

MIDDLE TENNESSEE STATE UNIVERSITY  
POLICIES AND PROCEDURE MANUAL

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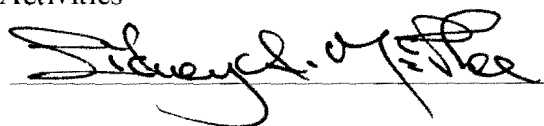
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SUPERSEDES POLICY NO.: I:01:12

DATED: July 1, 2009

SUBJECT: Outside Sponsorship of Scholarly Activities

APPROVED: Sidney A. McPhee, President



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**I. Statement of Purpose**

Middle Tennessee State University recruits internationally for talented and dedicated faculty members committed to teaching, research and scholarship, and professional service. Several endowed chairs provide special opportunities for bringing faculty of exceptional stature to the campus. An increasing emphasis on scholarly activities reflects a commitment to research and public service intended to expand the body of knowledge and to apply that knowledge to enhance the quality of life.

Middle Tennessee State University encourages faculty and administrative staff to pursue extramural funding for their research, training, and service projects through contracts and grants for those scholarly activities.

**II. Definitions<sup>1</sup>**

A. A-21 Cost Principles for Educational Institutions - Outlines the principles for determining costs applicable to federal grants, contracts, and other federal agreements (also known as “sponsored projects”) with educational institutions.

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<sup>1</sup> Elliott C. Kulakowski and Lynne U. Chronister, eds. *Research Administration and Management*. (Boston: Jones and Bartlett Publishers, 2006) pp 884-891

- B. A-110 Grants and Agreements with Institutions of Higher Education – Defines uniform administrative requirements for federal grants and agreements with institutions of higher education, hospitals, and other nonprofit organizations.
- C. Authorized Signature – Signature of person legally responsible for making agreements on behalf of an organization; signature must appear on an application before it can be officially considered; implies that if an award is accepted, the responsibility for its administration is assured.
- D. Contract – Legal document specifying type, scope, budget, and time period of work; typically resulting in a tangible product (deliverables).
- E. Cooperative Agreement – An award similar to a grant, but in which the sponsor’s staff may be actively involved in proposal preparation and have substantial involvement in research activities once the award has been made.
- F. Cost Sharing – Financial contribution by the grantee or a third party to project; typically less than one-third of the total cost; more common in research grants; a form of matching.
- G. Direct Costs – Costs directly associated with the conduct of the sponsored project, including but not limited to salaries, fringe benefits, consultants, travel, equipment, supplies, patient care costs, and other project-specific costs.
- H. Facility and Administration (F&A) Costs – Also known as Indirect Costs, overhead expenses indirectly associated with the sponsored project. Included are administrative expenses, utilities, physical plant maintenance, library facilities, etc.
- I. Fellowship – Award made directly to an individual in support of specific educational pursuits; recipients may be subject to service and/or payback requirements after the fellowship terminates.
- J. Fixed-Price (FP) Type Contract/Grant – Contract/grant for which one party pays the other a predetermined price, regardless of actual costs, for services rendered; often a fee-for-service agreement.
- K. Grant – Award of financial or other assistance that does not hold the grantee to a rigid work plan; more flexible than a contract; grantee or the public are typical beneficiaries.
- L. In-Kind Contribution – Service or item donated in lieu of dollars to the operation of a funded project; usually given by the grantee or a third party (e.g., donated equipment, speaker’s time); if required should be referenced in budget as direct project cost, but as in-kind; must be auditable with letter of agreement as minimum of paper trail.

- M. Matching Funds – Financial contribution by the grantee; common to capital and/or equipment grants when grantee and/or grantee’s clients are the primary beneficiary; typically one-third or greater; a form of cost sharing.
- N. MOA (Memoranda of Agreement)/MOU (Memoranda of Understanding) – Used by two or more parties to agree to general, but sometimes specific, activities, collaborations, and partnerships. The memoranda set the terms of the parties’ relationship, but generally do not include the provision of funding to be handled by a grant or contract arrangement or other procurement. MOUs and MOAs are usually more general in nature than a grant or contract.
- O. Notice of Grant Award – The legally binding document that notifies the grantee and others that an award has been made, contains or references all terms and conditions of the award, and documents the obligation of federal funds. The notice of grant award may be issued in letter or electronic format.
- P. Principal Investigator/Project Director – Individual responsible for the conduct of research or other activity as designated in a proposal, usually for a single project.
- Q. Prior Approval – Written documentation of permission to alter any aspect of a funded project; includes programmatic and financial changes; may be obtained within the grantee organization or from grantor depending upon the case in point and grantor policy.
- R. Sponsored Research – Research funded by an outside agency, either through a grant, contract, or other transaction.
- S. Stipend – Payment made to an individual under a fellowship or training grant in accordance with pre-established support for the individual’s living expenses during the period of training.
- T. Subcontract/Award/Grant/Recipient – Agreement or secondary contract in which a third party agrees to perform some of the activities defined in a primary proposal; terms are agreed to at the time of submission, but are not consummated until after the award has been made to the submitting organization.

### **III. Office of Research Services**

The Office of Research Services (ORS) is the coordinating office for the development and submission of proposals and the administration of the grant once an award has been made. The project director/ proposal writer should be in contact with ORS during all phases of proposal development and grant administration. The Director of ORS shall have signature authority for submission of proposals.

#### **IV. Pre-Award Services**

##### **A. Proposal Development**

The preparation of proposals is the responsibility of the faculty or administrative staff member who will be in charge of the grant or contract. This person is usually referred to as the Principal Investigator (PI). Forms supplied by the granting agency should be filled out meticulously according to instructions. ORS staff members are available to assist in any aspect of the proposal development process.

##### **B. Budget Development**

Faculty or administrative staff member should review application guidelines carefully and consult with ORS personnel to assure that all allowable costs have been budgeted. The ORS will provide information on rates for benefits and facilities and administrative costs.

##### **C. Cost Sharing**

Faculty or administrative staff should request all costs from the sponsoring agency. However, some programs will require cost sharing or cash match. There are two types of match -- in-kind and cash. In-kind match covers those items that are available for the project, such as equipment or space. It can also include reassigned time or a percentage of a participating employee's time. Cash match calls for actual funds from the University to be directed toward the project. The ORS has matching funds and should be regularly consulted during the preparation stages of the proposal to ensure that allocations from the matching fund can be reserved, as needed, for the proposal. The proposal preparation process, in cases requiring match, should appropriately reflect the amount requested and a budget guiding the use of those funds.

##### **D. Proposal Submission**

Once a proposal and budget are completed, the faculty or staff member must fill out the Approval Form and obtain the indicated signatures. The completed proposal and Approval Form are then sent to the ORS for review and final signature. All proposals must be submitted to ORS at least five (5) working days before the deadline date in order to guarantee timely submission.

##### **E. Electronic Submission (Grants.gov)**

Congress has mandated that all federal proposals be submitted electronically. The various federal agencies are in the process of moving to electronic submission through grants.gov. Grants.gov requires that the federal forms be completed on line, and that narratives, letters, etc. be uploaded. Please contact

ORS at least 5 days before the deadline for assistance in completing forms and uploading files. Once all files are uploaded and all forms are complete, the Director of ORS will “sign” the proposal by submitting the proposal electronically.

## **V. Facilities and Administrative Costs**

### **A. Definition**

Facilities and Administrative (F&A) costs are those that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs involve resources used mutually by different individuals and groups, making it difficult to assess precisely which users should pay what share. These costs include a share of the cost of items such as operation and maintenance, library operation, depreciation or use allowance, sponsored projects administration, and departmental administration. F&A rates are expressed as a percentage of modified total direct costs including salaries and wages.

### **B. Negotiated Rate**

Middle Tennessee State has negotiated an F&A cost rate for research projects with the Department of Health and Human Services. Contact the ORS for the current rate.

### **C. Training Rate**

In some instances a federal agency, such as the Department of Education, will establish a rate for training or instruction. This rate is usually 8% of total direct costs. The Project Director should check application guidelines carefully to see what F&A rate can be used. If there are any questions, the Project Director should contact the ORS.

### **D. State Funded Projects and Contracts**

F&A costs for state-funded projects and contracts should be charged at a rate of 15% of total direct costs including equipment purchases.

### **E. Distribution of F&A Cost Funds**

Priority will be given to meeting the needs for equipment, facilities, and administrative costs in academic areas where costs are greatest and where their use would build essential infrastructure and maximize opportunities for additional extramural funding and increased F&A rates. In addition to rewarding and providing incentives to units and individuals for research, funds

should provide seed funding for increasing successful grant writing, for research support and for developing junior faculty to become competitive for extramural funding. These funds should therefore be strategically allocated to maximize this long-term potential. The Vice Provost for Research, in consultation with the Provost, is responsible for the overall F&A allocation distribution plan among the various units.

## **VI. Grant Administration (Post Award Services)**

With the exception of certain fellowships, all grants and contracts are awarded to Middle Tennessee State University. The President or his designee is the only official that may obligate the University. The Senior Vice President shall have signature authority for grant awards requiring an acceptance signature and for contracts.

### **A. Negotiation**

Negotiation of a grant or contract must be done through the ORS. If telephone negotiations are involved, the Project Director should make arrangements for the call to come to the ORS. A speaker phone is available in the office so that both the Project Director and the Director of ORS can participate in the negotiations. Revised budgets and work statements that result from the negotiations must be submitted through the review process and signed by the appropriate University official.

Once a grant or contract has been awarded, the Project Director must complete the document approval form and obtain the Department Chair's and Dean's signature. The award documents or contracts, with the Document Approval Form, are then sent to the ORS for review and other signatures.

No charges may be made against any established account prior to the sponsored project effective date, unless authorized by the sponsor in writing. Likewise, no charges can be made against an account after the final date of performance of the project.

### **B. Account Number**

All grants and contracts will be assigned a restricted index number which will be used on all transactions. Once an award is made, the Project Director will forward all documents to the ORS. The post award office assigns the index number and submits the number and the detailed budget to the Business Office through Banner. The Business Office establishes the account number in Banner. The post award office sends the index number and accounting information to the Project Director. An account number will not be established until the project has received the approval of the IRB and/or IACUC if human subjects or animal use are involved.

C. Administration of Project

As the account holder, the Project Director is responsible for project administration. The project director's signature must appear on all transactions related to the project. The project director must abide by all federal rules, Tennessee law, and University policies in regard to hiring of personnel, travel, equipment purchases, and operations. Monthly expenditure reports will be available to the Project Director on the Web. The Project Director should reconcile his/her records with the expenditures report.

D. Budget Revisions

The Project Director must follow grant guidelines in determining allowability of budget revisions. Budget revisions requests must be reviewed by the ORS before being sent to the agency. Once the revision has been approved by the agency, a copy of the approved revised budget must be sent to the ORS. Budget revisions should be completed no later than 45 days before the end of the grant period.

E. Termination of Project (Close-out of Grants)

The Project Director is responsible for all interim and final technical reports. The Business Office is responsible for financial reports. The Project Director should read the grant award carefully to determine what types of reports are required and when they are due. The ORS will assist in the coordination of the final technical and final financial reports.

**VII. Fixed Price Contracts**

Most grants and contracts awarded to Middle Tennessee State University will be cost reimbursable, whereby the University is reimbursed for actual costs. Occasionally, a contract can be a fixed-price contract wherein the contract agency pays the contract amount. If there are funds remaining after all direct and F&A costs specified in the contract have been paid, the Business Office will review other grant accounts assigned to the PI and cover any cost overruns. The Business Office will charge any F&A costs that have been waived, up to the MTSU negotiated rate, to the account. The remaining funds will be transferred to the PI's indirect cost account.

**VIII. University Policies Applicable**

I:01:24	Protection of Human Subjects
II:01:02	Extra Compensation
II:01:08	Patents and Copyrights
II:01:10	Allegations of Fraudulent Scholarly Activities
II:01:11	Animal Care and Use
IV:06:03	Grants, Contracts and Other Agreements

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