

PROJECT DIRECTOR'S MANUAL

Faculty Guide for Project Management at Radford University

Office of Sponsored Programs and Grants Management

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Introduction

This Manual presents a brief overview of post-award activities for members of the faculty and staff who direct grants, contracts, and cooperative agreements awarded to Radford University.

Questions regarding contents of this Manual and/or further explanations needed should be directed to the Assistant Director, Grants Management or to the Grants Specialist in the Office of Sponsored Programs and Grants Management assigned to specific areas.

Our goal is to help faculty from the early stages of proposal development through project closeout by ensuring that proposal budgets are prepared appropriately and that resulting project expenditures are recorded properly and consistently classified in RU's accounting system. Post-award is responsible for ensuring compliance with University, state, federal, and sponsor policies and procedures relative to sponsored projects.

Responsibilities

Responsibility of Project Director/Principal Investigator

Grants and contracts are awarded to Radford University through the Office of Sponsored Programs and Grants Management and are directed by Project Directors or Principal Investigators. In serving as *Project Director* or *Principal Investigator* of an externally funded project, the member of the faculty or staff is representing Radford University and is responsible for upholding the standards of the University.

The Project Director, or Principal Investigator, has primary responsibility for performing tasks outlined in the sponsor accepted proposal and for general project administration in accordance with University, state, and sponsor guidelines. He/she is responsible for exercising all the programmatic and technical decisions that affect the sponsored project and for following *all research-related requirements, such as those involving human subjects, non-human vertebrates, hazardous materials, DNA, etc.*

In addition, the Project Director is also solely responsible for *financial management* of the project by monitoring expenditures and ensuring that project funds are spent in a timely manner within University and sponsor constraints. If *cost sharing* (match) is required, the Project Director must ensure that all cost sharing obligations are met and documented.

The Project Director employs sponsor-approved *personnel* on sponsored projects in accordance with the University's Human Resource office's policies and procedures.

He/she must submit progress and final *reports* to the agency as specified by the agency, making sure copies of progress reports and final reports are forwarded to the appropriate Grants Specialist in the Office of Sponsored Programs and Grants Management for the official project file.

The Project Director must also observe *additional stipulations or requirements* in the Request for Proposals (RFP) or other sponsor guidelines, in the proposal itself, or in the award agreement or contract. These stipulations may involve patent or copyright decisions, confidentiality, or publication restrictions. If the grant is awarded by a federal agency or is flow-through from a federal agency, the Office of Management and Budget "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule" (Uniform Guidance) contain the primary rules governing awards that include federal funds.

If the Project Director sees that *re-budgeting, a time extension, or changes in scope or direction of the project* are desirable, he/she contacts the appropriate Grants Specialist in the Office of Sponsored Programs and Grants Management for assistance.

Responsibility of Chairs, Deans or Directors

Department Chairs and Deans or Directors are responsible for monitoring projects specific to their areas. This oversight includes signing travel requests for travel to be charged on grants and signing personnel forms for personnel employed on grants.

In addition, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule” (Uniform Guidance) requires that educational institutions implement a system designed to promote the shared use of previously acquired equipment or to document that similar equipment is not available for shared use. Therefore, when Project Directors are initiating equipment purchases, it is the responsibility of the Department Chair, Dean, or Director to determine if similar or like equipment is already purchased, on campus, and can be shared. This avoids duplication and unnecessary equipment purchases. The Department Chair is also accountable for all equipment that is assigned to his/her department for meeting equipment inventory deadlines.

An area requiring particular oversight is the direct charging of certain costs to federally sponsored grants and contracts. In 2014, OMB issued Uniform Guidance which includes cost accounting standards and give direction as to what costs can be directly charged to a federally sponsored grant or contract (including federal flow-through projects).

Costs that are, in most cases, ***unallowable*** as direct charges to *federally* sponsored projects include administrative and clerical salaries, office supplies, postage, copying, and phone costs (with the exception of long distance charges associated with a project). These costs are normally included in the facilities and administration (F&A) or indirect cost base and, thus, if charged as a direct cost and as a part of the indirect costs, RU has double charged the federal government. This rule applies regardless of whether the federal sponsor pays F&A costs or not.

There are, on occasion, exceptions to this rule, based on the *nature* of the project effort and the *level of effort* of clerical or administrative personnel required for the project. Justifications for including these costs on federally sponsored projects must be approved by SPGM and the sponsor of the grant. Should an audit determine these costs charged to a project unallowable, the responsibility for the costs rests with the department or college. For additional information on the Cost Accounting Standards, contact the Grants Specialist assigned to your college or department.

Responsibility of the Office of Sponsored Programs and Grants Management

The *Grants Specialist* in Sponsored Programs and Grants Management will meet with Project Director(s) at the beginning of the sponsored project and as needed throughout the duration of the project. Grants Specialists provide consultation and guidance to Project Directors and to other RU offices on issues such as applicable regulations, allowable costs, cost share and match requirements, and cost transfers. They also assist with re-budgeting requests, no-cost time extensions, and liaison with sponsors to facilitate the financial and technical reporting requirements of the sponsor and the University. Grants Specialists approve encumbrances on projects prior to expenditure to ensure the allowability of the expenditure according to sponsor, University, and state policies. This review and approval process includes purchase orders, personnel, travel requests, and reimbursement vouchers.

Responsibility of Financial Reporting

The *Office of Financial Reporting* is responsible for submitting *fiscal* reports, federal draw-downs, and invoicing. Although the final fiscal report is generally prepared by and must be approved by the Office of Financial Reporting, it must also be approved by the Project Director and the Office of Sponsored Programs and Grants Management before being submitted to the sponsoring agency.

Responsibility of University Relations

External publicity on grants and contracts is made through the *Public Relations Office*. Special attention must be given to sponsor guidelines or requirements regarding publicity and credit must be given to sponsors for their support as required in the grant/contract directives.

Award Review and Negotiations

On many occasions, a sponsor is willing to fund a project, but only after certain proposal changes are made that are agreeable to both the sponsoring agency and the University. The Project Director is not the *authorized university official*. All changes must be approved by the Director of the Office of Sponsored Programs and Grants Management. Some changes will require approval from other University officials. *Remember the award is made to the University, not to the Project Director or author of the proposal*. Any changes submitted must have the Office of Sponsored Programs and Grants Management's approval as well as the Project Director's approval.

If a Project Director receives a request from a program officer to make changes to a submitted proposal or budget, he/she directs the Program Officer to contact the Office of Sponsored Programs and Grants Management. The Office of Sponsored Programs and Grants Management will work with the Program Officer and the Project Director to facilitate appropriate changes.

The most common request from a Program Officer is a *change in budget*. A change in budget can also impact the narrative that describes the scope of the project. If cost-sharing has been approved in the proposal, it will need to be adjusted to correspond with the change in budget. A reduced budget should also decrease the amount of cost-sharing, or match, promised.

An increase in the required cost-sharing needs to be approved by the funded unit, Dean, and the Vice President. Issues such as intellectual property and equipment ownership must also be resolved prior to signing an agreement. These issues are resolved by the Director of Sponsored Programs and Grants Management through negotiations with the sponsor.

Terms and conditions of the agreement provided by the sponsoring agency are sometimes unacceptable and need to be changed or deleted. For example, Radford University is a state agency and is prohibited from agreeing to clauses that require the university to indemnify, give away intellectual properties, or submit to binding arbitration. The Director of Sponsored Programs and Grants Management is also responsible for negotiation of acceptable terms and conditions. Occasionally, legal opinion is required from the Attorney General's Office before the University can accept an agreement.

Award Acceptance & Award Notification

Notification of an award is generally sent to the Project Director or to the Office of Sponsored Programs and Grants Management. If the Project Director receives the notification of award, he/she should immediately notify Sponsored Programs and Grants Management. The award must not be signed and returned to the sponsor by the Project Director *without* Sponsored Programs and Grants Management's review and signature. *The Director of Sponsored Programs and Grants Management will sign the documents as the authorized university official.* If Sponsored Programs and Grants Management receives official notification of award first, the Project Director will be informed immediately.

Sponsored Programs and Grants Management will notify the following persons/offices of the award: the Project Director, Dean/Director, and Chair/Supervisor. Award notifications will also be sent to the Offices of Budget, Financial Reporting, Human Resources, and Public Relations.

Notification is accomplished by circulating the internal *Notice of Award* which details the name of the project, project director, funding agency, award number, University account number (FOAP), award period, amount awarded, revenue source code (source of the funds), cost sharing obligations of the University, method of payment, reporting requirements, and a brief project description.

Need for Departmental Underwriting

At times sponsors are delayed in making grant awards. The Project Director may need to incur project costs immediately but cannot do so since a project account has not been established. The Project Director may need to hire personnel for the grant or have continuing personnel from a previous grant. Personnel forms require time to process and a university account number. A university sponsored project account may be set-up prior to receiving the award document *if a Project Director's Dean agrees to pay costs up to the equivalent of two months' salary and benefits needed should an award document not be received.* Please see a Grant Specialist for assistance with this process. We highly encourage Project Director's to start the underwriting process a minimum of 60 days prior to the anticipated grant/personnel start date.

All IRB and/or animal use approvals required for the project must be in place prior to receiving a pre-award account number. Please contact The Research Compliance Office for more information <https://www.radford.edu/content/research-compliance/home.html>

Setting up the Award; Securing an Account Number

The Pre-Award staff of the Office of Sponsored Programs and Grants Management is responsible for setting up awards working with the Office of Financial Reporting and the Budget Office. Grant budgets are established in the university's accounting system, Banner, *in accordance with the budget accepted by the sponsor.* The Pre-Award staff sends the Notice of Award with the approved budget to the Project Director, Chair, Dean, Provost, Budget Office, Financial Reporting, Human Resources, and the Public Relations Office.

Project Director's Meeting

After the award is set up, the Project Director is asked to meet with the Grants Specialist in Sponsored Programs and Grants Management assigned to administer or manage the account. If possible, the individual who will enter purchase orders (e.g., departmental administrative assistant) into eVA should also attend. At that meeting, the Grants Specialist provides the Project Director a project requirement checklist and discusses a number of topics including:

Responsibilities of the Project Director	Documentation – Cost Share, Purchases, etc.
Banner & eVA authorization	Audit Requirements
Sponsor rules and regulations	Allowable Charges
Effect of University regulations	Reporting Requirements
Travel issues	
Flexibility in allowable re-budgeting	
Personnel issues	

Expenditures

The Project Director determines who has permission to charge items to the grant account. This person is typically identified at the time of award or during the Project Director's meeting. Authorized personnel may generate purchase requests and general ledger (i.e., budget) reports through Banner, eVA, and COGNOS. Expenditures may not be made against the grant prior to the account being activated nor prior to the beginning of the grant period *unless the sponsor specifically permits pre-award costs*. The account number (FOAP code) must be used at all times and for all purposes, from purchasing supplies and materials to hiring personnel.

Purchase requests for equipment, supplies, printing, contractual services, and construction are generated in eVA. Travel is processed through Chrome River.

As expenditures or encumbrances are made, the general ledger report is updated automatically in Banner. However, at any point in time these reports may not reflect the most recent balance in the account because of mistakes in data entry or only periodic updates by some offices, such as the Post Office, Telephone Services, Printing, Payroll, and F&A expenses. To help provide the most accurate balance available interactive spreadsheets are used and are available to the Project Director at any time by mapping to a shared drive. Instructions for mapping can be found here: <https://www.radford.edu/content/sponsored-programs/home/post-award/managing-expenditures.html> The Project Director or their designee should enter expenditures into the spreadsheet as well as eVA, Banner, or Chrome River. The Grant Specialist will review and approved the entries as well as perform a monthly reconciliation to Banner. This will provide a more accurate reading of the grant balance. Once the reconciliation is complete, the Grant Specialist will send the spreadsheet by email to the Project Director.

Detailed instructions for accessing Banner, eVA, COGNOS, producing reports, and generating purchase orders and receiving reports can be found here <https://www.radford.edu/content/it/home/it-services/training/Banner-Training.html> Contact Information Technology for any needed assistance.

Travel

Travel may occur under a sponsored project, subject to state travel regulations and to those established by the funding agency. As a general rule, the funding agency, including the federal government, will accept the University's policy for determining the level of reimbursement permitted for various types of travel charges against a project. In the event a sponsor has imposed more stringent restrictions, the funding agency's rules prevail.

The category of travel is often a restricted area on grants and contracts. It is, therefore, of primary importance that the Project Director verify that travel is a justifiable expenditure for his or her project. Generally, travel which provides a direct benefit to the project and staff is an allowable charge. However, funds for travel *should be listed in the grant or contract proposal and approved by the sponsoring agency before the expenditure is incurred.*

The university's travel guidelines are located on the RU website under RU's Accounting Services at <https://www.radford.edu/content/accounting-services/home/travel.html> *Before a trip is taken*, a Pre-Approval must be initiated in Chrome River by logging into OneCampus. This reflects cost estimates and must be circulated for approvals. All proposed air travel must be arranged through Christopherson Business Travel (CBT). Further assistance on how to generate a travel purchase request through these systems is available through Accounting Services.

Upon completion of travel, an Expense request must be prepared in Chrome River and backed up with original scanned receipts. *Reimbursable expenditures may not exceed the estimated cost of the trip approved by more than \$50 on the Request for Travel or additional approvals will be necessary.*

Foreign travel is all travel outside of the 48 contiguous United States and is subject to special restrictions. Therefore, plans for international visits should not be made without checking the policy of the funding agency. Some agencies require prior written approval for international travel before the trip is taken. In addition, foreign travel is also subject to Export Control policies which include electronic devices and software. Those policies and forms can be found here <https://www.radford.edu/content/research-compliance/home/export.html> For out-of-country travel, all questions should be directed to Accounts Payable before travel plans are made.

The President of the University must approve the Request for International Travel. Thereafter, the President's secretary mails an "out-of-the-country" letter for foreign travel to the State Comptroller. Copies of the Request for Travel and the "out of country" letter need to accompany the travel voucher and be signed by the Vice President and President before being submitted to Accounts Payable. International travel is addressed in the Commonwealth State Travel Policy and the University Travel Policy , found on the RU website under Accounting Services at <https://www.radford.edu/content/accounting-services/home/travel.html>.

Purchasing Equipment and Supplies

Purchase of goods and services for sponsored projects must comply with both the overall intent and specific detail of the sponsor's regulations as well as with RU purchasing policies. Procedures for purchasing on sponsored projects are generally the same as for other University projects or purchases.

For sponsored projects (in accordance with RU's F&A Rate Agreement), "equipment" is defined as an article of non-expendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Items not meeting these criteria are considered consumable supplies on most federal grants. It is important to plan ahead when purchasing equipment since the procurement process may require competitive bidding and may take several weeks.

Expenditures for general purpose equipment such as office furniture, copiers, motor vehicles, etc., are unallowable as direct charges by federal sponsors and most other sponsors, except where the expenditure is primarily for the sole benefit of the project and the expenditure has advance sponsor approval.

Orders for supplies or equipment must be placed well in advance (60-90 days) of the grant expiration date to ensure delivery and to be useful to the project. Items not received during an award period are not of benefit to the project and can be disallowed on audit. *Making large equipment or supply purchases near the end of the grant simply to exhaust funds is an unacceptable practice.*

The university contracts with preferred vendors. Please consult with Procurement and Contracts prior to placing orders for supplies.

Equipment and items over \$5,000 are purchased through Procurement and Contracts.

Virginia state law mandates that the acquisition of equipment, services (including professional/consultant), printing, supplies, and construction by State agencies be regulated. Items and professional services costing \$5,000 and above are required to undergo a competitive bidding process. The bid process can take time so please plan accordingly. Some goods and services can be exempt from the bidding process by receiving a sole source exemption. A sole source purchase is a proprietary specification which is practicably available from only one source. Competition is not available for sole source procurements. Sole source purchase requests that exceed the departmental delegated purchasing limit of \$5,000 for goods or services must be approved by the Director of Procurement, and Contracts and the appropriate buyer, and must also be accompanied by a written sole source justification from the requesting department. Some commonly purchased items undergo a competitive bidding process on a quarterly or yearly basis and are considered "on contract." They may be purchased without undergoing a subsequent bidding process.

Note: The purchase or lease of any equipment or service required for grant funded projects must be coordinated with Procurement and Contracts to determine if the proposed procurement is subject to the requirements of the Virginia Public Procurement Act. *Under no circumstances should the Project Director obligate the University.*

Consultants

A consultant is an individual hired to give professional advice or services for a fee. The use of paid consultants may be warranted when the project requires expertise of a well-defined nature for a fixed period. Consultants may not be RU employees and should be hired for tasks where on-campus expertise does not exist or is not readily available. Use of consultants should be requested (named) in the proposal and approved by the sponsor. At the proposal stage, the Pre-Award staff is responsible for obtaining the following information and incorporating the information into the proposal:

- Consultant name
- Description of services to be performed
- Number of days or hours of consultation anticipated
- Expected rate of compensation
- Curriculum vita for the consultant
- Whether the consultant will be paid travel expenses

Sometimes a sponsor may also require a letter from the consultant confirming his or her role in the project. The Grants Specialist must also determine that the consultant's fee is commensurate with the qualifications of the consultant and the nature of the services provided. The maximum daily rate a consultant can be paid on sponsored projects is set by the federal government and any deviation from this rate must have justification and documentation in the sponsored project file.

Consultant services over \$5,000 must be competitively bid unless a sole source justification is approved by the Director of Procurement and Contracts *or the consultant is specifically written into the proposal and approved by the sponsoring agency.*

There are several procedures to follow when initiating the hiring of a consultant.

- The IRS has provided clear guidelines specifying when someone is considered an independent consultant. The "Independent Contractor/ Employee Status Certification Form" must be completed and submitted to the Tax Compliance Officer to determine contractor (or consultant) vs. employee status.

- The actual agreement or contract for the consultant will be written and executed by Procurement and Contracts, *with a copy forwarded to the Grants Specialist managing the project in Sponsored Programs and Grants Management.* The contract will name the

consultant, his or her responsibilities, the performance period, the rate of pay, and the maximum number of days or pay the consultant may receive. In addition, the contract will provide invoicing details for the consultant.

- Once the consulting agreement or contract is in place, a purchase request must be generated in eVA just as if purchasing supplies. The purchase request for consultant services should detail the services to be performed, reports to be submitted, deadlines for completion of services, amount to be paid per day or per hour and a payment schedule.

- An original invoice or memorandum by the consultant requesting payment also needs to be submitted in accordance with the consultant agreement or contract.

Consultants may be reimbursed for travel, meals, and/or lodging using the same travel expense reimbursement system used by University employees. If the consultant is to be reimbursed for travel expenses, it should be stipulated in their contract. As with RU employees, travel for consultants must comply with sponsor and state travel regulations.

Personnel on Grants (Please consult with your Grant Specialist and/or Human Resources prior to hiring personnel on grants!!!)

1. Faculty paid on grants

Reassigned Time

A PR40 requesting Reassigned Time is completed by the Office of Sponsored Programs and Grants Management *for faculty and staff members given release time from their normal duties*. It must have the approval/signature of the Project Director, the employee, Sponsored Programs and Grants Management, the appropriate Chair, Dean, appropriate Vice President, Budget, and Human Resources.

The PR40 ensures that payroll charges will be moved from the departmental account to the appropriate grant account. Transfers are completed by Payroll near the end of each semester.

Departmental funds normally budgeted for payroll charges are then available for reallocation in accordance with RU policies and procedures. (These funds must be spent prior to the end of the fiscal year.)

Summer Salary

Summer salary must be approved by the sponsor and at a rate that corresponds to the faculty member's current base salary. A Personnel Action Form (PR40) at <http://www.radford.edu/content/human-resources/home/forms.html#supervisors> must be submitted. The PR40 must have the approval/signature of the Project Director, Sponsored Programs and Grants Management, appropriate Chair, Dean, and Vice President, Budget, and Human Resources. (See University policies regarding allowable pay.)

Hiring new faculty members on grants

Faculty may be paid on grants as either full-time or adjunct faculty. Adjunct faculty is typically processed through the FLAC system. Human Resources or the Department Chair should be contacted for assistance with faculty position types and for assistance in completing and routing the appropriate HR forms or systems.

2. **Graduate Students.** Graduate students are hired on grants by submitting a PR40 marked as "student wages."
3. **Non-Faculty University Employees.** To initiate recruitment for non-faculty salaried position or to process a preferred applicant for a temporary wage position, a Personnel Action Authorization Form (PR 23) is completed. (The PR23 is not required for student wage positions.) This form establishes the job description and duties. This form must have the approval of the Department Head, the Office of Sponsored Programs and Grants Management, the Dean/Director, appropriate Vice President, the Budget Office, and Human Resources before recruitment is initiated. The Project Director, in conjunction with Human Resources, will determine an appropriate salary in conformity with salary levels established by the University for that particular job role. After the Project Director has decided on a suitable candidate, the Department will be advised officially by Human Resources of the approved PR40. After completing the required processing procedures through Human Resources, the new employee is placed on payroll.

Salaried, non-faculty members, including graduate teaching assistants, receive special payment and/or reassigned time following the procedures outlined for faculty in Section 1 above.

Classified personnel employed on a full-time basis by Radford University may not work overtime on federal grants. An administrative assistant may have his/her time reassigned from the department to a grant if substantial time is necessary to complete the job duties.

Some new positions are processed through People Admin and some processes such as employment continuation, supervisor changes, etc are processed through EPAFs. **Please consult with your Grant Specialist and/or Human Resources.**

4. **Students.** Any student presently receiving financial aid may need to have his or her financial aid package adjusted upon acceptance of employment. Under most financial aid support, the students are permitted to earn only specified amounts. Exceeding those limits calls into question the need for financial aid. For this reason, the Project Director must notify the Financial Aid Office of any student hired. The notification should be in writing and should include the name of the student, social security number, and an estimate of the amount of money the student will earn over a given period of time. The PR40, referenced above, is used to hire any students other than work-study students and GTAs on stipends.
5. **Employment Continuations.** Some grants are renewed annually and therefore current employees must be extended or continued in the payroll system. This can be done through an EPAF or with a PR40. Please consult with your Grant Specialist or Human Resources on this process.

Scholarships, Fellowships and Other Awards

Payments to students receiving fellowships, and other awards are generated in eVA in the form of a purchase request, for which receiving reports must be completed and memoranda submitted to Accounts Payable. Scholarships, tuition and fees are paid through a memorandum to Student Accounts.

On-Campus Conferences and Special Events

Special events are held on campus for the benefit of students, faculty, staff, alumni, donors, and the general public. If you are hosting a conference or special event on campus, you should contact Conference Services for help in planning. Grants must follow the university food and beverage policies as well as sponsor regulations.

Understanding the Budget

The proposal budget, once approved by the funding agency, forms the basis for the University account set up by the Office of Sponsored Programs and Grants Management. This account consists of *direct costs* and *F&A costs* (formerly know as *indirect costs*). Only direct costs are available to the Project Director.

1. **Direct costs** are classified as those that can be identified specifically with a particular sponsored project and can be directly assigned to specific sponsored projects easily

with a high degree of accuracy. A direct cost is one that is of distinct and genuine benefit to the work of the project. In order to charge a cost directly to a project, the goods/services purchased must be used for the project, be permitted by the sponsor, and the costs incurred during the performance period of the project. Direct costs include salaries and wages of personnel rendering specific services under the grant or contract, related fringe benefit expenses, as well as supplies and materials, travel, services, and equipment procured for specific use on the project.

2. **Facilities and administrative costs (formerly known as indirect costs)** are awarded by the funding agency to support costs that are incurred for common or joint objectives and cannot be identified readily and specifically with a particular sponsored project. Radford University's federally approved F & A rate is calculated at 39.5% Modified Total Direct Costs (MTDC). This means that the F&A rate is applied to all direct costs in the budget with the exception of equipment costs and partial subcontract costs. The rate is applied to the first \$25,000 of each subcontract listed in the budget.

Funding agencies may sometimes limit the amount they will pay in F&A (or indirect) costs. The state, however, requires the University to recover the full amount of indirect costs owed to the fullest extent possible. Only in exceptional cases is a F&A rate applied that is lower than the federally negotiated rate. Final negotiation of the F&A cost rate is ultimately handled by the Vice President for Academic Affairs or the Vice President in the appropriate area. Partial or no award of our F&A costs may constitute a cost-sharing arrangement which the University may decline.

A portion of the F&A cost recoveries (F&A charged to the sponsored project) is distributed between the PI, Dean and the Department with a portion returned to the state and a portion returned the Office of Sponsored Programs and Grants Management's Proposal Development program. Individual accounts are set-up for F&A (or indirect) funds that are distributed. These accounts are managed by the Office of Sponsored Programs and Grants Management.

Budgetary Restraints - Allowable and Disallowable Costs

Sponsor agencies have differing restrictions and guidelines for determining the allowability of expenses. Cost regulations may vary significantly. Therefore, specific agency guidelines and/or contract terms and conditions must be followed. The Office of Sponsored Programs and Grants Management monitors the accounts to determine which expenses are permissible according to the terms and conditions of the grant. In instances where agency and specific grant terms and conditions differ, the specific grant terms and conditions have pre-eminence. However, since educational institutions and most state agencies must follow the Uniform Guidance, common elements may be summarized as general guidelines.

Grant and Contract Restrictions

Grant restrictions may range from a simple statement that funds must be spent within a certain time period to a strict prohibition against the use of funds for any expenditure not specifically outlined in the approved budget. While it is impractical to outline all the various restrictions which may apply to a grant or contract, the following summary provides some restrictions and policies which are generally applicable to *federal grants*, *federal contracts*, and *non-federal awards*.

Federal Grants. Unless specifically prohibited as a condition of the award, most federal granting agencies permit a certain amount of flexibility in the use of funds. Generally speaking, budget categories such as communications and supplies can be interchanged without agency approval; however, all federal sponsors place some constraints on re-budgeting. For example, the cost of an item that does not fit into a previously approved budget category or a charge which may result in an over expenditure of funds in a restricted category may require the written approval of the appropriate agency official before the expense is incurred. Other federal sponsors have chosen to retain this authority and must be contacted for each re-budget request. This is particularly true when the award is a federal contract (discussed below) as opposed to a federal grant. Federal agencies require that all requests for supplemental funds and/or administrative and financial revisions be countersigned by a University official. Such requests must be submitted in coordination with the Office of Sponsored Programs and Grants Management.

Federal Contracts. A careful review of the special provisions in the contract should be made by the Project Director to familiarize him or herself with any administrative restrictions which may be applicable. Cost-reimbursable agreements require periodic billings for actual costs incurred. Invoices are prepared in coordination with the Office of Financial Reporting. Fixed price contracts are not as restrictive. Often funds are paid in advance or early in the course of the project. If all funds are not utilized, none need to be repaid after the terms of the contract have been met. PI's will have 6 months to spend any residual funds from fixed price agreements. After 6 months the funds will revert to the university.

Non-Federal Awards. The requirements for the numerous non-federal sponsors may vary so widely that only general advice can be provided:

- The conditions applicable to the grant or contract should be reviewed prior to making any commitments;
- The Project Director should become familiar with the general policies of the Agency;
- Radford University and Commonwealth of Virginia regulations must be followed;
- Sponsored Programs and Grants Management should be consulted if any questions arise or if clarification is needed concerning the administration of the project.

Receiving Payment From a Grant or Contract

The Office of Financial Reporting works closely with the Office of Sponsored Programs and Grants Management to request funds and to prepare and submit all requests for reimbursement and financial reports.

If for any reason the Project Director receives a check from the sponsoring agency at the same time that the award letter is received, the check should be given immediately to the Office of Sponsored Programs and Grants Management for processing.

Publication

Formal written policies relating to publication will vary with the sponsor. However, since the reporting of research progress and results is basic to the academic community, the normal mode for the Project Director is to publish without delay in an established professional journal. As a general rule, publications resulting from sponsored projects should always be footnoted to show the source of support. *Individual agency policy should be followed in acknowledging support.*

Confidentiality

Since the University is an open, intellectual community, it is difficult, if not impossible, to guarantee a sponsor any degree of confidentiality about data supplied by the sponsor or generated by research projects. Hence, the general operating policy of the university is to resist any attempts to impose confidentiality rules in a grant or contract.

Reports

1. Technical Reports

The preparation of the progress or final technical report at the required time is a major responsibility assumed by the Project Director when the grant is awarded. With few exceptions, all grants and contracts require submission of progress or technical reports to the Sponsor on some stated schedule. Most all agencies require at least one report annually. The final report may involve no more than a brief summary of accomplishments and a listing of papers resulting from the project. Many Sponsors will not make final payment on a project until they have the final technical report; therefore, the Project Director should submit the final technical report as soon as possible after the project is complete. The Sponsor will specify all reporting requirements. *A copy of required reports must be submitted to the Office of Sponsored Programs and Grants Management for the official project file.*

2. **Fiscal Reports**

The preparation and submission of required fiscal reports are generally the responsibility of the Office of Financial Reporting in conjunction with the Office of Sponsored Programs and Grants Management. Typically, the final fiscal reports are prepared after the Grants Specialist has met with the Project Director to review the expenditures on the account. At this meeting, the Project Director should identify any perceived late charges to the grant and/or correct any errors. Project Director's will receive close-out reminders every 30, 60, and 90 days prior to the grant end date.

In some cases, the reporting requirement is such that the Project Director must initiate the report and submit it to Financial Reporting or the Office of Sponsored Programs and Grants Management. These cases are identified at the initial meeting of the Project Director and the Grants Specialist in the Office of Sponsored Programs and Grants Management.

Effort Reporting

All faculty, staff and students working on federal grants or contracts, as well as those projects supported with flow-through funding must have documentation prepared periodically indicating the percentage of time spent on the project. In compliance with this Federal mandate, Project Directors or someone with first hand knowledge must sign (or certify) a Certification of Effort Report, initiated by the Office of Sponsored Programs and Grants Management. The level of effort is indicated *as a percentage*, as required by federal regulations. This form must be reviewed for accuracy, signed, and returned within 60 days. This is done each semester for faculty members and professional staff (classified staff in Payband 4 or above) and on a monthly basis for non-professional staff (classified staff in Payband 3 or below). Effort certification for wage personnel and students on wages are documented through signed timecards. The signed original of the Certification of Effort Report is kept in the official project file in the Office of Sponsored Programs and Grants Management. Timecards for wage personnel, including students, are on file with the RU Payroll Office.

Documentation Retention

Official documentation for financial transactions which affect Radford University accounts and the records to support these fiscal data are processed and retained by the University. The sponsor will specify how long documents and records are to be retained. Federal sponsors normally require documents be kept for five (5) years after the end date of the project.

Audit Requirements

All federal and state-supported projects are subject to financial review by *internal and governmental auditors* as well as the Sponsor. Auditors and the University must follow

federal guidelines contained in instructions (or Circulars) issued by Office of Management and Budget (OMB). These circulars are designed to ensure that funds received from government-supported projects are properly managed and spent.

Project Directors are required to accurately and properly document university cost-sharing. A copy of such documentation must be forwarded to the Office of Sponsored Programs and Grants Management for storage in the official project file. The commitment to and documentation of cost sharing are subject to verification by an auditor.

Transfer of a Grant to another Institution

To avoid any misunderstanding that may develop, the Project Director is advised to review agency policy relating to the transfer of a grant to another institution. In addition, the Project Director should discuss plans well in advance with the department Chair and Dean. All transfers of grants must be coordinated through the Office of Sponsored Programs and Grants Management. Questions regarding the transfer of a grant should be directed to the appropriate Grants Specialist.

Some pertinent facts to be considered are:

- Only research grants may be transferred.
- The University, being the official recipient of the grant, has the option of retaining or relinquishing the grant to another institution.
- If the University elects to relinquish, a formal relinquishment statement, authorized by the Department Chair, the Vice President for Academic Affairs, and the Vice President for Finance must be sent to the granting agency.
- The Project Director is reminded that the granting Agency as well as the University, as a rule, considers equipment to be University property.

Appendix A

AWARD MECHANISMS (TYPES OF AWARDS) DEFINED

AWARD: The term **award** is a generalized term used for all sponsored program funds provided by an external sponsor for support of a project at Radford University. An award may be further classified as being a contract, cooperative agreement, fixed price contract, grant, or a grant-in-aid. The award document usually indicates the type of award received.

CONTRACT: A **contract** is a mechanism for procurement of a product or service with specific obligations for both the sponsor and recipient. Each contract document contains a statement of the work or services to be performed and represents a legal obligation by the University. Since a contract is a purchase, there will always be a deliverable. Contracts are more detailed than grants and cooperative agreements in both the technical requirements and accountability for the use of funds. It is the most restrictive award mechanism. There are two types of contracts applicable to sponsored projects – cost reimbursable contracts and fixed price contracts.

FIXED PRICE CONTRACT: A **fixed price contract** indicates that specific objectives and outputs are to be delivered within a specific time frame for a fixed price, regardless of expenditures. This type of contract carries some risk for the University, since the work or work product must be accomplished for the agreed-upon price. The University must absorb any cost overruns; however, any funds remaining in excess of actual costs may be retained by the University. A budget must be submitted with the proposal and approved by the sponsor but is not part of the contract.

COST REIMBURSEMENT CONTRACT: A **cost reimbursement contract** permits reimbursement for actual costs incurred in the accomplishment of the required research. Interim and final reports are normally required by the sponsor, and payments are usually based on submission of monthly or quarterly invoices showing expenditure detail for the period.

COOPERATIVE AGREEMENT: A **cooperative agreement** is entered into when a government or other sponsor provides partial support for an existing or anticipated University program of mutual interest to the sponsor and the University. This type of mechanism allows for substantial involvement, either technical or managerial, by the funding agency when necessary in performance of project activities. While not as exacting as a contract, the provisions of a cooperative agreement should, nevertheless, be treated with the same respect.

GRANT: A **grant** is defined as financial assistance, and depending upon the provision of the award, a grant may be classified either as a gift or as sponsored funds. This type of award is used by most federal agencies to provide assistance for a project at a specified level of effort for a specified period of time and when no substantial programmatic involvement of the funding agency is anticipated or required in the performance of project activities. Formal

financial accounting and periodic reporting are generally required.

GRANT-IN-AID: A **grant-in-aid** is an award made to an individual or to an institution on behalf of that individual to support his or her educational pursuits.

Appendix B

SPONSORED PROGRAMS AND GRANTS MANAGEMENT GLOSSARY

OMB Uniform Guidance: The Uniform Guidance (UG) was effective December 26, 2014 on all new and incrementally-funded federal awards issued on or after the effective date. The UG simplifies and supersedes guidance that was previously contained in eight different OMB Circulars, including A-110, A-21, and A-133. Contained within the UG are new definitions, uniform administrative requirements for both pre and post award, cost principles, and audit requirements.

A-21: A circular issued by the federal Office of Management and Budget (OMB) that established principles for determining costs applicable to grants, contracts, and other agreements with educational institutions.

A-110: A circular issued by the federal Office of Management and Budget (OMB) that established uniform administrative requirements for federal grants and agreements awarded to institutions of higher education, hospitals, and other nonprofit organizations.

A-133: A circular issued by OMB that established audit requirements for institutions of higher education and other nonprofit organizations receiving federal awards.

CONSULTANT: The term consultant refers to an individual or organization hired to provide services of an advisory nature. A consultant may be hired when the necessary expertise is not available within the University community. University employees cannot normally be paid as consultants on sponsored projects.

COST ACCOUNTING STANDARDS: Federal mandated accounting standards written to ensure uniformity in budgeting and spending funds.

COST-SHARING: Cost-sharing refers to that portion of the costs of a sponsored project that is borne by the university. To qualify as cost sharing, a cost must be (1) verifiable from the university's records, (2) necessary and reasonable for proper and efficient accomplishment of the project objective, and (3) allowable under Federal cost principles and administrative regulations (OMB A-21 and A-110). All mandatory and non-mandatory cost sharing must be adequately documented in the university's records. The university will make a cost sharing commitment only when required by the sponsor or by the competitive nature of the award and then only to the extent necessary to meet the specific requirements of the sponsored project. Cost sharing identified in the text of the proposal, i.e., a percentage of Principal Investigator effort devoted to a project, must be listed in the budget as cost sharing.

DELIVERABLE: A deliverable is a tangible product or service that is a direct result of the sponsored project effort. Deliverables must be included as an integral part of the proposal and award document.

DIRECT COSTS: Clearly identifiable costs related to a specific project. General categories of direct costs include, but are not limited to, salaries and wages, fringe benefits, supplies, travel, equipment, communication costs and contractual services.

INDIRECT COSTS OR OVERHEAD (FACILITIES AND ADMINISTRATIVE COSTS): Indirect costs (F&A) are the real costs incurred by the University in support of all its programs. Utilities, general administrative expenses, and depreciation of equipment and facilities are some examples of indirect costs. Indirect costs are applied to direct cost activities on a percentage basis. The Commonwealth of Virginia requires that F&A, or indirect costs, be recovered on all projects. However, on occasion indirect costs are not recovered. This can occur when (a) not all direct costs generate indirect cost recoveries, (b) full indirect costs rates are prohibited by the grantor, and (c) the University may elect to waive, or cost-share, a portion of the indirect costs in order to bring a project budget within funding constraints.

NO COST TIME EXTENSION: If the Project Director determines it is necessary to work on a project after the contract or grant termination date, but under the existing budget (no cost extension), a request should be made to the sponsor for a no-cost time extension *through the Office of Sponsored Programs and Grants Management*. In most cases, this request should be submitted 60 days prior to the termination of the grant or contract. In some cases, federal agencies allow the University to grant a one-time extension, but the Project Director must prepare and submit a formal justification for the extension to the Office of Sponsored Programs and Grants Management. The Project Director must not work beyond the termination date until the formal notification of a project extension is received by SPGM.

PRINCIPAL INVESTIGATOR OR PROJECT DIRECTOR: The Principal Investigator, or Project Director, exercises all the programmatic and technical decisions that affect the project. This individual is responsible and accountable to the sponsor and the University for proper conduct of the project effort.

STATEMENT OF WORK: A statement of work (SOW) or scope of work clearly defines the work to be performed and completed, by the University or subrecipient, on a sponsored project. Changes in the statement of work on a sponsored project require University endorsement and prior approval from most sponsors.

SUBAGREEMENT OR SUBCONTRACT: The term subcontractor or subrecipient refers to an individual or organization hired by the University to complete a portion of a sponsored program because the necessary equipment or expertise is not available within the University community. Funding for the subcontractor or subrecipient is provided by and must be approved by the sponsor. A document, either a subcontract or subgrant, is written (and signed by both parties) under the authority of and consistent with the terms of a prime award and transfers a portion of the project to another entity. Sponsor prior approval is required for issuing a subagreement or subcontract unless it was proposed in the original proposal and approved as part of the award.