

Missouri Western State University

Grants and Sponsored Programs

Appendices

Approved: 09/04/2009

The following policies provide the framework with which extramural funds are sought and managed on the Western campus. Federal regulations stipulate that institutions applying for Federal funds certify that certain conditions and policies are in place. The policies herein serve as these assurances required by governmental funding agencies. Faculty and staff must comply with these policies. Failure to do so would place present and future Federal funding at risk for the University.

The Pre-Award Endorsement Process

It is the institutional policy that all grants and contract proposals, including pre-proposals, letters of intent, and awards on which Western will be subcontractor, must be routed through the Office of Grants and Sponsored Programs (OGSP) and ultimately approved by the appropriate vice president prior to submission.

Completion of the Pre-Proposal Summary form is required before the principal investigator or project director (PI/PD) can begin the work of generating a full proposal or letter of intent (LOI). The pre-proposal form is designed to identify any administrative issues or concerns before the PI/PD completes a full proposal. The process also informs the OGSP of all grant writing activities and can prevent multiple investigators from developing proposals for the same funding opportunity. The pre-proposal form is available at the OGSP website (<http://www.MWSU.edu/grants/forms/formlist.htm>) and can be completed on-line.

Every full proposal submitted for external funding to any agency or organization whether public, private, or otherwise, must receive administrative approval by the respective vice president before it is submitted. The OGSP is responsible for coordinating administrative approval of the proposal by the appropriate academic and financial offices at Western. The proposal and the endorsement form should be submitted to the grants director at least one week before the proposal is due to be sent to the funding agency.

Budget Planning Guidelines

Calculation of Salary and Fringe Benefits

The salary budgeted for project staff is a combination of the percent of their base salary plus the amount necessary to cover fringe benefits. The base salary is the individual's institutionally approved yearly salary. The portion of this base amount that is indicated on the grant budget is that which is representative of their project contribution. Since the fringe rate is variable depending upon level of pay, always contact the Grants Director for the appropriate fringe rate before completing the personnel section of the proposal budget.

Summer Pay

Most granting agencies will allow an investigator to supplement his/her pay if the investigator is employed on less than a 12-month contract. It is Western's policy that faculty are employed on a 9-month contract and are not teaching summer school, you will be eligible to receive up to 2/9s of your 9-month salary as additional summer compensation. The fringe amount necessary for summer pay may be significantly different from the amount budgeted for the regular 9-month contract period, so always contact the Grants Director for the appropriate fringe rate before completing the personnel section of the proposal budget. Please note that the allowable amount of summer project pay is pro-rated according to an individual's summer teaching load. The more you teach the less summer pay you can receive through a summer project.

Reassigned Time

Faculty and staff reassigned time, externally funded through sponsored projects, is available only through mutual agreement with the appropriate department chair, dean, and vice president. Project funds must be used to cover the staffing costs associated with reassigned time such as adjunct faculty. A formal request for reassigned time (approved via the pre-proposal summary form) must be completed and submitted to the appropriate chairperson and dean before adding it to your budget.

Indirect or "Facilities & Administrative" (F&A) Costs

While the amount of money required to complete the project is referred to as direct costs, the overhead expenditures incurred by Western are referred to as indirect costs. Indirect costs, what the OMB refers to as Facilities and Administrative costs, are added to the total budget amount in order to compensate the institution for general operating expenditures (i.e., accounting, facility maintenance, and administrative services). This rate is approved by the Department of Health and Human Services, and cannot be negotiated by the PI/PD.

Western currently utilizes the simplified procedure for small institutions, which looks at the ratio of total salaries and wages paid to all employees to the amount of facilities and administrative costs that are categorized as follows: general administration and general expenses, operation and maintenance of physical plant, library, and department administration expenses. Institutions that have total direct costs of sponsored program work that does not exceed \$10 million in a single

fiscal year may use this simplified method . Therefore, the indirect fees added to outgoing proposals should be calculated as a percent of base salaries and wages. The fringe benefit amount is not to be included in your calculation of indirect fees. Contact the Grants Director for the current rate.

Most federal and state granting agencies permit inclusion of indirect expenses in the budget, while private foundations often do not. Whether or not your prospective funding agent permits this allowance is usually outlined within the agency funding policies available via the agency website.

It is the policy of Missouri Western State University to recover all allowable indirect costs for sponsored programs. All federal agencies are obligated by law to recognize institutions full- audited rates. In some situations, however, the agency may recognize the full rate but allow only partial recovery. If the indirect costs are not recovered, they are contributed as formal or informal cost sharing, whether cost sharing is required by the program or not.

Reporting Requirements

Complete and accurate reporting of grant-funded project outcomes is an important professional and institutional responsibility assumed by anyone who receives grant support. The PI/PD is responsible for completing grant reports as required by the funding agency. The utility of the information and the timeliness of the reports back to the funding agency reflect on our institution as a whole, so care must be taken to ensure that all reporting is of the highest quality.

Copies of all project reports will be maintained in the OGSP. This provides the grants director the information he/she needs to inform interested faculty, staff, or community members as to the important contributions that the PI/PD and project staff are making with their research or outreach activities.

Accounting Services must also have a copy of any performance reports and the final report, if one is required. This copy completes the project file to the satisfaction of external auditors. If your grant is ever audited, Accounting Services will provide the auditor with the requested documentation of your project's expenditures.

Grant Negotiation

While the official notification of an award being made might be a letter provided to the PI/PD or to the appropriate vice president, this action might be preceded by a negotiating call from the grants office of the funding agency. The purpose of this call will be to discuss budget items, modifications in the scope of work, and/or to discuss a lower award than was requested. The institutional indirect rate cannot be negotiated by the PI/PD.

When the PI/PD receives the negotiation call, they must contact the OGSP. The grants director will review, in consultation with the appropriate vice president, the negotiation elements with the PI/PD to determine 1) if the goals and objectives of the project can be met with the negotiated budget, and 2) if there is additional institutional impact or commitment being requested by the funding agency. The grants director will review with the PI/PD the required documentation to be sent back to the agency.

Once the review is completed, the PI/PD will complete the revised budget and any other documentation required by the funding agency. The revised documents will then be reviewed by the OGSP, endorsed by the appropriate vice president, and will then be forwarded to the funding agency.

Notification of Grant Award

Once the PI/PD has been officially notified of a grant award, he/she must notify the OGSP immediately. No work on the grant can be done until an account number is assigned and obtained through Accounting Services.

The PI/PD should bring copies of grant award and all documentation to the Grants Director Among the activities to be completed might be :1) finalizing any negotiations with the funding agency, 2) obtaining signatures on the acceptance letter and returning it to the funding agent, and 3) providing copies of the acceptance letter and final proposal to Accounting Services. Once the PI/PD, department chair, and dean have been notified that the award acceptance process has been completed then the account number will be assigned and project activities may begin.

Post-Award Expenditures and Accounting

All billings and financial reporting will be handled through Accounting Services. As a result, the PI/PD will not be handling the funds. These funds will be automatically deposited into the assigned account number established for the particular grant or contract. In the event that the PI/PD should be the receiver of an award check from the funding agency it is their responsibility to get the check to Accounting Services as quickly and safely as possible.

The PI/PD may purchase the supplies specified in the project budget through personal methods of payment or with a Western procurement card. If purchasing supplies with personal funds, the PI/PD must submit an itemized receipt with a completed remittance form. If the grant has an operating budget for non-travel expenditures of at least \$2,000 the PI/PD

may choose to obtain a procurement card. Two signatures are required to authorize reimbursement or payment of a vendor invoice. The procurement card is administered through Accounting Services and the Procurement Card Policies and Procedures handbook provides guidance on appropriate use.

Accounting Services will need the PI/PD to provide them with detailed information for financial reporting purposes. It is the responsibility of the PI/PD to maintain good record keeping. If the accounting duties for the project are substantial and the funding agency has provided for clerical support, a grant accountant is employed to manage the fiscal responsibilities of the grant. In this instance, it is the responsibility of the grant accountant to handle all billings, financial reporting, and reconciliation. For the PI/PD without project funded clerical staff, the secretary in their department is essential to the efficient administration of the project budget. Departmental administrative assistants are often familiar with the forms and processes involved in spending funds. This departmental contribution of administrative clerical staff time is part of the institutional support that is implied by Western's acceptance of a grant or contract.

The same policies and procedures that apply to spending institutional monies apply to grant monies (e.g., state travel regulation, purchasing requirements, salary increase limitations, etc.) If your grant allows for reimbursement of travel expenditures all applicable State and University travel regulations must be followed. All travel documents (i.e., itemized receipts for meals, lodging, or airfare) must be submitted with a remittance form or procurement log to Accounting Services for processing.

The PI/PD is responsible for the completion and submission of all paperwork related to project expenditures. If the PI/PD has obtained a procurement card from Accounting Services, then they are responsible for completion of the monthly transaction log. If the PI/PD is using personal forms of payment for project equipment, then they must submit a remittance form and itemized receipts to Accounting Services for reimbursement. The OGSP and Accounting Services will maintain all of this documentation for adult purposes.

Modification of Grant

Sometimes necessary to modify a grant in regard to either the proposed activities or adjustments to the budget. While each agency has its own rules regarding flexibility within the four main budgetary categories (personnel, operating expenses, capital expenditures, and indirect costs), modifications or amendments to a previously approved proposal often require the authorization of the funding agency and a designated University representative. It is the responsibility of the PI/PD to ascribe to the requirements of the funding agency when making modifications. In this regard, the guidelines of the funding agency may supersede Western policy. While some budget changes may not require prior approval, it is necessary to formally notify the funding agency before making changes in key personnel or scope of work. The Grants Director will advise the PI/PD on the steps to be taken when a revision in your financial plan becomes necessary.

The PI/PD must bring to the attention of their department, their dean, and/or the OGSP any circumstances that may delay satisfactory and timely completion of the project. Depending upon the funding agency, it may be necessary for the PI/PD to apply for a "no cost" extension in order to complete program activities.

Chose Out of Grant

The responsibility of grant administration does not end for the PI/PD when the project activities have ceased. All grants will require some type of report to the funding agency at the end of the grant period. While the Federal government usually requires final reports within 90 days of the end of the funding period, the PI/PD should read the award notification carefully so that all reporting expectations of the funding agency can be fulfilled in a timely manner. The final report usually provides a summary of project accomplishments. This document should provide research findings, intervention outcomes, and/or the evaluation of project implementation. In addition to providing the components that were explicitly outlined in the funded proposal (i.e., analytic and evaluation plans) the final report should also highlight any unexpected findings or unusual occurrences that impacted the project or hindered progress. It should be noted in this section if the project provided for academic presentations, journal publications, the leveraging of further funding, or supported student activities. Final reporting must be completed in accordance with the guidelines of the funding agency.

All expenses for your grant account must be incurred by the grant ending date. Expenditures incurred outside of the stated award period will not be reimbursed. It is the responsibility of the PI/PD to be aware of the grant start and end dates such that no expenses are recorded after the grant ending date. The PI/PD must work with Accounting Services to spend out or encumber funds before the end of the funding period. While all items ordered must be received by the grant closing date, actual payments for the goods or services may not be made until a later date.

Once the grant has been closed out and all reports sent to the funding agency, records must be kept from three to five years, depending on the funding agency. This means that these records must be available to the funding agency if that agency decides to audit the grant. Project records will be archived by the PI/PD, Accounting Services, and the OGSP. While the PI/PD and Accounting Services will maintain records for the amount of time required by the funding agency, the OGSP will archive electronic copies of all proposals and reports indefinitely.