant financial interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the Dean may allow the research to go forward without imposing such conditions or restrictions.

Each condition or restriction, if imposed, will include adequate enforcement mechanisms that allow for sanctions where appropriate. Faculty members may appeal decisions of the Dean by presenting their cases in writing to the CAO who will consider the pertinent facts in consultation with a Conflict of Interest Advisory Board. Failure to file a complete Financial Disclosure Form or to comply with any conditions or restrictions imposed on the conduct of the project all constitutes grounds for University

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<sup>1</sup> Some conflicts of interest can be managed if disclosed, while some are never allowed.

discipline up to and including termination of employment. Specific sanctions will be determined by the CAO after a timely review of pertinent facts. Further, the OSP will keep pertinent agencies appropriately informed.

The OSP and responsible parties will maintain records of all financial disclosures and of all actions taken to resolve actual or potential conflicts of interest until at least three years after the termination or completion of the award to which those records relate, or the resolution of any government action involving those records.

#### NOTES

<sup>1</sup> PHS: 60 FR 35810-35819; NSF: 60 FR35820-35823, both issued in the Federal Register (FR) on July 11, 1995.

<sup>2</sup> The terms "PI" and "Project Director" include other key project personnel who have independent responsibility for accomplishing project objectives.

<sup>3</sup> "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 interests (e.g., stocks, stock options or other ownership interests); and intellectual property rights (e.g., patents, copyrights and royalties from such rights). The term does not include (1) salary, royalties or other remuneration from Concordia; (2) income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities; (3) income from service on advisory committees or review panels for public or nonprofit entities; (4) an equity interest that, when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a 5% ownership interest in a single entity; or (5) salary, royalties, or other payments that, when aggregated for the investigator and the investigator's spouse and dependent children, are not expected to exceed \$10,000 during the next twelve month period.

<sup>4</sup> An actual or potential conflict exists when the Director, in consultation with others as appropriate (e.g., department Chair, academic Dean, graduate Dean, general counsel, internal auditor), reasonably determines that a significant financial interest could affect the design, conduct, or reporting of the research, educational, or service activities proposed for funding.

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## 10.0. LOBBYING DISCLOSURE AND CERTIFICATION

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Applications for federal grants, contracts, or cooperative agreements require that the University certify compliance with [31 U.S.C. 1352](#) and [45 CFR 93](#) pertaining to lobbying. Specific definitions of "lobbying" vary with each specific law, but in general "lobbying" means contacting or encouraging others to contact federal employees or elected officials in an attempt to influence the outcome of a decision, award, law or other government action. This document outlines Concordia's plan to ensure compliance with these laws.

Various other federal, state and local laws create additional rules and reporting requirements for lobbying activities. Compliance with these rules and reporting requirements is the responsibility of the CAO.

All Concordia employees must contact the CAO before engaging in any lobbying.

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### 10.1. Roles and Responsibilities

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#### **The Office of the CAO**

- Is the sole point of contact for University lobbying.
- Informs the OSP of any activity requiring a Disclosure of Lobbying Activities using Standard Form-LLL.
- Informs the OSP of any material change in previously reported activity, such as new activity or a change in lobbying personnel.

## **The Office of Sponsored Programs**

- Signs and submits Certifications as required by 31 U.S.C. 1352 and 45 CFR 93.
- Prepares and submits SF-LLL to the sponsor as required.
- Flows down certification and reporting requirements to subawardees and subcontractors.
- Provides the CAO with any SF-LLL report submitted by a sub awardee or subcontractor.

**What does the University certify?** The Certification Regarding Lobbying attests to the fact that no federal appropriated funds have been paid or will be paid, by or on behalf of Concordia, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

The Certification further promises that if any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Director of OSP will submit Standard Form LLL, "Disclosure of Lobbying Activities."

**Who signs the Certification and when?** At the time an application is submitted to a federal agency and as required by 31 U.S.C. 1352, the Director will sign and submit an appropriate Certification Regarding Lobbying.

**To whom is the Certification sent?** The Certification is submitted to the sponsor as a part of the application. Copies of all signed Certifications are kept with the institution's submitted applications in OSP's electronic files.

**When must Concordia submit SF-LLL?** The reporting requirement does not apply to regularly employed officers or employees of the University or to a contract, grant, cooperative agreement, or subcontract that does not exceed \$100,000. In such cases, the University need not submit SF-LLL. Nevertheless, any exemption from the reporting requirement must be reviewed and approved by the CAO. Concordia must report any outside lobbying registrant retained by the CAO whose efforts are associated with a particular grant, contract, or cooperative agreement that exceeds \$100,000.

When reportable activity has occurred before the application has been submitted, our preference will be to submit SF-LLL at the time an application is submitted to a federal agency. OSP will prepare SF-LLL and attach it to the application along with and as part of the application. Alternatively, OSP may submit SF-LLL at the time the Director acknowledges receipt of the award if OSP did not already submit the disclosure with the application. In this case, OSP will send the form to the Grant Management Officer identified in the award documentation unless otherwise instructed by the agency in the award documentation.

OSP must also submit SF-LLL at the end of each calendar quarter (March 31, June 30, September 30, and December 31) in which there occurs any event that materially affects the accuracy contained in any declaration previously filed in connection with the federal grant, contract, or cooperative agreement. OSP will submit the form to the Grant Management Officer unless otherwise directed by the agency in the award documentation.

OSP will provide copies of all SF-LLL disclosures to the CAO and to the PI or Project Director at the time OSP submits the forms to the federal agency. OSP will also provide the CAO with a copy of the Federal Application Cover Sheet along with each completed SF-LLL disclosure.

**How will OSP know when lobbying has taken place (i.e., how will OSP know when to submit an initial SF-LLL disclosure and what the content of the disclosure should be)?** The CAO oversees all lobbying activity and prepares periodic lobbying reports as required by the Lobbying Act of 1995. Before any lobbying begins on behalf of a federal grant, contract, or cooperative agreement, the CAO will provide to OSP:

- a. The working title of the project
- b. The name of the Concordia's PI or Project Director
- c. The name of agency from which the award is sought
- d. The type of federal action being requested (grant, contract, cooperative agreement)
- e. The name and address of the lobbying registrant
- f. The names of the individuals performing the services

**How will OSP know when a material change has taken place (i.e., how will OSP know when a SF-LLL disclosure reporting a material change is required) and what the content of the amended disclosure should be?** An amended SF-LLL is required at the end of each calendar quarter (March 31, June 30, September 30, and December 31) in which there occurs any event that materially affects the accuracy contained in any declaration previously filed. For example, if the previously reported lobbying registrant or individuals performing the services should change, OSP must submit a new SF-LLL.

The CAO will advise OSP of any material changes in the information previously reported. The CAO will have copies of all SF-LLL disclosures that OSP has previously submitted to the federal agencies. The University's agreement with the outside lobbying registrant will require the lobbying registrant to periodically report to the CAO their activity and any material changes that would require the University to submit a new SF-LLL under 31 U.S.C. 1352.

**What about subawards and subcontracts?** OSP will require that the language of the Certification be included in award documents for all subawards, including subcontracts, and contracts under grants, loans, and cooperative agreements and that all subrecipients certify and report accordingly.

Subawardees or subcontractors who have reportable activity must submit their SF-LLL disclosures to OSP. OSP will send copies of SF LLL disclosures from subrecipients to the sponsoring agency and to the CAO. In cases where Concordia is a subawardee, the CAO will advise OSP of any activity requiring a SF-LLL report. At the time the University enters into a subcontract or subaward agreement, the Director of OSP will sign an appropriate Certification as required by 31 U.S.C. 1352. At that time, if reportable activity has occurred, OSP will also submit SF-LLL to the prime awardee unless otherwise directed by the award instrument and will provide a copy of the SF-LLL report to the CAO along with the Notice of Grant Award and Application Cover Sheet.

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## 11.0. REGULATORY COMPLIANCE

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Projects involving human subjects, vertebrate animals, recombinant DNA, new drug/chemical development, or radioisotopes are subject to federal and/or state regulations, and the PI is responsible for securing appropriate and timely regulatory approval through the OSP and signoff from the appropriate internal compliance officer. Some sponsors (e.g., NIH and NSF) do not require certification of approval at the time the application is submitted, but do require certification before making an award. Other sponsors require documented approval at the time the application is submitted. It is the PI's responsibility to know

when documented approval is required by a sponsor and to secure timely certification for regulated research.



## 11.1. Roles and Responsibilities, Regulatory Compliance

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### **PI**

- The PI identifies the regulatory requirements for the proposed activity, obtains the appropriate initials, or prepares appropriate forms for approval by the responsible oversight committee: the Institutional Review Board (IRB), the Institutional Animal Care and Use Committee (IACUC), the Environmental Health and Safety Officer (EHS), or the Chemical Safety Officer.
- The PI ensures that all personnel involved in regulated research are appropriately trained and, where appropriate, certified. The Office of Institutional Research provides training, assistance, and oversight to Concordia personnel in the areas of regulatory compliance through the Collaborative Institutional Training Initiative (CITI).
- Where the PI elects to work with off-campus personnel, the PI will secure appropriate certification from the institution employing the personnel or make arrangements with the Office of Institutional Research to have the personnel trained and certified.
- The PI and key personnel complete and endorse Financial Conflict of Interest Forms along with the Cayuse Summary form.
- If a potentially significant conflict of interest exists or develops during the course of the sponsored project, the PI prepares a Financial Conflict of Interest Form and submits it to the OSP.
- The PI adheres to approved research protocols and policies and notifies the OSP if changes are made.
- The PI ensures that continuing review and approval requirements are met and assists with inspections.
- The PI adheres to safety requirements involving chemicals, biological materials, new drug development, vertebrate animals, and radioactive materials and reports any adverse events to the OSP or the Environmental Health and Safety Officer (EHS), whichever is appropriate.
- The PI coordinates submission of protocols to regulatory oversight committees online.

### **OSP/Office of Institutional Research**

- Communicates outcomes of protocol review to PI and others as appropriate.
- Maintains documentation regarding protocol review and approval in audit file.
- Coordinates with the CAO's office as necessary about the University's required training in the protection of human subjects, animal use, and new drug development.
- Informs the PIs of all internal required training for all PIs and key personnel, regardless of funding.
- Coordinates, with the PI, the internal transmittal of protocol approvals and training certification to sponsors as required.

### **Risk Management**

Reserved.

## 11.2. Approvals and Routing

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At the time a PI submits a proposal involving regulated research resources, the PI completes the Cayuse Summary form indicating regulated research and attaches pending or approved protocols in the 'other documents' section of Cayuse 424. The OSP compares the pending or approved protocols to those described in the proposal. It is the PI's responsibility to contact the OSP promptly to initiate the process of protocol review, renewal, or modification.

### *11.3. Required Training in the Protection of Human Subjects*

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All PIs and key personnel planning to work with human subjects, regardless of funding, must complete IRB Training through the Collaborative Institutional Training Initiative (CITI). The CITI training and the process required for IRB approval is located:

<https://www.cuw.edu/departments/irb/index.html>. A PI submitting a research application to the National Institutes of Health must also provide training certificates, documenting that he/she and all key personnel have received training in the protection of human subjects, to the OSP, before the University can accept an award.

If the project involves investigators from other institutions, OSP must receive written notice from their institutional official or grants and contracts office to certify that they have received the training as well. Work at the collaborating institutions cannot begin until OSP receives appropriate certifications from each institution.

### *11.4. Export Control Regulations*

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Over the past few years, the Federal government has become increasingly involved with protecting information and technology from disclosure to overseas interests. New laws impact research, foreign travel and the transfer of technology and information to certain countries and also impose severe criminal and civil fines for noncompliance. The materials and equipment potentially covered by export controls sometimes have no obvious commercial or military value, and the restricted destinations include many of the closest allies of the United States. Export control regulations also apply to certain transfers of technical information and money outside the United States. Failure to comply with these regulations can result in severe civil and criminal penalties for both the employee moving the item/information out of the country and for the University.

Examples include when a Concordia University employee:

- Carries a laptop computer into one of the Office of Foreign Assets Control embargoed countries
- Carries a cellular phone that has a GPS system into a restricted country
- Ships computers or other tangible items to a foreign country
- Collaborates with a foreign national or releases information to a foreign national on a research project for the federal government

It is Concordia's policy to comply with all United States export control laws and regulations, including those implemented by:

- The Department of Commerce through its Export Administration Regulations (EAR)  
<https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear>
- The Department of State through its Internal Traffic in Arms Regulations (ITAR)  
[http://www.pmddtc.state.gov/regulations\\_laws/itar.html](http://www.pmddtc.state.gov/regulations_laws/itar.html)
- The Treasury Department through its office of Foreign Assets Control (OFAC)  
<http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>

If foreign travel and/or the exportation of tangible items will be a part of any sponsored research project, PIs should contact OSP well in advance of proposal submission. If approved tangible items related to a sponsored project are shipped overseas, PIs must keep soft or hard copies of all export documentation, including financial records and shipping documentation in their research project files for a period of five years from the date of export, re-export or transfer of a tangible item abroad or of controlled information to a foreign national outside of or within the US (a "deemed export").

## *11.5. Records Retention and Access*

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Per 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, §200.333-337, financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report. The OSP maintains electronic and hard copy grant records including: the original proposal and budget, the Notice of Award, subaward documents, time and effort reports (for federal awards only), relevant email messages, payroll authorization forms, cost-transfer forms, official correspondence with program officers, post-award meeting form, and quarterly banner reports. Banner is the official repository for all grant financial data and invoices.

## **12.0. AWARD NOTIFICATION, NEGOTIATION, AND ACCEPTANCE**

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### *12.1. Roles and Responsibilities*

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#### **OSP**

- Reviews and endorses award notifications.
- In consultation with the PI and others as appropriate, negotiates award terms.
- In cooperation with the PI, communicates changes to the Chair, Dean, or collaborating institutions.
- Updates the Cayuse 424 Summary form.
- Review, negotiate, and approve all contractual agreements for sponsored programs.
- Coordinate with the grants accountant for account set-up.
- Serve as liaison with funding agency throughout project period.
- Schedules grant launch meeting.

#### **PI**

- Advises OSP of any developments during the period between the application and award that require changes to the proposed budget or scope of work.
- Where the notice of award significantly differs from the proposal, the PI reviews and approves the award, budget, and terms and conditions.
- Where the award requires new or substantially different commitments, the PI consults with others as appropriate (Chair, Dean, collaborators) to secure review and approvals under the same level of authorization as though made in the original Summary form.

### *12.2. Award Notification*

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The OSP and the PI are responsible for reviewing the terms and conditions of an award prior to its acceptance by the University. The OSP is responsible for ensuring that the sponsor requirements are compatible with the University's sponsored project policies, consistent with governmental regulations applicable to universities, and reflect the understandings agreed upon prior to the award. The PI is responsible for ensuring that the terms and conditions of the award are compatible with the proposed work. The OSP has the primary responsibility for resolving any differences between the University and the sponsor with regard to terms and conditions of new awards as well as modifications and amendments to existing awards. Sponsors must be directed to send any award notice to the OSP. However, sponsors sometimes send award notices to other campus offices. Some federal agencies, for example, send notices directly to the PI or to the Director of the OSP. In such cases, recipients are required to forward the notice and accompanying documents to the OSP for action.

### *12.3. Award Negotiation*

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- In the event that a sponsor requests substantial changes to the budget (e.g. involving a reduction equal to or greater than 20% overall), the PI should consider modifying the scope of work to reflect the reduced level of available support.
- Where no reduction in the scope of work is proposed, or where the reduced budget has an impact on the University cost sharing commitment, the PI must seek the concurrence, in writing, of those who endorsed the Cayuse Summary form.
- In cases where the sponsor requests changes that impact regulatory compliance (for example, if the sponsor requests a change that will affect a submitted or approved human subjects protocol), the PI must ensure that an amendment is provided to the appropriate regulatory committee in a timely manner.
- In the event the sponsor proposes or requires changes that affect the work, budget, or regulatory compliance for a subawardee, the PI and OSP will work together to communicate the changes to the subawardee institution and resolve the changes.

### *12.4. Award Acceptance*

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The University President has delegated to the Director of OSP the legal authority to sign grants, contracts, subawards, and assurances and to commit University funds in connection with those grants and contracts or the sponsor may specify who is eligible to sign contracts. Only an authorized representative of Concordia may sign a sponsor agreement or other instrument to indicate the University's acceptance of an award.

The terms and conditions of an award, including the text of the accepted proposal and its budget, legally bind the University and its employees. Most sponsors require that the University formally accept the award by signing an award notification. Some sponsors do not require a signature but rather state in the award notice that the University indicates its acceptance of the award terms and conditions by drawing down funds. In either case, only an authorized representative of the University may accept an award, either by endorsing an award agreement manually or electronically or by authorizing the establishment of an account from which sponsor funds or University cost share funds may be expended. Upon receipt of award notification, the Director will seek consultation or concurrence as necessary. In some cases, the Director may seek the advice of the CFO and COO regarding the form of the award agreement.

The OSP will prepare a response to the sponsor organization if appropriate, forward relevant documentation to the PI and to the Business Office along with a request for a restricted account, prepare appropriate internal notifications of the award, and update the project file maintained by the OSP.

#### **Faculty Acknowledgement of Contract Terms and Conditions**

Contracts and subawards (i.e., procurement actions) are, as a rule, more restrictive than grants from government agencies or non-profit foundations. For this reason, agreements involving corporations require especially careful review. In some cases, the Director may seek the advice of the CFO, University legal counsel, and/or COO regarding the form of the agreement. In cases where the award does not modify the original proposal, OSP will regard the endorsement of the PI and others on the Cayuse 424 Summary form as sufficient concurrence and will consult only with the PI before accepting the award.

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## **13.0. BUDGET MANAGEMENT**

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### *13.1. Roles and Responsibilities, Budget Management*

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### **OSP/Post Award Coordinator**

- Works with the PI to monitor expenditures on at least a quarterly basis. At least quarterly, the Grant Accountant reconciles the budget through Banner. The Post Award Coordinator schedules meetings among the PI, Grant Accountant, and OSP Director to review the preceding quarter's expenditures.
- Works closely with the PIs and the Department Administrative Assistant to satisfy technical purchasing needs.
- Is responsible for assisting the Business Office with vendor selection and the administration of the OSP purchasing policies and procedures,
- Ensures that the University does not engage in business relationships with debarred vendors when making purchases using Federal grant funds. A current list of debarred vendors is available online at [www.sam.gov](http://www.sam.gov).
- Assists the PI with grant budget transfer requests to ensure compliance with sponsor and University requirements. Reviews and endorses requests for grant budget transfers.
- Reviews and endorses requests for grant expenditure transfers.
- Works with the PI to prepare subawards and subcontracts as needed.
- Works with the PI to ensure that any allocation of program income meets the sponsor's and the University's requirements.
- Assists the PI with requests to carry forward unexpended funds.
- Administers Expanded Authorities as granted by the sponsor.
- Process requests for budget modifications, extensions, and other prior approval requests.
- Track proposal/award data.
- Ensure approval from the appropriate compliance committee prior to commencement of project work.
- Coordinate with the grant accountant on external reporting of sponsored-programs expenditures.
- Maintain copies of original supporting documentation for all financial transactions for at least the minimum time periods specified in the funding agreement.
- Administer and oversee Effort Reporting.

### **Business Office**

- Is responsible for setting up new vendors to ensure that the University has appropriate vendor agreements and sales contract language to minimize the University's financial and legal risk.
- Is responsible for monitoring, recording, and reporting the University's financial activity in accordance with University policy and procedures, external and audit requirements, GAAP principles, and governmental rules and regulations.
- Must not to engage in business relationships with debarred vendors. The list is available online at [www.sam.gov](http://www.sam.gov).
- Is responsible for maintenance of the University purchasing system.

### **PI**

- Determines whether the expenditures are allowable, reasonable, and allocable to the project. The PI approves expenditures and provides justification for each transaction.
- Initiates purchases.
- Must not to engage in business relationships with debarred vendors. A current list is available online at [www.sam.gov](http://www.sam.gov).
- Works with the grant accountant and OSP to correct any charges made in error to the account.
- Initiates salary authorizations as appropriate for project personnel.
- Initiates the process of documenting cost-sharing.

- Initiates requests for re-budgeting by contacting the OSP assists the PI with re-budgeting requests to ensure compliance with sponsor and University requirements.
- If a cost transfer is required, the PI contacts the OSP who will in turn, work with the Business Office to make the transfer as appropriate.
- Works with OSP to secure subawards as needed.
- Monitors subrecipient performance and approves payment of subrecipient invoices.
- Works with the OSP (Post-Award Coordinator) to monitor the financial status of the project account and identifies and resolves errors in the account in a timely manner.
- Proposes resolution of any overdraft.
- Reviews quarterly budget reports prepared by the Post-Award Coordinator, ensuring they are accurate, include all expenditures incurred to date, and not overdrawn. These project reports serve as the basis for the financial reports submitted by the grant accountant, to the sponsoring agency.
- Identifies any program income for the grants accountant in the Business Office. The PI proposes its allocation and works with OSP to ensure that any allocation of program income meets the sponsor's and the University's requirements.
- Monitors receipt of program income and reviews reports of program income submitted to the sponsor by the Business Office.
- At the end of the project budget period, the PI may submit a written request and justification to OSP that remaining balances be carried forward or may initiate a written request and justification for a no-cost extension. The PI works with OSP to ensure compliance with the sponsor's requirements concerning unexpended funds.

### *13.2. Establishing the Account*

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Upon acceptance of an award, OSP notifies the PI and the Post Award Coordinator submits a request to the grant accountant to assign a restricted grant fund number. The request includes a Grant Control Form for the Concordia SCT Banner Financial System and documentation from the sponsor regarding special terms and conditions, payment schedule, and the names of those authorized to approve expenditures.

The grants accountant in the Business Office reviews the materials and establishes a restricted grant fund. In this way, project expenses are readily associated with the source of sponsorship, and sponsor funds can be easily accounted.

When the grant accountant has established a grant fund number, they will notify the OSP, which then provides the fund number and account numbers to the PI with a reminder to review the notice of grant award, proposal, any sponsor terms and conditions that must be observed, and the schedule of technical reports due to the sponsor.

### *13.3. Authorizing Expenditures from the Grant Account*

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Expenditures made against grants awarded to the University are primarily the responsibility of the PI. The PI must confirm the budget as awarded or as modified through the procedures described in this manual and ensures that funds are utilized only for the purpose for which they were awarded.

All requests for expenditures must be made through the OSP using the forms provided for that purpose, including Purchase Orders, Requisitions, and Expense Reports.

The OSP is responsible for determining the appropriateness of grant expenditures based on the awarded budget. This includes ensuring that an appropriately authorized signer has approved the expenditure.

### *13.4. Grant Payroll Authorizations*

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PIs must ensure that salary authorizations for project personnel are completed at the earliest possible opportunity to ensure that funds are drawn down and expenditures accounted for in a timely manner. The PI is responsible for contacting the Post-Award Coordinator when a change is required. The Post-Award Coordination will complete the Grant Payroll Authorization form, obtain the PI's signature, and a signature from HR prior to making changes to effort for those who receive salary from the grant or who have committed effort as cost share. Changes in faculty or staff effort cannot be made until approved by the Director of the OSP and forwarded to the payroll office. the federal program officer must approve increases in salary or pay prior to making any changes to personnel salary or pay.

### *13.5. Extra Compensation above the Base Salary*

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Per 2 CFR 200 §200.430, "(2) Salary basis. Charges for work performed on Federal awards by faculty members during the academic year are allowable at the Institutional Base Salary (IBS) rate. Except as noted in paragraph (h)(1)(ii) of this section, in no event will charges to Federal awards, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period. This principle applies to all members of faculty at an institution. IBS is defined as the annual compensation paid by an IHE for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE. Unless there is prior approval by the Federal awarding agency, charges of a faculty member's salary to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award.

(3) Intra-Institution of Higher Education (IHE) consulting by faculty is assumed to be undertaken as an IHE obligation requiring no compensation in addition to IBS. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty member is in addition to his or her regular responsibilities, any charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency.

"Extra Service Pay normally represents overload compensation, subject to institutional compensation policies for services above and beyond IBS. Where extra service pay is a result of Intra-IHE consulting, it is subject to the same requirements of paragraph (b) above. It is allowable if all of the following conditions are met:

- (i) The non-Federal entity establishes consistent written policies which apply uniformly to all faculty members, not just those working on Federal awards.
- (ii) The non-Federal entity establishes a consistent written definition of work covered by IBS which is specific enough to determine conclusively when work beyond that level has occurred. This may be described in appointment letters or other documentations.
- (iii) The supplementation amount paid is commensurate with the IBS rate of pay and the amount of additional work performed.
- (iv) The salaries, as supplemented, fall within the salary structure and pay ranges established by and documented in writing or otherwise applicable to the non-Federal entity.
- (v) The total salaries charged to Federal awards including extra service pay are subject to the Standards of Documentation as described in paragraph (i) of this section."

**For questions related to the Payroll Authorization process, PIs should contact OSP.**

### *13.6. Procurement, including Subcontracts*

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Expenditures from grant accounts will adhere to the University's business policies and procedures. The Business Office is responsible for qualifying and selecting vendors. For policies regarding the University's policies and procedures related to purchasing, vendor selection, receipt/return of merchandise, vendor contracting, and related matters, see [www.cuw.edu/OSP](http://www.cuw.edu/OSP).

Subcontracts to procure goods or services (for example, consulting services and speakers) will adhere to the guidance provided in **17.0, Subcontracts for Services (Procurement)**. All grant funded subcontracts must be endorsed by OSP. The purpose of this endorsement is to verify that the subcontract is allowed by the sponsor and that the action does not require a subaward agreement. The PI is responsible for ensuring that adequate funds are available for the subcontract and that the expenditure is reasonable and allocable to the project.

### *13.7. Monitoring the Grant Account*

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PIs must review grant budget reports on a quarterly basis to ensure that they accurately reflect grant-funded activity for each budget subaccount, each invoice quarterly, or as required by the sponsor. The OSP furnishes the PI quarterly and annually with a budget report totaling the project expenditures to date in comparison to the project overall budget.

Requests that would result in an overdraft in any budget "original" or subaccount will not be reimbursed. The OSP or Business Office will notify the PI who must then take the necessary steps to identify appropriate funds to cover the overdraft. **The PIs department is ultimately liable for such overdrafts.**

In the event an account statement contains a discrepancy, the PI should immediately contact the OSP to report and resolve the discrepancy.

### *13.8. Accounting for Cost-shared Expenses*

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**See 6.0, Cost Sharing, for additional guidance.** The University will allocate cost shared expenses to particular projects. Cost sharing in research projects must be included in the University's research base to that project's grant fund.

The PI must initiate cost-shared expenditures against the grant account in the same way and using the same forms as other grant expenditures.

### *13.9. Unallowable Costs*

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The PI is responsible for ensuring that charges made against the grant account comply with the University and the sponsor's policies and with any special terms and conditions attached to the award. Charges deemed unallowable by the sponsor are the responsibility of the PI's department.

### *13.10. Overdrafts*

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An overdraft occurs when expenditures charged to a project exceed the funds awarded by the sponsor and/or the funds committed as cost share in the proposal. The PI must resolve all overdrafts in a timely manner so that the OSP can submit timely reports to the sponsor.

Payments for overdrafts are the responsibility of the PI's department. In the event that a grant account is overspent, the over-expenditure will be charged to the operating account of the PI's department. In the event these funds are not sufficient, the remaining obligation will be charged to the department's operating budget in the next fiscal year.



### 13.11. Budget Transfers

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A budget transfer moves budget dollars from one fund to another or to a new account number within the same fund. PIs must notify the OSP to make a re-budgeting request. The request should include a justification and be made well in advance of when they are needed.

### 13.12. Budget Revisions (see 14.3. Budget Revisions)

### 13.13. Cost Transfers

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A cost transfer is an after-the fact reallocation of a cost (expenditure) from one Concordia account to another. The award to which a cost is transferred must benefit from the goods or services related to that charge, and the charge should be allowable under sponsor guidelines.

This policy is based on requirements in [Office of Management and Budget's \(OMB\) 2 CFR Part 200 §402-405](#) that costs must be allowable, reasonable, necessary and allocable. A cost allocable to a sponsored award may not be charged to another sponsored award to overcome fund deficiencies, to avoid restrictions imposed by statute, regulations or terms and conditions, or for other reasons. A priority is to ensure that costs are assigned the correct account number the first time they are recorded.

#### **Allowable Circumstances**

Examples of circumstances when costs may be transferred include:

- Error correction
- Transfers between accounts in the same project
- Costs benefitting more than one project
- Clearing deficits
- Disallowed costs

#### **The 90 Day Rule**

The [NIH Grants Policy Statement](#) (NIHGPS) (03/31/2015) 7.5 states, "Cost transfers to NIH grants by recipients, consortium participants, or contractors under grants that represent corrections of clerical or bookkeeping errors should be accomplished within 90 days of when the error was discovered. The transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of the recipient, consortium participant, or contractor. An explanation merely stating that the transfer was made "to correct error" or "to transfer to correct project" is not sufficient. Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable.

Recipients must maintain documentation of cost transfers, pursuant to 45 CFR 75.364, and must make it available for audit or other review (see [Administrative Requirements-Monitoring-Record Retention and Access](#)). The recipient should have systems in place to detect such errors within a reasonable time frame; untimely discovery of errors could be an indication of poor internal controls. Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both. If such errors occur, recipients are encouraged to evaluate the need for improvements and to make whatever improvements are deemed necessary to prevent reoccurrence. NIH also may require a recipient to take corrective action by imposing additional terms and conditions on an award(s).

Expenditures should be charged to the appropriate award when they are incurred. If it is necessary to transfer expenditures to a different sponsored award for approved circumstances, the cost transfer should occur within 90 days of when that need is identified.

## Requesting a Cost Transfer

The PI must contact the OSP to initiate a cost transfer request. The OSP will work with the PI to complete a Grant Cost Transfer Form with written justification for the proposed allocation. The grant accountant reviews and processes these requests.

- Cost transfers are NOT allowed more than 90 days after the charge has been posted in the financial accounting record.
- Cost transfers are allowed to correct errors in original charges.
- Cost transfers are also allowed where the cost benefits both the sponsored agreement and other work of the institution in proportions that can be approximated through use of reasonable methods.
- Where the purchase of equipment or other capital items is specifically authorized under a sponsored agreement, the amounts thus authorized for such purchases are assignable to the sponsored agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.
- Costs allocable to a particular sponsored agreement may NOT be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.
- Any costs allocable to activities sponsored by industry, foreign governments, or other sponsors may NOT be shifted to federally-sponsored agreements.

### 13.14. Program Income

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Per §200.80 of 2 CFR 200, *Program income* is gross income earned by the grantee (non-federal entity) that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. For guidance regarding income from license fees and royalties, consult with the OSP through the DTT.

## 14.0. PROGRAMMATIC AND BUDGET REVISIONS

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(see also 2 CFR 200 §200.308)

When a sponsor makes an award to the University, the proposal, the approved project budget, and the notice of grant award constitute a binding legal agreement between the University and the sponsor. In general, sponsors allow institutions some flexibility to re-budget within and between budget categories to meet unanticipated needs and to make certain other types of changes during the award period. The official award notice typically defines the type and extent of changes that may be made and describes the approval process that grantees must follow. The degree of discretion varies from sponsor to sponsor and also depends upon the award. Contracts typically allow less flexibility than grants.

The following sections provide guidance regarding various types of changes that a sponsored project might require. As with all other budgetary matters, changes to a sponsored project budget must comply with the University's policies and procedures as well as with those of the sponsor and any terms or conditions of the award.

### 14.1. Pre-award Costs

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Some sponsors allow PIs to incur expenses before the award is formally issued. Consult with OSP before incurring pre-award expenditures to ensure that the sponsor allows the proposed expenditure prior to the award.

- As with all expenditures, those proposed as pre-award costs must be reasonable, allowable, and allocable to the project.
- The cost must be clearly identified in the proposal budget, and the reason for incurring the cost before the award must be well justified.
- The PI initiates the request by submitting a description of the cost, justification, and timeline to his or her department Chair.
- The department Chair may forward the request to the area Dean for further approval, at his or her discretion.
- The request must then be routed to OSP for final approval.
- OSP will request written authorization from the sponsor, if appropriate.
- The PI's department assumes all risk for expenditures incurred before an award. If the expenditure is unallowable for any reason or the award fails to be made in a timely manner, the department originating the request is responsible for payment.

Concordia's policy on pre-award expenditures is consistent with 2 CFR 200.458 of the Uniform Grant Guidance, "Pre-Award Costs", which states that Federal awarding agencies have the option to authorize recipients to incur pre-award costs if "such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the prior approval of the Federal awarding agency". All pre-award costs are incurred at the recipient's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

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#### *14.2. Budget Revisions*

Transferring budgeted funds from personnel to non-personnel or from supplies to equipment requires prior approval from the federal program officer. Sponsors often limit re-budgeting by specifying a level of re-budgeting (e.g., 10% of any line item). Sponsors may also restrict budget revisions for certain items (for example, participant stipends is not allowed except with the sponsor's prior written approval). Other sponsors allow OSP to approve re-budgeting within limits (as in the case of NIH grants issued under "Expanded Authorities"). Consult with OSP before incurring any expense that will require budget revisions. Where OSP has authority to approve re-budgeting, OSP will advise the PI in writing and assist with the transfer. Where the sponsor's written approval is required, OSP will work with the PI to justify the request and secure appropriate approval before making the transfer.

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#### *14.3. Transferring Amounts from Trainee Costs*

Moving funds originally budgeted for trainee costs (e.g., stipends, tuition remission) to other cost categories typically requires the prior written approval of the sponsor. Consult with OSP to determine the appropriate approval process.

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#### *14.4. No-Cost Extension*

Most sponsors, including NSF and NIH, allow Concordia to extend the final budget period for a period of up to 12 months beyond the original expiration date shown in the notice of grant award.

Only the OSP can approve extensions or request extensions from sponsors. The University's request should be submitted to the sponsor **at least 60 days before the scheduled termination date**. No-cost extensions cannot be granted after the termination date.

To initiate an extension, the PI must provide OSP with a written request (email will suffice) that states the project title, the proposed ending date, and the reason for the extension. The PI must also provide updated or modified regulatory approvals and assurances (e.g., human subjects protocols) if these are required in the extension period. The fact that funds remain at the expiration of a grant is not, in itself, sufficient justification for an extension. Once an extension has been approved, OSP will extend the grant end date in Banner and update the reporting due date.

In extending the final budget period of the project, the PI and Concordia agree to update all required certifications, including human subjects and animal welfare, in accordance with the applicable regulations and policies.

Any additional extension beyond the one-time extension of up to 12 months requires sponsor prior approval.

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#### *14.5. Programmatic Changes*

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Sponsors of research projects generally allow the PI to make changes in the methodology, approach, or other aspects of the project objectives (procurement contracts are less flexible than grants in this regard). Nevertheless, sponsors typically require that the grantee obtain prior written approval for changes in scope, direction, type of training, or other areas that represent a significant change from the aims, objectives, or purposes of the approved project. The PI must review the proposal and award notice to make the initial determination of the significance of a change and must consult with the sponsor as necessary. PIs should consult with OSP if they have questions about changes a sponsor is likely to consider a change of scope.

Subcontracts and subagreements that were not included in the approved proposal require the sponsor's approval prior to executing a formal agreement and commencing work. The choice of a particular subcontractor and the question of whether the action results in a change in the scope of work must be considered and documented. Consult with OSP for assistance with both the request for approval and the creation of an appropriate subagreement.

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#### *14.6. Change in Status of PI or other Key Project Personnel*

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All sponsors require formal notification if the PI or other persons identified in the Notice of Grant Award as key personnel withdraw from the project or reduce their effort during any continuous period of three months or more, or reduces time devoted to the project by more than 25% from the level approved at the time of award. Requests for such changes must be made to OSP along with an explanation for the change and approval of the relevant Chair and Dean. The sponsor must approve any alternate arrangement, including any replacement personnel proposed by the grantee.

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#### *14.7. Addition of a Foreign Component*

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On federal grants, the addition of a foreign component to an already-awarded project requires prior written approval from the sponsor. If the foreign component is identified in the original proposal, the notice of grant award will ordinarily serve as such approval.

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#### *14.8. Carryover of Unobligated Balances from One Budget Period to the Next*

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Sponsor policies regarding carryover vary considerably. If it appears that there will be unspent funds, the PI should consult with OSP **at least 60 days before the end of the budget period** to determine the appropriate procedures for carrying over unexpended funds where allowed.

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#### *14.9. Change of Grantee Organization*

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The sponsor's prior approval is always required for the transfer of a grant from one institution to another. PIs changing employers who seek to transfer their grants to their new institution should consult with OSP at the earliest opportunity.

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## 15.0. TECHNICAL AND FINANCIAL REPORTING

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### 15.1. Roles and Responsibilities

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#### **PI**

- Responsible for ensuring that progress and final reports are submitted in a timely manner.
- Responsible for providing OSP with a copy of all reports submitted to the sponsor for the central files.
- Reviews quarterly and final budget summaries prepared by the OSP, ensuring they are accurate, include all expenditures incurred to date, and not overdrawn. These budget summaries serve as the basis for the financial reports submitted by the CFO office to the sponsoring agency.

#### **OSP**

- Preparing interim and final reports in coordination with the Business Office (grant accountant)
- Reminding the PI of upcoming technical or other report due dates

#### **Business Office**

- The Business Office, in conjunction with the OSP, is responsible for preparing interim and final financial reports as required by the sponsor.
- Using the final budget report as the basis for its final financial report, the Business Office prepares and transmits the same to the sponsor in the sponsor's required format.

### 15.2. Interim Reports and Progress Reports

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The PI submits timely technical reports (as prescribed by the sponsor). Technical reports typically describe progress towards the aims stated in the proposal and explain problems that may have arisen during the course of the work. PIs must provide OSP with a copy of reports submitted to a sponsor so that a complete account of the application and award is accessible to the sponsor in one central location.

### 15.3. Financial Reports

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The Grant Accountant and OSP prepare financial reports as required by the sponsor. The OSP, working in concert with the grant accountant, provides the financial reports to the PI for review and approval. The OSP transmits the financial reports to the sponsor.

### 15.4. Combined Financial and Technical Reports

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In cases where the sponsor requests that technical reports and financial reports be submitted in a single document, the grant accountant provides a draft copy of the financial report to OSP, and the PI provides the technical report to OSP. OSP transmits the components to the sponsor. The original financial report is submitted to the sponsor by the OSP.

## 16.0. Subawards

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In many cases, the sponsor allows the recipient of grant funds, the "prime awardee" or "grantee," to transfer a portion of the programmatic activity to another organization referred to as the "subrecipient." In such cases, Concordia becomes the "pass-through" entity.

The purpose of this policy and its supporting procedures are to provide oversight of subrecipients on federally sponsored programs as required by 2 CFR 200, Subpart D – Post-Federal Award Requirements §200.330-332.

As a pass-through entity subject to 2 CFR 200, Subpart D – Post-Federal Award Requirements §200.330-332, Concordia is responsible for performing the following actions for the Federal awards it makes to subrecipients:

All pass-through entities **must**:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity **must** provide the best information available to describe the Federal award and subaward.

Required information includes:

(1) Federal Award Identification.

- (i) Subrecipient name (which must match registered name in DUNS);
- (ii) Subrecipient's DUNS number ;
- (iii) Federal Award Identification Number (FAIN);
- (iv) Federal award date;
- (v) Subaward Period of Performance Start and End Date;
- (vi) Amount of Federal Funds Obligated by this action;
- (vii) Total Amount of Federal Funds Obligated to the subrecipient;
- (viii) Total Amount of the Federal Award;
- (ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
- (x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official,
- (xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;
- (xii) Identification of whether the award is R&D; and
- (xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (b) of this part.

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through

entity to meet the requirements of this section, §§200.300 Statutory and national policy requirements through 200.309 Period of performance, and Subpart F—Audit Requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the subaward.

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraph (e) of this section, which may include consideration of such factors as:

- (1) The subrecipient's prior experience with the same or similar subawards;
- (2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;
- (3) Whether the subrecipient has new personnel or new or substantially changed systems; and
- (4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions.

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

- (1) Reviewing financial and programmatic reports required by the pass-through entity.
- (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the passthrough entity detected through audits, on-site reviews, and other means.
- (3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

- (1) Providing subrecipients with training and technical assistance on program-related matters; and
- (2) Performing on-site reviews of the subrecipient's program operations;
- (3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

(f) Verify that every subrecipient is audited as required by Subpart F— Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.

### *16.1. Roles and Responsibilities*

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#### **PI**

- Identifies the need for a subaward and identifies an appropriate subrecipient.
- Is the initial point of contact with the subrecipient and is primarily responsible for communicating with the subrecipient on matters relating to the technical proposal and budget.
- Prepares a statement of work for the subrecipient or approves a statement of work prepared by the subrecipient.
- Approves the subrecipient budget for reasonableness and allocability.
- Provides OSP with appropriate point of contact for grant administration matters, including budgeting and subaward terms and conditions.
- Receives and reviews invoices and performance reports from the subrecipient to ensure that billing reflects progress and that performance is satisfactory. Monitors subrecipient expenditures to ensure that expenditures are reasonable, allowable, and allocable to the project. Reports suspected non-compliance or questionable costs (i.e., charges on an invoice not adequately described, e.g., "miscellaneous") to OSP.
- Approves invoices and authorizes the grant accountant to issue payment to the subrecipient.
- Shares with OSP the responsibility for monitoring the activity of subrecipients as necessary to ensure that the federal awards are used for authorized purposes in compliance with federal and state laws, regulations, and provisions of the agreement.
- In cooperation with the Business Office and OSP, may propose and participate in audits and on-site visits, as necessary, to investigate and ensure subrecipient compliance.

#### **OSP**

- Makes the determination, where needed, as to whether an action will be deemed a subaward or procurement, or SSA.
- Prepares the subaward agreement in compliance with University and sponsor policies and advises the subrecipient of requirements imposed on it by federal and state laws, regulations, and the provisions of grant or contract agreements.
- Reviews the subaward budget for compliance with applicable regulations.
- Prepares the project budget and assigns subawards to the appropriate budget.
- Requests, receives, and maintains documentation from subrecipients pertaining to audit and compliance matters, including A-133, human subjects, animal care and use, conflict of interest, intellectual property, and others as required.
- Transmits, as appropriate, information related to subrecipient noncompliance to the appropriate University office: noncompliance in the area of regulated research (e.g., humans, vertebrate animals) will be transmitted to the OSP, and noncompliance in the area of expenditures or audits will be transmitted to the CFO office. Coordinates, with the CAO as needed, actions to resolve the noncompliance.
- For those subrecipients disclosing findings bearing on the performance or administration of federal awards made to that subrecipient by Concordia, OSP will transmit the subrecipient documentation to the CFO office for review and recommended action.



- For those subrecipients reporting that they are not subject to the requirements of A-133, OSP will transmit the subrecipient documentation to the CFO office to determine what, if any, further action is required.
- Shares with the PI the responsibility for monitoring the activity of subrecipients as necessary to ensure that the federal awards are used for authorized purposes in compliance with federal laws, regulations, and provisions of the agreement.
- Shares responsibility for identifying and managing subrecipient noncompliance with the requirements of OMB A-133 with the CFO.
- In cooperation with the PI and the CFO, may propose and participate in audits and site visits, as necessary, to investigate and ensure subrecipient compliance.

### **CFO**

- Determines whether an independent auditor's report presents instances of noncompliance with federal laws and regulations that bear directly on the performance or administration of the subaward.
- Considers whether subrecipient audits necessitate adjustment of Concordia's records.
- Shares with OSP responsibility for identifying and managing subrecipient noncompliance with the requirements of OMB A-133.
- Reviews the subrecipient's corrective action plan to determine its adequacy and advises OSP if changes to the subaward agreement need to be made to ensure compliance.
- In cooperation with the PI and OSP, may participate in audits and/or site visits as necessary to investigate and ensure subrecipient compliance.
- Where necessary, cooperatively works with OSP to issue a management decision on audit findings within six months of receiving the subrecipient's audit report.
- Ensures that the subrecipient takes appropriate and timely action.

## *16.2. Definitions*

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### **Subaward Distinguished from Contract**

A subaward is a formal agreement by which the grantee transfers, "passes through," or "flows down" a portion of the grant funds and a portion of the programmatic activity to another organization. Subaward agreements are used when the intent is to have another organization carry out a significant portion of the scope of work described in the proposal and assigned under the resulting award. The agreement is directed at cooperatively working with another entity to carry out the project for which funding has been granted. Pursuant to 2 CFR 200.331 (f), federal awards expended as a subrecipient are subject to audit.

By contrast, PIs also need to acquire goods and services in order for them to carry out the work for which funds have been awarded. Such acquisitions are purchases or procurements, and the providers are considered "contractors". The payments received for goods or services provided as a contractor (recipient of a procurement action) are not considered federal awards.

The following characteristics will help PIs understand the differences among subawards and contractor. There may be unusual circumstances or exceptions to the listed characteristics. In making the determination of whether a subrecipient or vendor relationship exists, the substance of the relationship is more important than the form of the agreement. OSP is responsible for making such determinations as needed.

**The action requires a subaward agreement and the third party is considered a subrecipient if:**

- The subrecipient has its programmatic involvement in the sponsored project identified as a separate scope of work with a separate budget and organizational approval;
- The subrecipient has its performance measured against its portion of the overall scope of work proposed by Concordia to the sponsor. The subrecipient is responsible for meeting its scope of work.
- The subrecipient has responsibility for assisting Concordia in the completion of project deliverables and/or technical reports.
- The subrecipient has responsibility for programmatic decision-making. The PI at the subrecipient institution directs its portion of the work.
- The subrecipient's PI may be a co-author on publications or, where the sponsor is a federal entity, may seek patent protection for inventions. In compliance with the Bayh-Dole Act, title to intellectual property under a federal award is normally retained by the subrecipient when it is a small business or institution of higher education.
- The subrecipient uses the funds to carry out a program of its own organization as compared to providing goods or services for a program of Concordia. The subrecipient organization is conducting its own scope of work and not merely providing goods or services such as executing lab tests or constructing experimental instrumentation.
- The subrecipient has responsibility for adherence to applicable federal or other sponsor's program compliance requirements.

**The action is a procurement requiring a Purchase Order and the third party is considered a consultant if the third party:**

- Provides the goods and services within its normal business operations.
- Provides similar goods or services to many different purchasers.
- Operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the sponsored project.
- Is not subject to the sponsor's compliance requirements.

### *16.3. Requirements for a Subaward*

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PIs are advised that adding a new subrecipient or removing or modifying a subrecipient named in a submitted application or award document typically requires written prior approval from the sponsor. Contact OSP for specific guidance and assistance.

#### *16.3.1. Letter of Intent*

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A Letter of Intent, sometimes called a letter of commitment, must be prepared and approved before the application is submitted to the sponsor. In cases where the PI wishes to add a subrecipient after an award has been made, the Letter of Intent must be prepared before Concordia requests the sponsor's approval to allow a subaward.

This letter is the basis for any subaward or collaboration agreement with another institution that will be needed when the sponsor makes an award to Concordia or approves Concordia's post award request to issue a subaward. The letter is a promise from one institution to another that, in the event of an award, the institutions will cooperate as outlined in the letter. The letter ensures that both Concordia and the proposed subrecipient or collaborating institution clearly understand the proposed effort, costs, and sponsor requirements.

This letter is typically prepared by the collaborating organization's grants and contracts office. The letter must be signed by the collaborating organization's authorized representative and addressed to the

Director of the OSP. A fax is usually acceptable, so long as the sender transmits a signed original at the earliest opportunity.

Some sponsors require that a copy of the Letter of Intent be included in the application. Other sponsors trust that Concordia has the Letter of Intent on file for each entity named in the proposal. Concordia, therefore, requires a signed Letter of Intent before the proposal is submitted to the sponsor. Contact OSP for assistance in securing the appropriate documentation from the proposed subrecipient.

At a minimum, the Letter of Intent includes the following:

1. The signature of a person appropriately authorized to make commitments and assurances on behalf of the prospective subrecipient.
2. A statement of work, including the names of key personnel.
3. A detailed budget including start and end dates.
4. Explicit assurance that the appropriate programmatic and administrative personnel of the prospective subrecipient are aware of the sponsor's grant policies and are prepared to establish the necessary inter-organizational agreement(s) consistent with those policies.
5. A statement that the prospective subrecipient is or is not subject to the requirements of OMB A-133. If the subrecipient is subject to OMB A-133, assurance that it is compliant with the requirements of OMB A-133. Subrecipients not subject to OMB A-133 may be subject to further assessment and monitoring as provided in this policy.

### *16.3.2. Initial Assessment*

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At the time the prospective subrecipient is identified by the PI and before the University issues a subaward agreement, OSP, in consultation with the PI and others as appropriate, makes an initial assessment to determine whether additional steps should be taken in order to ensure that the prospective subrecipient is able to comply with the federal sponsor's requirements and audit requirements in particular. The initial assessment may include discussion with the prospective subrecipient and review of previously completed audits (including those available from the Federal Audit Clearinghouse).

Criteria used to determine the level of monitoring may include:

1. Foreign location (i.e., we may require that foreign subrecipients include an independent auditor in their project budgets).
2. The size and complexity of the subaward and the sophistication of the prospective subrecipient's systems and administrative operations.
3. Concordia's prior experience with the prospective subrecipient (e.g., timeliness and completeness of replies to requests) and/or other information about the subrecipient.
4. The subrecipient is a not subject to OMB A-133.
5. For-profit subrecipient. Since this part (OMB A-133) does not apply to for-profit subrecipients, the pass-through entity is responsible for establishing requirements, as necessary, to ensure compliance by for-profit subrecipients. The contract with the for-profit subrecipient should describe applicable compliance requirements and the for-profit subrecipient's compliance responsibility. Methods to ensure compliance for Federal awards made to for-profit subrecipients may include pre-award audits, monitoring during the contract, and post-award audits.

Where OSP concludes that additional assurance may be necessary before issuing a subaward, OSP will consult with the PI and the CFO office to develop a plan of action.

### *16.3.3. Preparing the Subaward Agreement*

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OSP uses forms created by the Federal Demonstration Partnership. These forms are under continuous view and updated and revised versions are posted to the following website:  
[http://sites.nationalacademies.org/PGA/fdp/PGA\\_063626](http://sites.nationalacademies.org/PGA/fdp/PGA_063626).

Once the forms are received, they are reviewed by the Director of the OSP and the PI. If the PI and Director approve the content, the forms can be completed and sent back to the pass-through entity. In the case in which OSP is the pass-through entity, the forms are initiated by OSP and sent to the subrecipient for completion. Once the forms are received the subaward can be executed, which is demonstrated by signatures of all parties.

### *16.4. Routing, Review, and Approval*

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1. The PI initiates a subaward by contacting the OSP
2. The OSP prepares the subaward and reviews it with the PI as necessary.
3. Where the subaward differs from the approved proposal or notice of grant award, the OSP consults with others as necessary to determine its allowability, availability of funds, and appropriate terms and conditions.
4. The OSP prepares the subaward agreement.
5. The PI approves subaward agreement.
6. The OSP Director or authorized official reviews and endorses the subaward agreement.
7. The OSP transmits the subaward agreement to the subrecipient.
8. The Subaward instructs the subrecipient to transmit periodic invoices and progress reports to the OSP.
9. Where necessary, the OSP negotiates with the subrecipient. The PI and OSP Director must approve significant changes in the agreement.
10. The subrecipient endorses the subaward agreement and returns the executed agreement, with a completed W-9 (when appropriate) to the OSP.
11. The OSP reviews the endorsement and sends a copy to the PI and the original to the OSP award file.
12. The subrecipient submits invoices and technical reports to the PI.
13. The PI reviews invoices and forwards them to the OSP.
14. The OSP reviews the invoices and submits them to the OSP Post-Award Coordinator for payment.

### *16.5. Subrecipient Monitoring*

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**(see also 16.0 Subawards)**

1. The PI reviews subrecipient technical performance reports and advises OSP of any unsatisfactory performance.
2. The PI reviews and approves invoices from the subrecipient. Where a charge is questionable or not clearly reasonable and allocable to the work and/or allowable by the sponsor and the University, the PI contacts OSP. OSP will consult with the subrecipient and the CFO office to resolve the issue.
3. Review of Subrecipient Information Form: Annually the OSP shall transmit the Subrecipient Information Form to all active subrecipients.
  - a. For respondents reporting that the "Schedule of Findings and Questioned Costs" or "Schedule of Prior Audit Findings" does NOT disclose instances of noncompliance with federal laws and regulations that bear directly on the performance or administration of this subaward, no further action is required until the next May (unless exceptions are noted in performance or invoicing).

- b. In cases where the subrecipient's "Schedule of Findings and Questioned Costs" or "Schedule of Prior Audit Findings" present instances of noncompliance with federal laws and regulations that bear directly on the performance or administration of this subaward, OSP shall transmit the subrecipient's documentation to the CFO office for review and action. The CFO office shall advise OSP in writing of recommended action the Controller, PI and OSP should cooperatively take to monitor or ensure correction of the situation.
- c. In cases where the subrecipient reports that it is not subject to the requirements of OMB Circular A-133 and provides alternative documentation in lieu of an A-133 audit report, OSP will transmit the documentation to the CFO office to determine appropriate measures to ensure effective oversight. The CFO office shall advise OSP in writing of recommended action the CFO, PI and OSP should cooperatively take to ensure effective oversight.
4. OSP shall maintain documentation pertaining to subrecipient compliance with OMB A- 133, including responses to the Subrecipient Audit Confirmation Form and correspondence with the CFO office and subrecipients.
5. The University may, at its discretion, conduct site visits or contract with independent auditors to conduct site visits in order to assess subrecipient compliance.

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## 17.0. PROCUREMENT

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(please also refer to the OSP website to view the [Procurement Policy](#))

The purpose of this guidance is to explain the process by which Project Directors and PIs may procure services with funds from grants, cooperative agreements, or contracts.

Concordia University's procurement policy complies with 2 CFR Part 215 for awards received prior to December 26, 2014 and 2 CFR 200 of the Uniform Grant Guidance for awards received after December 26, 2014.

Note that for some types of procurement involving University-approved vendors, the PI may use a Purchase Order (PO) instead of a contract and Requisition Form. Contact the Business Office to determine if it may be possible to handle the transaction using a PO. Typically, the University has vendor agreements in place with larger corporations. The PO is an appropriate payment instrument in such cases because the vendor is a corporation and has a well-defined array of standard services and terms. However, in the case of procurements of goods and services from non-Concordia individuals, LLCs, and non-profit organizations, the scope and timing of services and payments requires additional care. In these cases, it is necessary to use a subcontract and requisition, to ensure that the subcontractor and the PI share a clear understanding of the work to be performed and the timing of deliverables and payments.

Note that any subcontracting for legal services **MUST** be discussed with OSP **BEFORE** discussing the work with the third party. Please direct any questions about these policies and procedures or requests for procurement subcontracts to OSP.

Contracts to procure goods and services with grant funds must adhere to the sponsor's terms and conditions as well as those of the University. Salient questions include, for example, whether subcontracting is allowed by the sponsor or requires the sponsor's prior approval, whether the sponsor limits the level of compensation for a subcontract (e.g., prohibits payment in excess of \$450/day for consultants), whether the performance and payment dates are consistent with the grant start and end dates, and whether the sponsor requires that certain conditions (e.g., prohibition against lobbying) must be imposed upon subcontractors paid with grant funds.

## 17.1. Roles and Responsibilities:

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### **PI**

- Identifies the need to procure services related to a sponsored project.
- Identifies an appropriate vendor in consultation with Business Office, where appropriate.
- Develops or approves the written scope of work, deliverables, and schedule of deliverables and payments and forwards them on to the OSP.
- Monitors contractor performance, receives and approves invoices.
- Prepares and forwards requisition with supporting materials (e.g., contract, W-9, invoice) to the grant accountant and OSP.
- Retains copies of documentation.

### **OSP**

- Advises PI on allowability and sponsor's terms and conditions pertaining to procurement subcontracts.
- Prepares contracts consistent with award agreement and University policies.
- Endorses contract agreements of behalf of the University.

### **CFO, Grant Accountant**

- Receives and reviews requisition and supporting materials.
- Checks for PI's signature on the requisition, OSP's approval on the agreement, a completed W-9 form, and availability of funds in the grant account.
- Checks the period of performance to ensure that expenditures are within the grant period and that the proper fund is being used.
- Keeps the original agreement on file and forwards a copy of the agreement with the original requisition to Accounts Payable for payment.
- Returns questioned documentation to PI for resolution.
- Advises OSP regarding University policies and procedures related to subcontracts and subawards, approves standardized agreements for form.

## 18.0. EQUIPMENT AND PROPERTY MANAGEMENT

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See 4.0, **Preparing the Budget**, for guidance on including equipment in proposal budgets.

The University's policy for management and accounting of equipment and property purchased with funds provided by a sponsoring agency will comply with 2 CFR 200—Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards, Property Standards 200.310 - .316.

Important provisions of the stated requirements that the PI should be aware of include the following:

- Title to equipment acquired by a PI with Federal funds shall vest in the University, subject to conditions of this section.
- The PI shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.
- The PI shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no

longer needed for the original project or program, the University shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority:

1. Activities sponsored by the Federal awarding agency which funded the original project, then
  2. Activities sponsored by other Federal awarding agencies.
- During the time that equipment is used on the project or program for which it was acquired, the PI shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired.
  - First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency. User charges shall be treated as program income.
  - When acquiring replacement equipment, the PI may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency.

The University's property management standards for equipment acquired with Federal funds and federally-owned equipment shall be as follows:

1. Records shall be maintained accurately by the office of the Controller.
2. Equipment owned by the Federal Government shall be identified to indicate Federal ownership.
3. A physical inventory of equipment shall be initiated by the Controller's office and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The PI shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
4. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the PI shall promptly notify the Office of the Controller and OSP. OSP and the PI shall notify the Federal awarding agency.
5. Adequate maintenance procedures shall be implemented to keep the equipment in good condition.
6. PIs authorized or required to sell the equipment will follow the disposition instructions provided by the sponsoring Federal agency.

When the PI no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards.

1. For equipment with a current per unit fair market value of \$5000 or more, the PI may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor.
2. If the PI has no need for the equipment, he/she shall request disposition instructions from the Federal awarding agency. The Federal awarding agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported to the General Services Administration by the Federal awarding agency to determine whether a requirement for the equipment exists in other Federal agencies. The Federal awarding agency shall issue instructions to the PI no later than 120 calendar days after the PI's request and the following procedures shall govern.
  - a. If so instructed or if disposition instructions are not issued within 120 calendar days after the PI's request, the PI shall sell the equipment and reimburse the Federal awarding agency an amount computed by applying to the sales proceeds the percentage of Federal participation in

- the cost of the original project or program. However, the University shall be permitted to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for the University's selling and handling expenses.
- b. If the PI is instructed to ship the equipment elsewhere, the University shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the PI's participation in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.
  - c. If the PI is instructed to otherwise dispose of the equipment, the University shall be reimbursed by the Federal awarding agency for such costs incurred in its disposition.
  - d. The Federal awarding agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards.
  - e. The equipment shall be appropriately identified in the award or otherwise made known to the PI in writing.
    - The Federal awarding agency shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with grant funds and federally-owned equipment.
    - If the Federal awarding agency fails to issue disposition instructions within the 120 calendar day period, the University shall apply the standards of this section, as appropriate.
    - When the Federal awarding agency exercises its right to take title, the equipment shall be subject to the provisions for federally owned equipment.

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## 19.0. PERSONNEL

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### *19.1. Roles and Responsibilities, Hiring Personnel with Grant Funds*

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#### **PI**

- PIs communicate hiring needs to OSP and Human Resources.
- PIs are responsible for the selection of grant-funded personnel and must adhere to the University's policies and procedures regarding recruitment, hiring, and supervision.

#### **Human Resources**

- The Human Resources Office is responsible for maintaining documentation regarding recruitment, selection, hiring, and supervision.

### *19.2. New Academic or Administrative Appointments*

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New academic or administrative appointments require the approval of the CAO. Procedures and forms are available at the CAO's office or by calling (262) 243-4361.

### *19.3. Undergraduate Students*

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PIs should follow the guidance provided by Student Career Services at <https://www.cuw.edu/departments/careerservices/undergraduate/oncampusemployment/departments.html>.

### *19.4. LTE/Pharmacy Professional Students*

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PIs should follow these steps in recruiting and hiring graduate assistants:

1. Create a position description that tells readers what skills or capabilities you expect your graduate assistants to have and what tasks you expect them to perform.



2. Post an advertisement for the position in the department(s) where you expect to find graduate students matching your requirements.
3. Create an offer letter that describes the student's responsibilities, the term of employment, the stipend, and tuition (if appropriate). The letter must advise the student that the position is contingent upon the availability of grant funds. Sign the offer letter and have the graduate assistant sign the letter as well.

Consult Human Resources for additional guidance regarding the forms and procedures required to hire and supervise graduate students.

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## *20.0. TIME AND EFFORT REPORTING*

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Per 2 CFR 200 §430 (i), (1) “charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- (iv) Encompass both federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity’s written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal; entity; and
- (vi) (Reserved)
- (vii) Support the distribution of the employee’s salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; and indirect cost activities and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.” (2 CFR 200 – Uniform Grant Guidance)

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### *20.1. Roles and Responsibilities*

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#### **PI**

- The PI is responsible for reviewing and certifying time and effort reports for project personnel. The OSP prepares the effort reports, which are then emailed to grant-funded personnel at the end of every academic term.
- The PI completes the forms, certifies student workers or staff effort and returns the forms to the OSP by the requested date.

#### **OSP**

- The OSP is responsible for initiating the effort reporting cycle, transmitting them to PIs at the end of every academic term for approval or correction, and maintaining documentation pertaining to effort reporting.

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### *20.2. Effort Reports for Faculty and Other Exempt Employees*

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Concordia University uses after-the-fact activity records, specifically Effort Report Certification, to account for effort. Effort reports will reflect the distribution of activity expended by employees as indicated by the allocation of payments from the payroll system. The effort report accounts for 100 percent of the activity for which the employee is compensated. Effort is expressed as a percentage of total

employed time and is not reflected in hours. The total effort expended cannot be more or less than 100 percent.

For professorial and professional staff, the efforts reports will be prepared every academic term. To ensure that Effort Reports reasonably reflect the activities for which employees are compensated by the institution during the period of extramural support, the employee receiving compensation verifies the accuracy of the Effort Report Certification and signs it.

The PI must review and endorse effort reports of all project personnel receiving compensation or committing cost-shared effort to the award. The PI is responsible for final verification of that portion of an employee's Effort Report Certification related to the PI's award.

Effort reports are verified by the University's auditors during the A-133 audit process. The federal government is initiating legal action against institutions failing to comply with effort reporting requirements. Effort Reports are kept in the appropriate grants file in the OSP.

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### *20.3. Activity Records for Non-exempt Employees*

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For non-exempt employees, unless alternate arrangements are agreed to by the sponsor and the University, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

In cases where Concordia uses time cards or other forms of after-the-fact payroll documents as original documentation for payroll and payroll charges, such documents shall qualify as records for this purpose.

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## 21.0. PROJECT CLOSE-OUT OR TRANSFER

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### *21.1 Roles and Responsibilities*

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#### **PI**

- The PI assists with the orderly termination of the award by submitting final technical and administrative reports as required by the sponsor.
- The PI, in cooperation with the OSP, ensures that project costs have been encumbered and paid in a timely manner so that the final financial report is accurate and complete. This includes communicating with any subrecipients to ensure that subrecipients produce a timely final accounting of their expenditures. Consequently, the PI is responsible for reviewing the final project statement prepared by the grant accountant and OSP, ensuring it is accurate, includes all expenditures incurred on behalf of the project, and not overdrawn.
- The PI is responsible for the maintenance and retention of scientific and technical records as required by the sponsor.
- The PI forwards all copies of grant documentation to the OSP for the grant file.

#### **Human Resources**

- The Human Resources Office is responsible for the maintenance and retention of employment records for grant funded graduate students, undergraduate students, and part-time staff (e.g., part-time technicians).

**OSP/Business Office**

- Using the final project statement as the basis for its final financial report, the OSP Post Award Coordinator in collaboration with the Business Office, prepares and transmits the same to the sponsor in the sponsor's required format.

**Department Chair**

- The Department Chair is responsible for the retention of scientific or technical records as required by the sponsor in cases where the PI is unable to do so (e.g., the PI leaves the University).

In cases where a faculty member accepts a position at another institution and intends to relocate during the period of the award, OSP works with CFO office and the PI to comply with the sponsor's requirements regarding transfer requests.

***21.2. Records Retention***

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The PI is responsible for the retention of scientific and technical records. All employment records for graduate students, undergraduates, and part-time staff is maintained by the Human Resources Department. The PI's department is responsible for records retention in cases where the PI is unable to do so. The OSP should have the original records for the grant files. Financial records, including invoices, are maintained in the Banner accounting system. Grant records are maintained for a minimum of three years, per 2 CFR 200 §333-337.

***22.0. INTELLECTUAL PROPERTY***

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See the University's Intellectual Property Policy: [www.cuw.edu/OSP](http://www.cuw.edu/OSP).