



**GREENVILLE
HEALTH SYSTEM**

Sponsored Programs Handbook

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I. INTRODUCTION TO OSP

Greenville Health System (GHS) is growing its research enterprise and, through its Health Sciences Center, is committed to a mission to improve the well-being of our communities through collaborative education, inquiry, and innovation. GHS sponsored research activity increased from \$700,000 in 2010 to over \$4.1 million in 2017 in federal funding expenditures alone. Partnering with Clemson University, University of South Carolina and Furman University guarantees that this activity will continue to grow at an exponential pace. Success will depend on an appropriate infrastructure to support this caliber of activity.

The GHS Office of Sponsored Programs (OSP) was established in December 2013 to provide the critical infrastructure support. Its primary responsibility is to ensure accountability in the application for and management of sponsored funding. The OSP is also dedicated to enhancing and facilitating the ability of faculty and staff to seek out and secure external funding for scholarly activities, education, training, research, programs, and civic engagement. The OSP supports faculty and staff in their efforts to manage external award funds efficiently with the purpose of ensuring all sponsor commitments and expectations are fulfilled. The OSP exercises best practices in establishing appropriate internal controls that will ensure compliance with federal, state, and agency regulations, organizational policies, and sponsor commitments. The OSP mitigates the risk of audit findings that can require a return of funding, result in a designation as a "high-risk" institution, and incur general damage

to its reputation, both publicly and within the funding community.

To accomplish its mission, OSP serves as the single point of contact for faculty, staff, sponsors, and other stakeholders for sponsored programs. By managing proposal submissions, award negotiation, and award management in one business office, OSP maintains complete and accurate information on sponsored programs activity; develops, communicates and enforces standard policies and procedures; and provides grants management expertise and excellent customer service.

The goal of this handbook is to provide faculty and staff information and guidance concerning external funding. Developing a concept into a fundable package, identifying funding sources, facilitating collaborations, creating comprehensive budgets, leading faculty through compliance issues, and helping faculty administer their award are just some of the tasks OSP performs. Federal regulations are constantly changing, thereby requiring funding seekers to evolve and expand their knowledge in order to prepare strong, compliant applications.

This manual is a dynamic document and will undergo the necessary revisions as required by these frequent updates in the funding arena. This handbook is a comprehensive and practical tool for GHS faculty and staff in terms of obtaining external funding and managing active awards. The OSP is available to answer any questions not addressed in this handbook.

A. STAFF CONTACTS

Feel free to contact our office with any questions or issues regarding grant support at GHS.

Office of Sponsored Programs

Clemson University Nursing Building

605 Grove Road

Greenville, South Carolina 29605

Email: ResearchGrants@GHS.org

Fax: (864) 455-1125



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Post-Award Grant Coordinator

(864) 455-1124 / PZapata@GHS.org

II. OSP KEY FUNCTIONS

A. OFFICE OF RECORD

GHS needs to possess accurate, easily accessible, complete sponsored program records. The OSP maintains a copy of the notification of intent to submit form, proposal processing form with approval signatures, proposal, award notification, contract, revisions, amendments, invoices, and reports. Only by housing all documents in a centralized repository can a complete record for each sponsored program be compiled and efficiently accessed when required as for internal or external audit proceedings or upon request by a sponsor.

B. REPORTING ENTITY

To report accurate statistics on sponsored program activity and funding inventory, OSP serves as the central clearinghouse for sponsored programs. Reporting metrics may include total number of proposals submitted, total dollars requested, number of awards, value of awards, number and value of subawards, and expenditures. Reporting data may be provided for use by parties such as the Scientific Advisory Committee, GHS units, GHS Health Sciences Center partners, the Chief Science Officer, GHS Leadership, and the Joint Board Liaison Committee. Other entities that may require reports from OSP include prime sponsors and pass-through sponsors who are monitoring GHS as a subrecipient, internal and external auditors, and governmental agencies. Additional information will be made available for use in marketing efforts on behalf of the Research Division.

C. COMPLIANCE

Managing sponsored programs successfully requires consistent treatment per government regulations, GHS policies, and sponsor guidelines, terms, and conditions. This applies to all sponsored programs. Costs must be charged under three criteria: allowability, allocability, and reasonableness. Guidance on the formation and management of sponsored programs rests with the United States Office of Management and Budget (OMB) which defines numerous criteria concerning sponsored programs, including classifications, funding mechanisms, cost definitions, and audits. These requirements have been combined into one super-circular Uniform Guidance found in the code of federal regulations 2CFR200. The OSP reviews all proposals and monitors all awards for compliance in order to provide a system of internal controls to satisfy internal and external audit requirements.

D. ORGANIZATIONAL STRUCTURE

OSP is housed within the GHS Health Sciences Center and Division of Research and Scholarship and reports to the Chief Science Officer. OSP works closely with the Academic Vice-Chairs and research staff in the clinical departments.

E. CLEMSON UNIVERSITY

Under the terms of the GHS/Clemson University master agreement, Clemson University serves as the lead research partner of GHS. The Clemson University Office of Sponsored Programs and Grants and Contracts Administration provides management, oversight and staffing of the GHS OSP. This relationship provides GHS with research administration expertise and best practices and an economy of scale regarding research administration.

III. WHAT IS A SPONSORED PROGRAM?

A sponsored program is a project, normally in the form of a grant, contract or cooperative agreement, which is funded from external sources including federal, state and local governments or private corporations or foundations. The award of a contract or grant creates a binding, legal agreement to achieve a purpose or objective under specified conditions. The purpose of the award, the nature of the relationship established and the control exercised by the awarding agency often make a grant indistinguishable from a contract. However, unlike contracts, grants do not allow for profit or a fee in excess of actual costs. The projects are designated as restricted funds because separate accounts are mandated for each project. These separate accounts document the receipt and expenditure of such funds for the restricted purpose or project for which the sponsor intends.

A. CLASSIFICATION OF SPONSORED PROGRAMS

Research

Sponsored research means all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

Instruction

Instruction means the teaching and training activities of an institution. Except for research training as described above, sponsored instruction and training means specific instructional or training activity established by grant, contract, or cooperative agreement.

Other Sponsored Activities

Other sponsored activity refers to programs and projects financed by Federal and non-Federal agencies and organizations that involve the performance of work other than instruction and organized research. Examples of such programs and projects are health service projects and community service programs. However, when the institution undertakes any of these activities without outside support, they may be classified as other institutional activities.

B. SPONSORED PROGRAM FUNDING MECHANISMS

Grants, cooperative agreements, and contracts are all externally sponsored mechanisms of funding, yet each are unique in how they are negotiated prior to award and administered and carried out upon award. It is important that the Principal Investigator (PI) or Project Director (PD) notify OSP when they have received initial contact from a sponsor that an award has been recommended for funding so that negotiations can begin in a timely manner. OSP will assist the PI in ensuring that any changes to the project or budget are in keeping with GHS policy, and in compliance with federal and state rules and regulations.

Grants

Grants have fewer conditions than contracts or cooperative agreements. Sponsors award grants to support research described by PIs in proposals submitted often, but not always, in response to solicitations. The proposal describes what the PI hopes to accomplish (the “scope of work”) with the award and outlines a general course of inquiry. Within the scope specified in the formal grant agreement, the PI controls the direction of the inquiry process. Ordinarily, grants do not include commitments to provide specific deliverables other than periodic technical or progress reports. Not all grants are for research. Some provide support for other sponsored activities: a conference or symposium, editing a series of papers, maintaining a collection of scientific specimens, etc. Grants provide the greatest degree of freedom and flexibility in how a project’s activities are carried out as the sponsor issuing a grant typically does not have any direct involvement in the research or work to be performed. For this reason, grants are considered a form of financial assistance where the sponsor provides funding based on a previously approved proposal for research, instruction or other sponsored activity. Grants typically benefit a public good or purpose.

Cooperative Agreements

Cooperative Agreements are similar to grants in that they both typically represent a form of financial assistance from the sponsor to carry out a public purpose. However, under cooperative agreements, the sponsor expects to be substantially involved throughout entire research project or program.

Contracts

Contracts are very different than grants or cooperative agreements. Under a contract, the sponsor typically agrees to pay the contractor a fixed price for the delivery of goods or services of direct benefit to the sponsor. Clearly defined deliverables are specified and a delivery timetable is usually required. Payment may be based on reaching specific milestones. A contract proposal typically includes commitments to provide the sponsor with data, analysis, devices, or other specified deliverables. Because contracts may include restrictive terms (frequently specified in the Request for Proposals (RFP)) and because they require deliverables, PIs should alert OSP as soon as possible when contemplating the preparation of a contract proposal. Objections to terms must be identified at the proposal stage, and OSP will need time to prepare a letter that addresses exceptions to these terms well in advance of the submission.

C. GIFT VS. GRANT

Research is also supported by gifts (funds that donors give to GHS with few or no conditions). No single indicator, by itself, distinguishes a gift from a sponsored project (“grant” or “award”).

The following factors are normally indicative of a **gift**:

1. Use of the funds is directly related to the organization’s mission.
2. The donor receives no value, or only nominal value, in exchange for the support provided.
3. No detailed scope of work, budget, or period of performance is specified by the organization (the general area of work to be supported may be specified).
4. There is no line-item budget, nor any restriction on the use of funds (as long as the use is consistent with the donor’s original agreed-upon stipulations).
5. There is no requirement to return unexpended funds to the donor.

The following factors are normally indicative of a **sponsored project (grant)**:

- A line-item budget for the expenditure of funds for the project activity
- A detailed statement of the planned activity or scope of work
- A specified period of performance as a term and condition
- A commitment by GHS to provide deliverables (e.g., products, or periodic technical or progress reports)
- Fiscal accountability, such as submission of financial reports, audit provisions, sponsor prior approval of or control over expenditures, and/or an obligation to return unexpended funds
- Obligation to convey rights to tangible or intangible property resulting from the project (equipment, data, technical reports, copyrightable or patentable materials)

It is important to note that frequently organizations with a philanthropic mission such as a family foundation or charitable trust will support their mission through a grant mechanism that displays characteristics categorizing it as a sponsored award. The [Uniform Guidance](#) requires there be “consistency in the treatment of costs for the same purpose.” As such, grants that are generated from fundraising efforts are required to be managed as a sponsored award. Care will be taken to accurately and appropriately report on this activity as a measure towards both fundraising goals, as well as, sponsored project activity. An unrestricted gift that does not meet the criteria of a sponsored program will be managed through the GHS Office of Philanthropy and Partnership.

IV. BEGINNING THE GRANT PROPOSAL PROCESS

Please contact OSP as soon as you begin to consider submitting a grant proposal. Developing a successful application requires significant time and preparation. OSP is here to help ease the administrative burden and reduce errors that may potentially remove a proposal from consideration by a sponsor. Principal Investigators (PI) should complete the Notification of Intent to Submit form **at least 10 business days** before the sponsor deadline. This online form is located on the OSP website. Early notification is strongly recommended. Prior to submitting this form, the PI should reach out to the appropriate Academic Vice-Chair (AVC) to discuss the proposed project and potential ramifications for GHS. The Notification of Intent to Submit is sent to the AVC for review and approval to move forward. This allows the AVC to review the project for alignment with GHS' overall mission to transform healthcare and to approve any additional preliminary expectation for financial support or resources required by the project.

A. GENERAL GRANT INFORMATION

Budget Information

- F&A Rate: 56.4%
- F&A is calculated using the following equation:
 - Total Direct Cost – Equipment – Subcontracts/ Subawards
- Equipment is generally defined as a piece of tangible property valued over \$5,000 with a life expectancy of more than one year
- Fringe Benefits: 24.82%
- Travel (Mileage Reimbursement Rate): Refer to current IRS mileage rate.

Institutional Information

- Legal Name: Upstate Affiliate Organization d/b/a Greenville Health System
- Official Address: 300 East McBee Avenue, Suite 500
Greenville, SC 29601-2899
- Telephone: (864) 455-1121; Fax: (864) 455-1125
- Applicant Type: Nonprofit with 501(c)(3) IRS Status (Other than Institution of Higher Education)
- Congressional District: SC-004
- DUNS: 077990745
- EIN: 81-1723202 (Tax Status: Tax exempt 501(c)(3))

Official Contacts

Authorized Organizational Representative:

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Executive Vice President and Chief Academic Officer
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Administrative Contact (Contact for matters involving an application):

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V. PRE-PROPOSAL PROCESS

A. MEETING WITH OSP

OSP provides support to all members of the GHS Health Sciences Center community with the submission of grant proposals for external research and institutional activities and projects. Specifically, the OSP assists Investigators and Academic Vice-Chairs with proposal research, preparation and award administration.

Our goal is to deliver high-quality services in an efficient and professional manner. We seek ways to ensure accountability and adherence to the standards of external funding entities and state and federal guidelines, while building collaborative relationships within our organization and with our external research partners.

OSP staff is here to support investigators, from original concept to final submission.

B. WHERE TO START

1. TALKING THROUGH AND WRITING DOWN YOUR IDEA

The OSP staff can engage with investigators from the very beginning of the conceptual process, including providing help with getting your initial ideas on paper in the form of a White Paper or proposal outline.

Through the act of writing and sharing ideas with others, the author gains perspective and is required to clarify and organize thoughts to make them understandable and appealing. Good ideas sometimes can start out too broad and unfocused. As one writes and discusses, a new level of clarity to our thinking is added as we are forced to break down thoughts into digestible parts.

2. WHITE PAPER

A white paper is an authoritative report or guide that informs its readers in a concise manner about a complex issue or problem, and presents the writer's ideas/possible solutions to the problem. It is meant to help readers understand an issue, solve a problem, or make a decision, and is a good starting point to get your thoughts on paper.

C. BUILDING A TEAM

COLLABORATING WITH GHS COLLEAGUES

It is important to identify who needs to be on your team early in the process – whether it be within your own department or another department at GHS. By reaching out early to invite key players to the planning table, you will have support throughout the development of your project.

COLLABORATION WITH GHS ACADEMIC PARTNERS

The GHS Health Sciences Center is an alliance between one of the Southeast's largest healthcare systems (GHS) and three area academic institutions – Furman University (undergraduate education), Clemson University (research), and the University of South Carolina (graduate education). Each partner has an identified Research Director who serves to facilitate connections between faculty members.

Furman University serves as GHS's primary undergraduate partner. Furman develops programs for undergraduate college students who are interested in pursuing health careers. The students have access to GHS facilities and are offered an opportunity to learn firsthand about health care and career opportunities through a medical experience academy, internships and a student observation program. Initiatives include both clinical and non-clinical experiences.

Clemson University is the system's primary research collaborator. The partnership provides GHS and Clemson the opportunity to leverage resources and further research activities focused on advancing health care. Clemson's collaboration with GHS is truly unique. With programs in nursing, public health, bioengineering and industrial engineering collaborating on both research and education, Clemson's influence is significant. Faculty members from all of Clemson's colleges are connected to the effort, and that number is growing. Clemson brings a host of research capabilities to the table, while GHS offers students and researchers the clinical opportunities they need to put their ideas into action and ultimately secure jobs in health-related fields. As a result, both groups become more competitive for external funding for health-related research. One of the most notable aspects of Clemson's collaboration with GHS is the Embedded Scholars Program. In 2014, the first group of postdoctoral fellows began their work alongside GHS physicians and Clemson health research faculty. Working together, researchers and doctors can create a more effective and efficient plan for healthcare systems — processes that can save time, money, and most importantly, save lives.

The University of South Carolina School of Medicine Greenville (USCSOMG) is a four-year medical program developed as a partnership between the University of South Carolina (USC) and GHS. The medical school is located on the Greenville Memorial Medical Campus of GHS, and is backed by two decades of partnership with the USC, the state's largest public university. The vision of the USCSOMG is to educate and advance knowledge to transform healthcare for the benefit of the people in the diverse communities it serves. Being nested in a highly integrated health care delivery system, the USCSOMG envisions that its graduates will be equipped to address contemporary issues that challenge clinical care delivery. These issues include variation in quality, inadequate access, and uncontrolled cost, addressed through an educational program that emphasizes care of the total patient, founded on evidence-based comparative effectiveness and outcomes research as the basis for clinical decision making. The USCSOMG will embrace an integrated curriculum which stresses systems-based practice, population health concerns, and value-based care, and will strive to meet the workforce needs in the region.

COLLABORATING WITH ORGANIZATIONS OUTSIDE OF GHS HEALTH SCIENCES CENTER

Consider former classmates, colleagues, coworkers, or peer acquaintances who are interested in your research field(s). Utilizing resources from other organizations can provide great benefits to expanding your capabilities, ideas and approach to your research agenda.

D. REVIEWING CURRENT LITERATURE

1. **GHS Health Sciences Library** (864-455-7176; Fax: 864-455-5696; Library@GHS.org)

The library is located on the first floor level of Greenville Memorial Hospital.

Hours of operation are Monday-Thursday (8am-6pm) and Friday (8am-5pm).

Answers to Factual Questions – Library staff are available to assist with literature searches and answer reference queries on a variety of subjects utilizing library sources.

Audiovisual Equipment – For viewing audiovisuals in the library, two CD, DVD, and VHS videocassette players are available. Audio-visual equipment does not circulate. For check-out of AV equipment, call the audio-visual department at (864) 455-7983.

Document Delivery – Books, copies of journal articles, and audio-visuals can be borrowed from other libraries. The cost, determined by the lending library, is \$5 to \$15 and is passed on to the patron.

Fax – We encourage physicians requesting copies of articles to email or fax their list to the library. If articles needed for emergency patient care decisions are not available in the library, they can be sent usually within the same day.

Instruction/Orientation – Upon request, the library staff will provide tours of the library as well as instructions to groups or individuals on the most effective use of library resources. Classes are scheduled periodically on Internet-related topics. Contact the library for a schedule of classes.

2. **Clemson University Library Services**: The Clemson University Libraries website is available to GHS staff and faculty and is a valuable resource that provides tips on how to conduct proper literature reviews.
3. **Google Scholar** provides access to scientific articles and books. It is useful when full text articles are not available and some resources are posted on the web by the authors' themselves, not publishers. Access Google Scholar from the "More" link on the Google search menu and selecting "Scholar".
4. **PubMed Central/National Center for Biotechnology Information** comprises more than 24 million citations for biomedical literature from MEDLINE, life science journals, and online books. Citations may include links to full-text content from PubMed Central and publisher web sites.

E. HOW TO FIND FUNDING OPPORTUNITIES

If you would like assistance with funding searches, please contact the OSP staff. We are available to meet with you to discuss your ideas and projects to gain better understanding of your research goals. This will give us the ability to assist you with funding searches through our expanded database resources, such as InfoEd and the Foundation Directory Online.

USING KEY WORDS

It is important to identify and provide key words related to your research interests in order to aid OSP staff in accurately directing appropriate funding opportunities and matching collaborative partners within the GHS Health Sciences Center community. OSP receives regular notices of funding opportunities in our office which we will match against the key words you provide. Staff will notify you of any possible opportunities that may be a good fit for your research or programmatic needs.

SEARCHING FOR OPPORTUNITIES

- **Professional Organizations or Associations:** To which ones do you belong? Often, organizations (such as American Board of Internal Medicine or American Academy of Pediatrics) will issue funding opportunities throughout the year. Check their webpages periodically and be sure to sign up for their mailing lists to be notified of any updates on grant opportunities.
- **GHS Research Update:** The Division of Research & Scholarship issues a Research Update that includes useful information such as funding opportunities or upcoming grant training courses. Please let your Grant Coordinator know if you would like to begin receiving these updates.
- **Research Roar** – Similar to the GHS Research Update, the Clemson University Office of Sponsored Programs issues a monthly e-blast that highlights upcoming events, funding opportunities, and other important information. Interested individuals may join the list by visiting this [link](#) or contacting the Clemson University Office of Sponsored Programs.
- **Other Institutions:** Are there other organizations and institutions currently working on your research topics or running similar programs? If so, investigate which sponsors have funded their work.
- **Sponsor Websites:** If there is a particular sponsor you think may be a good fit, search their website for current and/or previously funded projects. Abstracts are frequently available for review and give you an indication of projects types they tend to fund.

To conduct independent funding searches online, you may consider the following resources:

Grants.gov is the main source to find and apply for federal government grants.

The **Catalog of Federal Domestic Assistance** is compiled and maintained by the General Services Administration (GSA), profiles all Federal grant programs and lists specific contacts for obtaining additional information and application forms. It also includes a helpful section on writing grant applications.

Federal Business Opportunities is a popular source of active federal opportunities, including funding announcements and amendments to existing RFAs.

VI. PROPOSAL DEVELOPMENT: HOW MAY WE HELP YOU?

A. GRANT WRITING

GHS faculty and staff may have access to Grant Writing support through outside partners. Please contact OSP if you are interested in these services.

B. GRANT COORDINATION

Each PI will work closely with the Pre-Award Grant Coordinator throughout the proposal development process. This relationship will allow the PI to focus on the project and research at-hand.

The Pre-Award Grant Coordinator provides the following services:

- Supports PI during the proposal development and submission process so PI can focus on project/research
- Obtains approvals from PI/Co-PIs, Academic Vice Chairs/Department Heads, CSO
- Sets project timelines to ensure timely submission of letters of intent and full proposals
- Reviews guidelines and provide PI with checklists for required items and direction on budget limitations
- Provides templates, examples, and sample language for required documents
- Determines applicable indirect cost rate and obtains F&A policy from sponsor if full indirect costs are not allowed
- Builds/reviews budget, including verifying salaries, fringe benefits, accurate calculations, all included costs, removes unallowable costs, ensures cost share is accurate and approved and that supporting documents are collected, such as letters from consultants, quotes for equipment, letter for match/in kind, cost share form
- Builds/reviews budget justifications to ensure match with and clear expression of requested cost items, and ensures that it meets sponsor guidelines specified format
- Collects supporting documentation and attachments, such as MOUs, equipment quotes, W-9 and IRS letter, audit reports, letters of support, and administrative letters for match/in-kind cost sharing
- Connects PI with sponsor and reaches out to program officers as needed for clarification and guidance
- Supports PI by providing guidance on formatting and content, answering questions, connecting with resources, compiling/revising biographical sketches, organizational information, certifications and assurances, facilities and equipment documents, etc.
- Ensures PI completion of Conflict of Interest training and disclosure documents
- Ensures Organizational Representative, Financial Contact and Administrative Contact information is correct
- For all projects that include collaborative partners, creates/secures the partner's scope of work, budget, budget narrative, and letter of intent to establish a consortium and/or letter or support indicating approval of collaboration
- Reviews full proposal for compliance with guidelines, GHS policies, and local/state/federal laws
- Submits PPF/proposal for review and signature by the PI, AVC or department head, and CSO
- Facilitates submission of proposal to sponsor

C. REVIEWING THE GUIDELINES

Sponsors often use different terminology interchangeably for their guidelines, such as:

- Request for Proposals (RFPs) – Announcements that indicate the availability of funds for a research area of specific interest to a sponsor.
- Request for Applications (RFAs) – Announcements that specify a topic of research, methods to be used, product to be delivered and appropriate applicants sought.
- Program Announcement (PA) – A formal statement from NIH about a new or ongoing extramural activity or program.
 - PAR – PA with special receipt, referral, and/or review considerations
 - PAS – PA with set-aside funds
- Notice of Funding Opportunity (NOFO)
- Funding Opportunity Announcement (FOA)

Before committing to a particular funding opportunity, it is important to read the grant guidelines closely to ensure it is a proper fit. When reviewing the guidelines, make note of the following:

- *Is the PI eligible to submit an application?*
 - Does the sponsor require that the PI be a MD, RN, etc.? Be sure to confirm that as PI, you hold the proper credentials and/or experience required by the sponsor.
- *Is GHS eligible to submit an application?*
 - Sponsors will indicate which types of institutions are eligible. In general, GHS is eligible to apply for grants that accept applications from non-profit organizations with 501(c)(3) status. Contact your Grant Coordinator if you are unsure of GHS's eligibility for a particular grant.
- *When is the deadline?*
 - Do you have sufficient time to craft a well thought-out proposal? If not, find out if the opportunity is offered in future funding cycles, giving you plenty of time to develop a strong application next time.
- *Is there a Letter of Intent (LOI) required?*
 - Some sponsors do not require nor accept LOIs.
 - Sponsors will occasionally request them for informational purposes only in order to gauge interest. This information helps them plan their review panels and ensure they have sufficient proper subject matter experts (SMEs) available for the full applications.
 - Sponsors often require LOIs and only invite a limited number of applicants to submit a full application. This is a good thing for two reasons: First, you are able to submit your idea without initially investing significant time in a full application, which helps you work through the overall framework and design. Second, you may receive feedback (positive or negative) that will frame your next steps – either re-working your project to fit their objectives more closely in the next funding cycle, or moving forward to submit a strong full application!
- *Is this feasible?*
 - Can the project be completed in the available timeframe, or will you need additional time?
- *Is the maximum award (often called the "award ceiling") sufficient to fund your project and scope of work?*
 - If your project costs exceed \$10,000 and the award maximum is \$5,000, don't rule it out. Consider limited your scope of work to decrease costs, such as focusing on a

- smaller pool of patient subjects.
- Be sure to consider if the sponsor allows indirect costs. These are often included in the overall funding amounts (leaving less room for your direct costs), but this is not always the case.
 - *Is this opportunity a good fit for your research project or program?*
 - Make sure your interest area fits in with the sponsor's focus area(s) and organizational mission.
 - If you are unsure if it is a good fit, you may consider speaking to the Program Officer (PO) to discuss your idea. The OSP Grant Coordinator can arrange a conference call or initiate email communication to clear up any concerns prior to developing the application.
 - *Is the opportunity a limited submission?*
 - Can GHS only submit one application, or does the sponsor allow multiple submissions? If it is a limited submission, contact the OSP to confirm if another PI has earmarked the funding opportunity for their project/department.
 - *Is there required cost-sharing?*
 - If so, from where will the match come and who will approve?
 - *What are the required components?*
 - You will certainly be required to include some type of narrative. But what about supporting documentation? OSP houses many useful documents frequently requested in applications (such as GHS's W-9, proof of tax-exempt status, etc.). You may, however, be required to provide your biosketch (updating as necessary) or additional information to the OSP to review prior to submission.
 - Does the application allow for or require Letters of Support, Memorandum of Understanding (MOU) or Letters of Commitment? If so, be sure to contact the individuals that you wish to write these letters as soon as possible. Letters should **always** be on letterhead, dated, and signed by the Authorized Organizational Representative (AOR) (with a pen – electronic signatures are highly discouraged).

D. WRITING THE NARRATIVE

A good proposal is well-organized, grammatically correct, and understandable. All grant applications vary, and it is *extremely important* to carefully read the specific instructions/requirements from each funder. Sponsor guidelines often provide specific instructions for the headings, length, and order of your proposal, including acceptable font, size, word count, etc. The following outline is a tool to organize your research ideas in proposal form in order to be more prepared when a funding opportunity arises.

Common Components of a Proposal Narrative

1. Executive Summary/Abstract
 - Describe the overall aim of your project.
 - How, what, how, how long, how much?
 - Often written after the proposal narrative is complete.
2. Identification of Need / Needs Statement
 - What is the problem?
 - How do you know this is a problem?

- How are you going to fix it?
 - Who will benefit from your research project or program?
3. Goals and Objectives
 - A goal is a broad statement of the result you will create. Use general or “lofty” language. Ideally – what will happen?
 - An objective is specific, measureable, attainable, and time bound.
 4. Project Plan
 - Specific activities to achieve the objectives. Make sure to connect your activities to the objectives you list!
 - Describe in detail what, how, how long, who, and how much?
 5. Evaluation
 - Establish your baseline data.
 - Identify measures that will determine the success of your project.
 - Match and evaluate each goal and objective as specified in your narrative.
 6. Sustainability and Dissemination
 - Will the project continue after the funding period? If so, how will it be funded?
 - What will be done with the information and results?
 7. Bibliography/Literature Cited

It is important to credit all sources from your proposal in a bibliography. Bibliographies communicate to the reader, in a standardized manner, the sources that you have cited in sufficient detail to be identified. Please check sponsor guidelines to see a specific style is required for bibliographies, ex. MLA, APA, etc.

E. WRITING THE SCOPE OF WORK (SOW)

A Scope of Work (also called Statement of Work) is a document that contains a description of any tasks to be performed and deliverables expected to be provided to the sponsor. It is often required for applications that involve subawards with other organizations or institutions – prime applicants will request that their partners submit an SOW as a written record and confirmation of their commitment and role on the project.

F. ATTACHMENTS AND SUPPORTING DOCUMENTATION

In addition to a narrative and budget, sponsors often require other supporting documentation for a complete application. The following are commonly requested documents:

- **BUDGET NARRATIVE**
 - Also referred to as the budget justification, this document explains how the budgeted costs were calculated as well as the need. Calculations should be included as necessary in order to allow reviewers to understand how to arrive at the bottom line numbers. (Example – 50 patients * 50 tests * \$150/test).
 - Describe the specific purpose of all direct costs. (Example – These tests are required to detect hCG levels in patient participants prior to participation in the program. Patients receiving a positive test will be eliminated from this study.)
- **LETTERS OF SUPPORT**
 - As referenced previously, PIs should consider if grants allow for or require Letters of Support, Memorandum of Understanding (MOU), or Letters of Commitment. If so, the individuals that will provide these letters should be contacted as soon as

possible. Letters should **always** be on letterhead, dated, signed by the Authorized Organizational Representative (AOR) (with a pen – electronic signatures are highly discouraged) and reference the project by title and dates. Should the sponsor only allow 2-3 letters (and there are 4+ collaborating institutions), letters should be obtained from the organizations that will provide the most influence over reviewers.

- **BIOGRAPHICAL SKETCHES**

- Biographical sketches are almost always required in grant applications. Sponsors will indicate if a particular format/template should be used, or if an updated CV will be acceptable.
- OSP encourages PIs to create an NIH biosketch as it is accepted (and sometimes required) by many sponsors. Contact the OSP for a current template.

- **INSTITUTIONAL DOCUMENTS**

- OSP is a resource for PIs to obtain sample language and numerous documents required by sponsors, such as:
 - Organizational History, Background, Mission and Vision
 - Facilities and Other Resources Document (Research Environment)
 - W-9
 - Tax-Exempt Status Letter (Proof of 501(c)(3) Status)
 - GHS Actual and Projected Budgets
 - External Audit Reports
 - Form-990
 - Secretary of State Registration
 - Board of Trustees Roster

G. CONFLICT OF INTEREST

The U.S. Public Health Service (PHS) amended its Financial Conflict of Interest (FCOI) Regulation effective August 24, 2012. Before a PI can submit a proposal to any PHS agency, all investigators must have completed the Conflict of Interest training and submitted a Conflict of Interest form. Any positive disclosures will be reviewed by the OSP and sent to the GHS Conflict of Interest Committee for management plan development. Training is available through CITI: www.citiprogram.org. You may log in through your existing account and complete this new module or you may register with CITI, affiliate yourself with GHS and then complete the module.

H. ERA COMMONS

The National Institutes of Health's (NIH) eRA Commons is an online interface where signing officials, principal investigators, trainees and post-docs at institutions/organizations can access and share administrative information relating to research grants. Please visit this [link](#) to request an NIH eRA Commons username. A PD/PI must be registered in the NIH eRA Commons with the role of PI in order to submit proposals to certain federal agencies. A PD/PI who is registered on the NIH eRA Commons will be able to check the status of his/her proposals by logging into the [Commons](#).

VII. DEVELOPING YOUR BUDGET

PIs must work with OSP when preparing budgets. A well thought-out and properly prepared budget is directly connected to the success of all sponsored programs.

A. COST CONSIDERATIONS

Careful consideration of the costs, both direct and indirect, is required for extramural funding requests. These criteria not only apply to Federal awards, but also by definition, costs on all sponsored programs must be treated under “like circumstances and with consistency”. In essence, it is important to treat all sponsors alike, whether they are a small private foundation or a large federal agency. Failure to follow these criteria jeopardizes all future funding.

On December 26, 2014, the new federal [Uniform Guidance](#) was set forth that determines which costs may be funded by federal grants, contracts, and other agreements. There are three criteria that determine whether costs may be included:

Allowable: To be allowable under Federal awards, costs must meet the following general criteria:

- Be reasonable for the performance of the award and be allocable thereto under these principles.
- Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
- Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the organization.
- Be accorded consistent treatment.
- Be determined in accordance with generally accepted accounting principles (GAAP).
- Not be included as a cost or used to meet cost-sharing or matching requirements of any other federal award.

Allocable: A cost is allocable to a particular Federal award if the goods or services involved are chargeable or assignable to that award in accordance with relative benefits received.

- All activities which benefit from the non-Federal entity's indirect (F&A) cost, including unallowable activities and donated services by the non-Federal entity or third parties, will receive an appropriate allocation of indirect costs.
- Any cost allocable to a particular Federal award under the principles provided for in this guidance may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. However, this prohibition would not preclude non-Federal entities from shifting costs that are allowable under two or more awards in accordance with existing program agreements, Federal legislation, or regulation.
- Direct cost allocation principles – If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c), the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

Reasonable: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, consideration shall be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the non-Federal entity or the proper and efficient performance of the Federal award.
- The restraints or requirements imposed by such factors, such as: sound business practices; arm's-length bargaining; Federal, state and other laws and regulations; and terms and conditions of the Federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the non-Federal entity, its employees, the public-at-large, and the Federal government.
- Significant deviation from the established practices and policies of the non-Federal entity regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

B. WHAT TO INCLUDE

Faculty and Staff Salaries – Salary expense charged to a sponsored program should be directly related to the anticipated time and effort to be expended on a project. Salaries are allowable to the extent they are reasonable in relation to services rendered to the project and conform to established, consistently-applied salary and wage policy of the grantee institution. Such charges must be based on institutional payrolls documented and approved in accordance with generally accepted institutional practices. Estimation and description of personnel effort to be applied to the project should consider several points. Personnel costs should identify: 1) named individuals or position type, e.g., research associate; 2) the percent of effort for a stated period of time; and 3) the amount of salary associated with the percent of effort. The institution's payroll system is based upon the "percent of effort" concept. Periodically, each individual or their supervisor receiving salary support from a sponsored project will be required to sign an after-the-fact certification that the distribution of effort is in compliance with federal guidelines. Salary estimates provided on any other basis (hourly, and/or daily rates), are not supported by organization's records and are therefore inappropriate.

Fringe Benefits – Fringe benefits are allowable as a direct cost to the salary charged to the grant in conformity with applied organizational policies. Specific fringe benefits charged to grant and contract accounts include Social Security, retirement, health insurance, dental insurance, unemployment insurance, and worker's compensation insurance. A percentage factor is applied against salaries and wages. Currently, GHS applies a pooled fringe benefits rate of 24.82%. This rate is reviewed once a year, so please check with OSP when preparing your budget.

EXAMPLE: You budget a project team member at 10% effort. Their base salary is \$50,000, of which \$5,000 will be budgeted for salary.

$\$5,000 * .2482 = \$1,241$ (amount to be budgeted for fringe benefits)

Computing Resources – When the use of computers or the purchase of computer equipment is anticipated, the PD/PI should contact GHS IT for assistance in providing an estimate of costs.

- Funds for computing resources or equipment must be requested in the project budget.
- Computing devices must be well justified as to why the project cannot be carried out without these resources.
- Computing devices must be used solely for the grant project for which they are purchased.

Consultants – Sponsors normally require the PD/PI to justify the consultant's necessity and the appropriateness of the fees charged.

- A letter from the consultant, including the consultant's scope of work, total budget request, project title, and project dates should be submitted to the grant coordinator prior to submission. This letter should be on the consultant's letterhead and signed with a pen (wet ink signature).
- A written copy of the consultant's fee is required for documentation.
- Travel expense reimbursement and the consultant's fee should be budgeted and included as part of the consultant expenses.

Consulting – Personnel commitments necessary to perform program activities are normally expected to be provided within the individual's officially-assigned job responsibilities. GHS personnel should include their effort on external projects and are not to provide consultant services.

Equipment – The organization views equipment as an asset costing \$5,000 or more with a useful service life of greater than one year. Proposals should attach documentation showing the need for funded equipment with a clear description and estimated cost (quote). Include associated sales tax, shipping and installation expenses as part of the equipment costs. General-purpose equipment, for example, calculators, typewriters, computers and office furnishings are not allowable purchases on federal projects unless specifically approved by the sponsoring agency in the award document. To ensure compliance with the sponsor's award, and to establish ownership for institution's records of property purchased, Sponsored Programs Grant Management will review all requisitions for equipment.

In the case of certain federal contracts, (e.g., Department of Defense), equipment must be screened and approved prior to purchase by the funding agency's contracting officer regardless of whether the item was included in the contract award budget. It is recommended sufficient lead time (30-45 days) be anticipated for processing of this approval prior to issuance of a purchase order.

Office Supplies and Photocopying – Costs of this nature are normally not allowable. It is expected these resources are made available by the department for use by departmental faculty. However, provisions for large-quantity usage may be included in proposals when justified.

Space – If a project will require additional space, the department head and Academic Vice Chair should be contacted regarding the availability and suitability of facilities within the space already allocated to the department. All arrangements for additional space must be discussed

and agreed upon prior to submission of the grant application. Funds requesting the construction, alteration or relocation of campus facilities must be reviewed and approved by the Chief Operating Officer.

Subawards – It may be necessary to contract for services of private companies or other institutions of higher education for technical performance of a portion of the project effort. The proposed costs for such services should be established through a written quotation from the company and be included with the proposal for internal review. A proposal from a collaborating university or other outside agency or firm signed by their authorized official must be attached or included as part of the proposal. It is important to distinguish between a subcontract, subaward, subrecipient and a vendor. See subrecipient versus vendor determination.

Phone – Cell phones and monthly service fees may be applied as a direct cost with substantial justification. Phones are assumed to be already available to most projects conducted on campus and are provided to a funded project as a result of the indirect cost calculation and collection by the organization.

Travel – Pls should anticipate funds needed for required travel. At a minimum, it is recommended the following be provided in the proposed budget: destination; duration and purpose; number in party; costs of transportation; meals; lodging and registration fees. Mileage is reimbursed at the effective IRS rate at the time of travel.

Unallowable Costs – The following are common unallowable expenses in budgets:

- Administrative/Clerical Salaries
- Alcohol
- Bad Debts
- Entertainment Costs
- First Class Airfare
- Gifts/Souvenirs
- Home Internet Connection
- Local/Cell Phone Service
- Membership Dues
- Non-Business Meals
- Office Furniture
- Office Supplies
- Personal Goods
- Selling and Marketing Costs

Indirect Costs – Indirect costs are computed as a percentage of a program's direct costs and are calculated by excluding the following cost categories:

- equipment (includes capital leases)
- subawards

GHS' indirect cost rate for each fiscal year is determined through negotiations with GHS' cognizant funding agency, Department of Health and Human Services (DHHS). The federally negotiated rate is to be used for budget estimation purposes regardless of the type of sponsor.

C. FACILITIES & ADMINISTRATIVE (F&A) COSTS

What is F&A?

F&A costs, also known as indirect costs and institutional overhead, are costs which are necessary to support research and other sponsored projects, but which cannot be readily assigned to individual projects. They may include the costs of electricity to run the building, equipment shared among many researchers, or administrative efforts to support research. Some researchers do not consider F&A expenses as part of their research costs, but they make up a large portion of their total necessary resources. Because of these indirect expenses, research budgets should be calculated to include F&A costs. GHS' F&A rate is calculated in accordance with federal cost principles and is negotiated periodically with DHHS. It is important to remember that the application of the F&A rate to sponsored projects actually represents a recovery of costs already incurred by GHS in the preceding year.

Why pay F&A?

Here is a list of some of the goods and services provided by GHS that are used by researchers but are not covered by direct costs:

Accounting Office • Advertising for Personnel • Central Administration • Clinical Departmental Administration • Custodial Services • Environmental Health & Safety • Facilities and Space Usage • Human Subject Reviews • Library Services • Maintenance • Payroll Office • Personnel Office • Purchasing Office • Risk Management • Security (Campus Police) • Selected Publications • Selected Subscriptions • Sponsored Programs Administration • Utilities

How do F&A Costs differ from Direct Costs?

F&A costs are general in nature, shared by multiple users, where it is not easy to determine each user's share. F&A costs include electricity, water, utilities, and administrative research services. Direct costs can be assigned to a specific project with a high degree of accuracy. Direct costs include salary, fringe benefits, travel, scientific supplies, equipment, human subject incentives, consultant pay, etc.

Facilities & Administrative Costs (F&A) must be calculated and included in all grant proposal budgets unless:

- Sponsor does not allow F&A costs as evidenced in the funding opportunity guidelines or a consistent policy which applies to all applicants
- *Note:* GHS will always default to the sponsor's policy on indirect costs. If indirect costs are disallowed, no indirect costs will be included in the budget. Should the sponsor cap indirect costs at a certain rate, GHS will apply that rate in lieu of the federally negotiated rate set forth by DHHS. In order to waive or lower the indirect cost rate, proof of the sponsor's policy must be obtained through the funding guidelines or direct communication with the program officer.

How to Calculate Indirect Costs

Indirect costs are calculated using the following equation: Total Direct Cost – Equipment – Subcontracts/Subawards

EXAMPLE: You are interested in pursuing a grant opportunity, but need to know how much you will potentially receive in direct costs. The total award is \$50,000 (inclusive of indirect costs) and you know the sponsor allows institutions to use their full F&A rate. Assume a rate of 56.4%.

$\$50,000 / (.564 + 1) = \$31,969$ (the amount PI will have available for direct costs)

$\$50,000 - (\$50,000 / (.564 + 1)) = \$18,031$ (the amount PI will budget for indirect costs)

D. COST SHARING

The Office of Management and Budget (OMB) defines cost-sharing (matching) as that portion of a project or program costs not borne by the sponsor. It includes both cash and in-kind contributions that GHS makes to an award:

- Cash contributions: GHS' cash outlay, including the outlay of cash contributed to GHS by third parties.
- In-kind contributions: Non-cash contributions in the form of committed effort, real property, equipment, supplies, and other expendable property, and the value of goods and services benefitting and specifically identifiable to the project or program.

The OMB makes no distinction between cost-sharing and matching. However, matching usually refers to the specific ratio between the amount of the award and the amount committed by the recipient, such as a dollar-for-dollar match (1:1). Cost sharing is a more general term and is used in this document to refer to both cost sharing and matching. Cost sharing is:

- **Mandatory** if it is required by the sponsor as a condition of the award.
- **Voluntary** if it is offered by the institution when no mandatory cost-sharing requirements exist, or is in excess of mandatory cost-sharing requirements.

Cost sharing occurs when a portion of the total cost of a sponsored project or program is borne by GHS rather than the sponsor. Whether cost sharing is mandated by the sponsor or volunteered by the recipient, the cost sharing becomes an organizational commitment and **may represent a legal, binding obligation of the organization once the award has been granted.**

All proposed mandatory and voluntary cost sharing arrangements must be discussed and approved before the proposal is submitted to OSP. Prior to considering GHS cost share on a sponsored proposal/project:

- the PI should confer with the AVC regarding a cost share strategy to meet the sponsor's requirements;
- the PI and AVC may wish to contact OSP to discuss the specifics of the proposal and to determine the sources of funds to meet this requirement; and,
- All cost sharing commitments should be indicated and approved on the Proposal Processing Form and Cost Share Agreement Form prior to submission. Voluntary Cost

Share is unallowable per GHS policy, as it must be tracked and reported and places a burden on the organization.

Committed cost share may create a legal, binding obligation by GHS and must be treated similarly to any direct or indirect expenses, whether paid for by the sponsor or shared by the organization. Cost sharing of direct expenditures represents a commitment of departmental, program, or institutional resources to support a sponsored project or program.

Source of Funds: The PI is responsible for identifying all sources of funds for cost sharing of direct costs. The PI may *not* utilize funds from a federal award as the source of cost sharing, unless authorized by statute (rare). The PI may utilize funds from non-federal awards as the source of cost sharing *only* when specifically allowed by the non-federal sponsor. If internally approved and allowed by the sponsor, cost sharing may include some portion of indirect costs associated with the identified direct costs.

Allowable Cost Sharing Expenditures on Federal Awards: Cost sharing expenditures must satisfy all of the following criteria:

- Verifiable from the official GHS records
- Not previously used as cost sharing for another project (the same cost-sharing expenditures cannot be used for multiple projects)
- Necessary and reasonable for proper and efficient accomplishment of the project
- Allowable under the terms of the award (e.g., in compliance with the Uniform Guidance)
- Conforms to other provisions of the Uniform Guidelines, as applicable
- Incurred during the effective dates of the grant; and
- Not paid by the Federal Government under another award.

Unallowable Cost Sharing Expenditures on Federal Awards: The following expenditures cannot be offered as cost sharing commitments in sponsored project proposals:

- Costs considered unallowable by the sponsor;
- Costs considered unallowable under the uniform guidance;
- Salary amounts exceeding a regulatory salary cap (i.e., National Institutes of Health);
- GHS facilities, such as laboratory space. PIs should not commit the use of facilities as cost sharing, but rather characterize the facilities as available for the performance of the sponsored agreement at no direct cost to the project.

E. SUBAWARDS

PIs must notify the OSP and follow the same channels for a subaward as required for prime submissions. Additional measures are required when working with a collaborating institution that will participate as a subrecipient on a project.

GHS requires the following documents from all institutions that will be applying as a subaward:

- Scope of Work (SOW)
- Budget
- Budget Justification
- Letter of Intent to Establish Consortium (LOIC)
- Other required documents as needed, such as biosketches or Letters of Commitment

GHS must also provide these documents to partner institutions with which GHS will be applying as a subrecipient. OSP is responsible for the submission of these documents to the prime applicant.

Subrecipient versus Vendor Determination

The federal government requires awarding entities to determine whether an arrangement resulting from a particular award that the awarding entity issues to another organization created a subrecipient or vendor relationship between the awarding entity and that organization. Principal Investigators need to be aware of the definition below and work with the Office of Sponsored Programs grant coordinator to ensure the correct determination has been made.

Subrecipient – an entity that expends awards received from a pass-through entity to carry out a project. As defined by OMB Uniform Guidance 2CFR200, a subrecipient relationship exists when funding from a pass-through entity is provided to perform a portion of the scope of work or objectives of the pass-through entity's award agreement with the...awarding agency. A pass-through entity is an entity that provides an award to a subrecipient to carry out a project.

The subrecipient:

1. Determines who is eligible to receive financial assistance, and which specific type of federal assistance is to be distributed. For example: a. Organization determines whether a potential customer meets a project's eligibility requirements for assistance under that project.
2. Has its performance measured against whether it meets the objectives of the project. For example:
 - a. Awarding entity holds the organization responsible for meeting performance targets that are tied to project objectives.
 - b. Awarding entity holds the organization responsible for meeting expenditure targets to maximize the use of project funding.
 - c. Awarding entity requires organization to submit regular oral or written progress reports and/or explanations of variance relating to program objectives and/or fund maximization.
 - d. Awarding entity may sanction the organization if program objectives are not met.
 - e. Organization must submit a comprehensive closeout package at the end of the agreement.
3. Has responsibility for programmatic decision making. For example:
 - a. Organization has latitude to make decisions within terms of agreement.
 - b. Organization makes policy decisions governing how it carries out a project.
 - c. Organization makes operational decisions governing how it carries out a project.
 - d. Organization makes decisions regarding the appropriate assistance for a particular customer.
4. Has responsibility for adherence to applicable program requirements. For example:
 - a. Awarding entity holds the organization responsible for compliance with applicable statutes, regulations, rules, policies and guidance.
 - b. Organization receives technical assistance or training from the awarding entity relating to project requirements.
 - c. Awarding entity monitors the organization for compliance with applicable program requirements.
5. Uses the funds to carry out a project of the organization as compared to providing goods or services for a project of the awarding entity. For example:

- a. Organization performs all or a portion of the scope of work or objectives of the award received by the awarding entity.
- b. Organization's role requires more than dealing, distributing or selling goods or services that support a project.
- c. Awarding entity identifies the organization's programmatic involvement as a separate scope of work and budget that must be approved by the awarding entity.

Vendor - a vendor, on the other hand, is generally a dealer, distributor or other seller that provides supplies, expendable materials, or data processing services in support of the project activities.

The vendor:

1. Provides the goods and services within normal business operations. For example:
 - a. Organization exists for the purpose of providing a particular goods or services.
 - b. Organization receives little, if any, instruction from the awarding entity as to how the organization goes about producing the goods or services.
 - c. Organization generally receives payment after delivery of a particular good or service.
 - d. Organization invoices awarding entity in the organization's normal way and is not required to submit a comprehensive closeout package at the end of the agreement.
 - e. Organization assumes the risk if cost of performance increases or requires more time than expected.
 - f. Organization has its performance measured against whether it meets specific deliverables, rather than a project's performance outcomes.
2. Provides similar goods or services to many different entities. For example:
 - a. Organization provides similar goods or services to a number of entities in addition to the awarding entity.
 - b. Services provided are of a repetitive nature.
 - c. Goods provided are commonly available.
3. Operates in a competitive environment. For example:
 - a. Organization competes with other organizations to provide a similar good or service.
4. Provides goods and services that are ancillary to the operation of the project. For example:
 - a. Organization aids or supports the project in a subsidiary capacity.
 - b. Organization provides a good or service (in a manner that does not create a subrecipient relationship) which enables the awarding entity to carry out a project.
 - c. Organization provides a particular good or service that enables the awarding entity to operate, e.g. office supplies, janitorial services, equipment, staff development, printing, travel, etc.
5. Is not subject to compliance requirements of the project. For example:
 - a. Organization is not responsible for compliance with applicable statutes, regulations, rules, policies or guidance.
 - b. Awarding entity does not provide the organization with technical assistance or training with regard to project requirements.
 - c. Awarding entity does not monitor the organization for compliance with project requirements.

VIII. PROPOSAL REVIEW AND SUBMISSION

A. REVIEW

All proposals must be received by OSP at least five (5) business days before the sponsor deadline. Once a completed proposal is received by OSP, the Grant Coordinator reviews all of the components to ensure they are complete, adhere to the sponsor guidelines, and follow formatting requirements.

B. APPROVAL

Once the entire proposal is complete, the Grant Coordinator will route the Proposal Processing Form for signature. This form will include all of the basic information about the project, such as the sponsor, deadline, project dates, and budget. Signatures are required from the PI, Co-PIs, AVCs or Department Heads, and the Chief Science Officer.

C. SUBMISSION

All submissions will be done through OSP by the Grant Coordinator, whether submission is via grants.gov, online submission form, or emailed/mailed directly to the sponsor. Upon receipt confirmation, a complete file of the submission will be sent to the PI for their records.

IX. FOLLOWING UP AFTER SUBMISSION

A. NOTIFICATION OF AWARD

A sponsor will often indicate a deadline for notification of award in the proposal guidelines. Occasionally, this information will come in the confirmation of receipt. And, in some cases, no indication will be made as to when applicants will be notified if their submission has been accepted or rejected. The Grant Coordinator will follow-up with the program officer should this deadline not be outlined or met by the sponsor.

B. REJECTION OF PROPOSAL

While it is ideal to have a proposal selected for funding, rejection is common, as competition is high with many funding opportunities. Once notification has been received that a proposal has been rejected, the Grant Coordinator will inquire as to whether feedback from the reviewers will be issued. This information can be extremely valuable in reframing a proposal and preparing for a resubmission. In many cases, no feedback will be provided. OSP and the PI can discuss a resubmission strategy or application with another sponsor for a different funding opportunity.

C. AWARD NEGOTIATION AND ACCEPTANCE

Upon Notice of Award, the OSP should be notified immediately. OSP will review the award agreement, forward to GHS General Counsel for review, send to the PI for review and then will negotiate the terms and conditions of the award with the sponsor. All award agreements must be reviewed by GHS General Counsel. Sponsors consistently include terms with which GHS cannot legally comply. These terms must be negotiated out prior to obtaining approval signatures. As the award agreement becomes a binding contractual obligation and the source documentation for all sponsor project accounts, it is imperative that the necessary items are contained in the award and that no terms or conditions to which GHS cannot comply remain.

OSP will retain a copy of the fully executed award agreement and will forward a copy to the PI upon establishment of the sponsored project account.

Grant awards, cooperative agreements, or sponsored project contracts are to be signed by the GHS Authorized Organizational Representative (AOR). At no time should a PI sign the award agreement.

X. POST-AWARD GRANT MANAGEMENT

The post-award grant management division of the OSP provides financial administration support for sponsored programs at GHS. This includes project set-up, billing and financial reporting, receivable analysis and collection, and project closeout. This office is also responsible for compliance relating to grants and services as the primary liaison for all audits including the annual A-133 audit.

A. WHO IS INVOLVED IN THE ADMINISTRATION OF A SPONSORED PROGRAM?

PIs, project teams, grants coordinators and monitors, fiscal managers, and business officers work together with Post-Award Grant Management to meet all contractual obligations and to follow regulations throughout the administration of each sponsored program. Since sponsored programs bring significant financial support to GHS, proper administration of such programs increases the organization's opportunities for new and renewed grants and contracts.

The PI is primarily responsible for the sponsored project. S/he is obligated to comply with the award conditions. OSP will assist the PI or other departmental personnel by explaining any financial matters that the PI may not understand. Recipients of federal grants and contracts must comply fully with applicable federal requirements, detailed in the Code of Federal Regulations 2CFR200 Uniform Administrative Guidance.

B. HOW CAN OSP HELP?

OSP serves as a liaison between each project's principal investigator and the sponsoring agency to ensure that the organization complies with all financial and nonfinancial/technical provisions in the terms and conditions of the agreement. As a liaison, OSP advises appropriate organizational officials on matters relating to federal, state and organizational regulations and ensures that GHS complies with all provisions pertaining to contracts, grants, cooperative agreements and other types of sponsored program agreements.

Most sponsored programs at GHS are audited externally and/or internally. OSP and the PIs are required to keep auditable records in support of all direct and facilities and administrative charges to sponsored projects. OSP prepares records and submits claims for reimbursement, financial reports, statements and other nontechnical documents required for sponsored projects.

C. ESTABLISHING A SPONSORED PROGRAMS ACCOUNT

Upon successful and complete execution of the award agreement or contract, post-award grant management is notified that a unique grant account needs to be established for the project. To expedite this process, information may be requested in advance during the negotiation process.

Information needed for account set-up:

- Core department and employee number of the PI

- Named personnel for all positions included in the requested/cost share budget
 - Employee number/home department for each person
 - Confirmed percent effort for each person assigned to a grant
- Budget review: The approved sponsor budget needs to be reviewed to ensure the account budget is established correctly. If revisions are needed, they can be included in the award negotiation process
- IRB approval letter, if applicable

Unique Grant Account Numbers

Each grant account will be given a unique identifier beginning with the letter G, a unique number, and the last two digits of the budget year. For example: G002318 signifies that is a grant (G); number 23 (0023) and that it falls within fiscal-year 2018 (18). This allows for accurate tracking of grant expenses and revenue and prevents co-mingling of funds.

Coding String

A complete coding string for assigning expenses to a grant includes the company, accounting unit, account, activity (grant number), and account category. When coding invoices or other items to a grant, the entire account coding string must be included.

The company will be the same as the PI’s core department company, either 10 or 21. The accounting unit will be the PI’s facility number plus 2000 for grants (for example, 1082000). The account will be based on the purchase; when the grant account is set up the PI and project team will be sent a copy of the budget with a list of all eligible accounts. The activity will be the grant number that was assigned to the award. The account category is unique to grants and correlates to project’s budget categories. New coding string example:

Company	Accounting Unit	Account	Activity	Account Category
10/21	XXX2000	650077	GXXX18	65077(Travel)

Account Category Mapping to the General Ledger Account

The Grants Management Module (GMM) account categories map to accounts on the General Ledger (GL), which are created by the GL Manager. For a list of accounts, please visit the GHS Finance Department webpage on Plexus.

Notification of Grant Account

Once the grant account has been established, an email notification will be sent to the PI and other appropriate end users. The PI must review the notification, including the terms and conditions in the award agreement, and reply to indicate he/she accepts the responsibilities listed in the award. With this acknowledgment, the Fiscal Grant Manager activates the grant account.

Access to Grant Reporting

PIs and their designees may request access to their grant through the OSP. The PI/project team personnel will only have access to their individual grant. When access is granted, instruction on viewing the grant will be provided by OSP.

XI. MANAGING SPONSORED PROGRAMS EXPENDITURES

A. DIRECT COSTS

According to Uniform Guidance, direct costs are those costs that can be identified specifically with a particular sponsored project, an institutional activity or that can be directly assigned to such activities relatively easily and with a high degree of accuracy. Costs incurred for the same

purpose in like circumstances must be treated consistently as either direct or facilities and administrative costs (indirect costs). Where an institution treats a particular type of cost as a direct cost of sponsored agreements, all costs incurred for the same purpose in like circumstances should be treated as direct costs of all activities of the institution. Itemized direct costs are line items specified in the grant or contract. They can include direct salaries of persons working on the grant, applicable fringe benefits, travel directly associated with the project, supplies specifically used on the project, contractual services and equipment. The PI or his/her designee must sign all vouchers used to process direct costs. A designee must possess technical knowledge of the research being performed.

In order for a cost to be charged as a direct cost, it must be allowable. To be considered allowable, the cost must meet all of the following federally assigned criteria:

- It must be reasonable.
- It must be allocable to sponsored agreements under the principles and methods provided herein.
- It must be given consistent treatment through the application of generally accepted accounting principles appropriate to the circumstances.
- It must conform to any limitations or exclusions set forth in these principles or in the sponsored agreement as to the types or amounts of cost items.

Personnel Expenses

When faculty and staff contribute time to work on a grant, that time is to be charged as a percent of effort. This percent of effort should be reflective of the number of hours committed to the project and will translate into an equivalent percent of that person's salary. In most cases, this percent of effort will have been determined during the proposal submission stage. A regular full time employee who works 40 hours per week works 2,080 hours per year.

Labor Cost Distribution (LCD)

The GMM provides a mechanism by which the labor cost (personnel expense) can be directly applied to a grant rather than having to come from the home department. The LCD is initially set up during the account establishment activities. As part of the monthly review/reconciliation by the PI, the labor cost should be evaluated to ensure spending is on track and commensurate with actual effort.

All personnel paid by GHS payroll and working on a grant will need a LCD template created to allocate contracted labor percentages directly to the grant from Payroll.

Information required for LCD template creation:

- The date the employee starts working on the grant: example 07/01/2018.
- The last day the employee is schedule to work on the Grant: example 6/30/2018.
- The employee's full name, employee number, and the position they are filling as it was stated in the grant budget (if the personnel was not named specifically)
- The percentage of time the employee will work on each grant

If the employee's percentage of effort on the grant changes from the initial submission, you must communicate the updated percent and effective date for this change to OSP immediately.

At any point in the project when a person's effort changes or if the person has a change in their assignment, department, etc., it is the PI's responsibility to notify OSP immediately in writing (by email is acceptable). The LCD will have to be updated so as to not incorrectly charge the grant and create unnecessary corrections. Each department must develop proper communication channels and address problem areas related to managing personnel on grants.

Annual, Holiday, and Sick Leave pay and other paid absences are included in salaries and wages and are claimed on grant, contracts, and other agreements as part of the normal cost for salaries and wages.

Salary Cap: Certain sponsors (e.g., National Institutes of Health - NIH) impose a limit or “cap” on the annual rate of pay that may be charged. Under this circumstance, the percent effort will be modified to capture the dollar amount awarded.

Fringe Benefits

Fringe benefits are allowable as a direct cost in proposal to the salary charged to the grant in conformity with applied organizational policies. Specific fringe benefits charged to grant and contract accounts include Social Security, retirement, health insurance, dental insurance, unemployment insurance, and worker’s compensation insurance.

Travel

When project personnel employed on the project must engage in travel for sponsored project purposes, their expenses for transportation, lodging, subsistence and related items are allowable, unless restricted in the project award document. First class air accommodations are unallowable. The PI must document the relevant condition(s) that justify airfare costs in excess of the customary standard commercial airfare and submit for approval to a Vice President.

Foreign travel typically requires prior approval by the sponsor. If approval is not obtained in advance, foreign travel expenses may be disallowed on the grant or contract account.

Local travel is reimbursable at the GHS established reimbursement rate. Travel between facilities is to be reimbursed per the GHS mileage chart.

Travel arrangements should be made via Egencia and charged directly to a grant. Travel reimbursement requests should be completed within the Employee Expense Management (EEM) system, coded to the grant, and submitted.

Other Costs

Publication Costs are allowable and may be charged to a grant.

Computers to be charged to a grant require prior approval by the sponsor and a significant justification as to their allocability to the particular grant.

Supplies are defined as tangible property other than equipment having acquisition cost less than \$5,000 per unit and a useful life of less than one year. Supplies are considered necessary to carry project objectives and are allowable as prescribed in the governing cost principles.

Special purpose software used only for research, medical, scientific or other technical activities is allowable. Examples include molecular simulation software, data acquisition software, chemical structure software, graphics software, technical drawing software.

Supplies

Special purpose supplies used only for research, medical, scientific or other technical activities are allowable. Examples include chemical reagents, test kits, syringes and glassware.

General office supplies are not normally charged to sponsored projects and are considered unallowable. Examples of general supplies used in an office for routine activities include copy paper, printer toner cartridges, pens, labels, file folders, calculators, telephones, answering machines, file cabinets and bookcases.

General software used in an office for routine activities is not normally charged to sponsored projects and is considered unallowable. Examples include word processing packages, spreadsheets and general databases.

Consultants

Consultant costs should be itemized in the proposal budget. Costs of qualified professional consultants who are not officers or employees of GHS are allowable when reasonable in relation to the services rendered. The employment of consultants must follow written organizational procedures that comply with governing federal cost principles, the expense must be within the limits of the grant funds and reallocations must comply with the grantee's policies. Some federal agencies restrict the amount that consultants may be paid on federally funded projects. Consultant travel should follow federal guidelines as previously explained under Travel. Contact Post Award Grant Management in OSP before committing to a consultant or incurring expenses.

Meetings and Conferences

For federally sponsored programs, the costs of meetings and conferences are allowable when the primary purpose is the dissemination of technical information; however, some individual sponsors do not allow these costs. Be sure to review the project agreement, consult the sponsor or contact OSP before incurring expenses. These expenses must be specified in the original proposal, even for federal sponsors.

The following costs are generally allowed by most sponsors:

- **Conference Facilities:** Rental of facilities and necessary equipment is allowable.
- **Supplies:** The purchase of expendable materials and supplies necessary for the meeting is allowable.
- **Conference Services:** Costs of translation services and of recording and transcribing the proceedings are allowable.
- **Publication Costs:** Costs of publishing the proceedings are allowable only if prior approval, in writing, has been given by the sponsor.
- **Salaries:** Salaries of professional personnel are allowable only in proportion to the time or effort devoted to the preparation and conduct of the conference and summarizing its results.
- **Consultant Services and Speaker Fees:** Reasonable fees and travel allowances are allowable.
- **Meals and Coffee Breaks:** Prior approval is required for food and beverages purchased with grant funds. When certain meals are an integral and necessary part of a conference (i.e., when there are time restrictions and business must be transacted during lunchtime and meals are provided) grant funds may be used for such meals. Meals at a local restaurant with the conference presenter are not considered working meals. Grant funds may also be used for furnishing a reasonable amount of coffee and soft drinks to conference participants and attendees during periodic coffee breaks. An agenda, the purchase voucher, and a sign in/attendance log should be included with the direct purchase voucher.

Memberships, Dues, Subscriptions: Professional personal memberships, dues and subscriptions are not normally charged to sponsored projects. If the sponsor specifically requires and or mandates them, they may be charged as a direct cost.

Subawards/Subcontracts

Subcontracts are issued to a third party when the project requires expertise and/or facilities not available at GHS. The subaward organization must be identified in the approved proposal budget. In determining whether subcontract costs in a particular case are allowable, no single factor or any special combination of factors is necessarily determinative.

However, the following factors, among others, are relevant:

- the nature and scope of the service rendered in relation to the service required;
- the necessity of contracting for the service, considering the organization's capability in the particular area;
- the past pattern of such costs, particularly in the years prior to the award of government contracts and grants;
- the impact of government contracts and grants on the organization's total activity (i.e., what new problems have arisen);
- whether the proportion of government work to the organization's total activity is such as to influence the organization in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under government contracts and grants;
- whether the service can be performed more economically by employment rather than by consulting;
- the qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-government contracts and grants;
- the adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

Participant Support Costs

Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia or training projects.

Participant support costs for students or other external participants may not be charged as a payroll cost.

No participant support allowance may be paid to persons receiving compensation, directly or indirectly, from other federal sources.

To help defray the costs of personnel maintenance while participating in a conference or training activity, participants may be paid a stipend, per diem or subsistence allowance, based on the type and duration of the activity, as outlined in the pertinent program announcement and in the award. Such allowances must be reasonable, in conformance with the usual policy of the sponsor and limited to the days of attendance at the conference plus the actual travel time required to reach the conference location by the most direct route available. If meals or lodging are provided without charge or at a nominal cost (e.g., as part of the registration fee), the per diem or subsistence allowance will be correspondingly reduced.

Direct payments such as stipends or allowances paid without substantiation that exceed \$600 annually are reportable to the Internal Revenue Service on Form 1099.

Although local participants may participate along with other participants in conference meals and coffee breaks, grant funds may not be used to pay per diem or similar expenses for local participants in the conference. This applies even if they are serving as hosts or otherwise participating at meals that are primarily social occasions involving speakers or consultants. Costs of amusement, diversion, social activities and ceremonials, and related incidental costs such as bar charges and personal telephone calls of participants or guests, are unallowable.

Equipment

Scientific/Technical (special purpose) equipment that is actually used for the performance of the sponsored agreement is allowable. It should be listed in the project budget prior to processing. The federal definition of equipment is "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." Some sponsors require prior approval for equipment purchases.

Expenditures for special purpose equipment are allowable as direct costs, provided the acquisition of items with a unit cost of \$5,000 or more is:

- necessary for the research supported by the grant,
- not reasonably available and accessible,
- of the type normally charged as a direct cost to sponsored agreements, and
- purchased in accordance with institutional policies and procedures.

To order equipment at GHS, the PI must contact GHS Capital Accounting. A Capital Purchase Requisition (CPR) and quote, including equipment specifications, cost breakdown, and effective dates, must be submitted to begin this process.

All equipment should be ordered well in advance of the end-date to ensure that the purchase is necessary for the performance of the research supported by the project. If equipment is ordered during the last ninety days of the project, the PI/PD should include a justification to OSP. If for any reason equipment that has been ordered in good faith will not be received until after a project has terminated or will be received too late in the project for effective use, all reasonable effort must be made to cancel the order or to charge the equipment to other funds.

General office equipment used in an office for routine activities, such as fax machines, copiers, modems and computers/upgrades are not allowable.

Indirect/F&A Cost/Overhead

Facilities and administrative costs are defined as those costs that are incurred for common or joint objectives of GHS and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity or any other institutional activity. These costs comprise a number of components. Facilities includes depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses. Administration includes general administration and general expenses, departmental administration and sponsored projects administration.

B. PROCUREMENT CARDS

Procurement Cards may be obtained in cases when a grant includes significant purchases over the life of the grant so costs may be directly coded to a grant. Contact OSP for more information about grant associated procurement cards.

C. UNALLOWABLE COSTS

Unallowable costs must be identified appropriately on all documentation to ensure they are excluded from direct and indirect costs of sponsored agreements. Greenville Health System (GHS) cannot request reimbursement or payment from the awarding sponsor for unallowable or unallocable costs. Potential unallowable/unallocable costs:

- Restricted purchases without proper authorization from the sponsor and/or the organization (i.e. office equipment).
- Costs that would normally be indirect but are charged as direct costs without proper justification or demonstration of exceptional circumstances. Examples of these costs on Federally funded awards are office supplies and clerical/administrative salaries.
- Charges that are not in compliance with the reasonability and allocability provisions of the Uniform Guidance 2 CFR 200.
- Costs incurred after the award terminates.
- Portion of direct materials that remained at the award termination. Direct material cost should include only the materials and supplies actually used for the performance of the sponsored project and due credit should be given for any materials retained that exceed sponsor limits.

Allowable cost must be reasonable, allocable, given consistent treatment, and conform to any limitations or exclusions set forth in Federal guidance or in the sponsored agreement as to types or amount of cost items.

Below are unallowable costs taken from the Uniform Guidance:

- Advertising/Public Relations
- Alcoholic Beverages
- Alumni Activities
- Bad Debt
- Charitable Donations
- Commencement and Convocation Expenses
- Contingency Provisions
- Cost Overruns
- Entertainment
- Fines and Penalties
- First Class and Other Non-coach Travel
- Fundraising Cost
- Personal Goods and Services
- Internet Cost
- Legal Costs
- Lobbying Cost
- Memberships

Costs of legal, accounting, consulting services and related costs incurred in connection with organization, defense of antitrust suits and the prosecution of claims against the government are unallowable. Likewise, costs of legal, accounting, consulting services and related costs incurred in connection with patent infringement litigation are unallowable unless otherwise provided for in the grant.

D. DIRECT COST DISALLOWANCES

The PI/PI is responsible for ensuring that expenditures are valid and allowable according to the terms of the grant or contract. However, there are several reasons for cost disallowances listed below:

- Costs were incurred prior to the start date of the grant or contract without the sponsor's permission.
- Office furniture or general-purpose supplies and equipment, such as calculators, computers, refrigerators or air conditioners, were purchased without prior approval of the sponsoring agency.
- Expenditures were transferred from one grant to another to correct for cost overruns or avoid unexpended balances.
- Services were subcontracted without sponsor approval.
- Project funds were used to generate income without prior sponsor approval and an agreement regarding the disposition of those funds.
- The scope of the project was changed without notifying the sponsor.
- Funds were excessively re-budgeted without sponsor approval. (Tolerance for re-budgeting varies; some sponsors allow no re-budgeting.)
- Delinquent certification of effort
- More effort was charged to the grant than was actually committed to the grant.
- The project director was absent for more than three months without notifying the sponsoring agency 30 days prior to the absence.
- The project director was changed without requesting permission from the sponsor.
- A pay rate higher than base salary and/or consulting fees to recipient staff was authorized.
- Effort was not appropriately reflected on the effort report (CLEAR) based on actual performance of the individual.
- Money was spent for major equipment purchases during the last 90 days of the grant.
- More than \$5,000 was spent for equipment or remodeling without sponsor approval, unless authorized to do so in the award.
- Unexpended balances were used within the last 60 days of the grant account to stockpile supplies for unnecessary miscellaneous costs or for other excessive spending.
- Foreign travel was charged to the grant without prior approval from the sponsor.
- Unrelated costs were charged to the grant. For example, travel costs of faculty not named on the grant, salary costs for effort performed on other projects or reimbursing a department for deficits incurred on an earlier grant.
- Costs were incurred after termination of the sponsored project.
- Facilities and administrative costs were transferred to direct costs without sponsor approval.

E. COST SHARE/MATCHING

Some sponsored projects require that GHS participate to some extent in the total cost of the project. Cost sharing or matching represents the use of institutional funds to supplement project costs not borne by the sponsoring agency. Matching is usually a specific mandated amount/percentage of the total project costs that is predetermined by the sponsoring agency. Cost sharing, on the other hand, may or may not be required by the sponsoring agency and is negotiable. If cost sharing is proposed in the budget or in the proposal narrative, it should be documented and may or may not be reported to the sponsor; however, departments are required to maintain records for cost sharing.

F. BUDGET REVISIONS

When budget revisions are required, the terms agreed to in the grant award must be followed. Some sponsors require written request for budget revisions and some require requests based on a percentage of the total per category. Any budget revision requests should be forwarded to OSP in writing. OSP will confirm with the agreement and sponsor, if necessary, prior to altering the grant budget in the grants management module. The budget revision must be reviewed and approved by the PI once complete.

XII. GRANT MANAGEMENT PRACTICES

In order to ensure timely reporting and proper billing for sponsored projects, all charges and adjustments to sponsored projects must be promptly recorded in the accounting system. Accordingly, PI/PDs must review grant expenditures monthly via the Award Account Summary and Transaction Detail reports. If necessary changes, transfers or adjustments are identified during this review, these should be processed immediately (unless they are already in process but not yet posted to the monthly status report). Auditors may disallow late charges, transfers and adjustments to sponsored accounts.

A. MONITORING SUBCONTRACTS

The PI is responsible for certifying technical progress and expenditures. The PI must sign the subcontractor's invoices before payment is made. Post award grant management is responsible for 1) monitoring the expenditures to ensure that the total subcontract is not exceeded, 2) ensuring required audits are performed and 3) requiring corrective action on findings.

Any changes needed in the subcontract should be discussed with the appropriate person in OSP to determine if the subcontract can be amended or changed. If a new subcontract is needed during the life of the project, the Office for Sponsored Programs will negotiate the subcontract.

B. AUDIT PREPAREDNESS

The PI/PD and departmental project team is responsible for keeping a file on each grant which should include a copy of the proposal, budget, award, and all supporting documentation gathered in the administration of the grant such as invoices, travel reimbursements, check requests, etc. The grant file will also need copies of grant agreements, amendments, and any correspondence related to the grant (including subrecipient and subaward agreements) and listing of all vendors used for the grant during the year.

C. MODIFICATIONS TO A GRANT

Changes in Objective or Scope: Principal investigators must obtain sponsor approval before changing the objective or scope of any grant or contract. Examples, though not all inclusive, are as follows:

- change in specific aim approved at time of the award;
- any change from approved use of animal or human subjects;
- shifting emphasis of research from one area to another;
- applying a new technology from that proposed;
- transferring the performance of substantive work to a third party (subcontractor);
- change in those designated as "key personnel" by the sponsor; and
- significant re-budgeting.

No Cost Extensions: To initiate an extension of the award expiration date, the funding sponsor must be notified of the extension at least thirty days prior to the original termination date. This extension may not be exercised solely for the purpose of using any unobligated balance.

PI Change: If during the tenure of your grant there needs to be a change in the PI/PD, notification must be sent to OSP. OSP will notify the sponsor or prime awardee. OSP will work with the sponsor or prime awardee to process the necessary documents to enact the change. Incoming PI may have to provide biosketch, current and pending support, or other information. The incoming PI's home department number and employee id are required for establishing the PI change once approved.

Cost Transfers and Corrections: Documentation of transfers/corrections must contain a justification for the transfer and an explanation of how the error occurred and why the expenditure was not correctly charged the first time. DHHS specifies that an explanation stating "to correct error" or "to transfer to correct project" is neither sufficient nor satisfactory. DHHS also requires the documentation for the adjusting/correcting entries to be readily available at the time of audit.

Transfers of charges to and between government grants and contracts should be kept to a minimum. Account numbers should be properly reflected on all supporting documentation.

To help ensure that cost transfers will meet audit requirements, any transfer of cost into or between federal government grants and contracts must meet several criteria to satisfy audit requirements:

- The transfer must be current (less than 60 days old). The academic vice chair must approve any cost transfers for payroll charges submitted more than 60 days from the date of the original charge.
- The transfer must be a proper and allowable charge to the grant or contract receiving the charge.
- The transfer must be supported by documentation, which contains a full explanation of how the error occurred and why it was not initially charged to the proper account.
- The transfer must be accompanied by justification for the need for the transfer.
- The transfer must contain a certification by the principal investigator(s) of the project(s) involved of the correctness of the charge being transferred.
- The transfer must be identified as a cost overrun or an account correction.
- Cost overruns should be transferred to a non-sponsored account.

Processing Cost Transfers: Project personnel must not submit journal entries directly to accounting. This is an effort to reduce the number of corrections to the grants module. It is the policy of GHS that all cost transfers must be processed in compliance with Federal and other sponsor requirements. All cost transfers must be appropriately justified, documented and completed in a timely manner to support its allowability. Principal Investigators (PI's) are responsible for ensuring all cost transfers are executed in compliance with this policy.

Cost transfers to all sponsored projects should be completed within 60 days from the original transaction date. 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. An explanation merely stating that the transfer was made to "correct error" or "to transfer to correct project" is not sufficient.

Grantees must maintain documentation of cost transfers and must make it available for audit or other review. Frequent errors in recording costs may indicate the need for accounting system improvements and/or enhanced internal controls. Sponsors may require a grantee to take corrective action by imposing additional terms and conditions on an award.

"Frequent, tardy and unexplained (or inadequately explained) transfers, particularly where they involve projects with significant cost overruns or unexpended fund balances, raise serious questions about the propriety of the transfers themselves as well as the overall reliability of the institution's accounting system and internal controls." (*PHS Grants Administration Manual*)

It is the responsibility of each department to ensure that cost transfer journals to the project are posted correctly and to retain copied of all related documentation in accordance with the record retention for your grant.

D. EFFORT REPORTING FOR SPONSORED PROGRAMS

If the percentage of effort expended in a certain effort reporting period is less than the percentage of salary charged to the sponsored project during the period, the salary charges on the sponsored project must be reduced to reflect actual effort.

Effort is certified based on an after-the-fact reporting system. A report of actual effort is generated using the GMM and/or payroll system. Each effort report must be completed and certified in a timely manner. The PI and any other faculty member whose salary is charged to a sponsored program are required to certify his or her individual effort report. The PI must also certify that the effort reported by project personnel directly charged to projects is accurate and reflects the effort actually contributed during the reporting period.

Changes in Status and/or Effort: It is the PI's responsibility to comply with federal and other sponsoring agency prior notification requirements related to changes in status and /or effort for all personnel on their projects. Some federal agencies require prior notification and approval of significant changes in personnel status and /or effort of PI's and other key personnel on the projects that they sponsor. Federal agencies define change in status as withdrawal from a project, absence from the project for any continuous period of three months or more, 25% or greater reduction in the time devoted to the project over the budget year from the level approved at the time of award.

XIII. RECEIVING PAYMENT FOR A SPONSORED AWARD

PIs must constantly monitor expenditures for grants and contracts to ensure that all expenditures comply with the terms outlined in the approved agreements. Project cost management practices are dictated by the specific terms in the signed agreement. Post Award Grant Management expedites invoices to program sponsors for cost reimbursement and monitors the accounts receivable to facilitate prompt payment by sponsors. All invoices for sponsored programs must be processed through the OSP office.

XIV. REIMBURSEMENT REQUESTS

Most of GHS' projects are performed on a cost reimbursable ("best effort") basis. GHS is generally liable to perform its "best effort" up to the cost level in the contract. The funds are not received at the beginning of the project. The projects are billed after the expenditures occur. Some sponsors require additional documentation to support invoices. When such supporting

documentation is required, it is the responsibility of the project team to work in conjunction with OSP to meet sponsor deadlines. Invoices are issued monthly, quarterly or at times designated in the agreement.

If direct costs are overspent, the department is contacted and instructed on the necessary corrections. The PI should identify any cost overages per the budget by reviewing the monthly Award Account Summary. Corrections should be processed immediately.

Project payments received by individuals or departments must be processed through OSP. Checks should be processed immediately and should not be held.

A. COLLECTION PROCEDURE

The OSP determines the course of action for collections for past due requests for payment. Collection actions are conducted in accordance with the project agreement and are dependent on the sponsor (customer) and previous payment history. In general, collections proceed as follows:

- Post award grant management will analyze all outstanding invoices after 30 days.
- For invoices 30 days past due, post award grant management will notify the sponsor.
- For invoices 60 days past due, post award grant management will provide a second notice to the sponsor as well as notify the PI and project team.
- For invoices 90 days past due, post award grant management will provide a final notice to the sponsor as well as notify the Academic Vice Chair
- For invoice 120 days past due, post award grant management will notify the Chief Science Officer

XV. CLOSING AN AWARD

Post Award Grant Management works closely with the department to close out the project on a timely basis. Departments are allowed 30 days after the end date of a project to finalize costs. This allows time needed by OSP to prepare final financial reports after the principal investigator's documentation is complete. Some sponsors require a final invoice within 30 days of the project end date. If all documentation is not submitted in time to invoice the sponsor within the specified period, nonpayment may result.

Orders for supplies and equipment must be placed well in advance of the expiration date to ensure delivery and utilization prior to the expiration date. If an item is not received during an award period, it is not considered to be of benefit to the project. Such items are routinely disallowed on audit, even if they were legitimate charges at the time the order was placed. If for any reason equipment that has been ordered in good faith will not be received until after a project has terminated, or will be received too late in the project for effective use, all reasonable effort must be made to cancel the order or to charge the equipment to other funds.

The grant close out process includes actions to:

- Run report(s) to identify projects ending within 90 days
- Ensure all costs have been expended and appropriately charged, review all costs and remove those unallowable or inappropriate
- Clear any open items
- Confirm pending adjustments

A. TECHNICAL REPORTING

PIs are responsible for ensuring that all progress/final technical reports are completed according to the award requirements. PIs should send a copy of the transmittal letter and cover page of his/her final report to OSP. Final technical reports are normally due to the sponsor 60 to 90 days after the project ends. Each specific agreement should be reviewed for the exact due date of the report.

XVI. AUDIT REQUIREMENTS

All sponsored program contracts entitle audit rights to sponsors for at least three years after the program completion date. Projects are periodically audited by external agencies. Consequently, GHS must maintain a close working relationship with the organization's cognizant audit agency, the United States Department of Health and Human Services (DHHS).

Federal audits can be one of three types:

- Audit of direct costs under general expenditure systems (e.g., time and effort reporting, prior approval system, consulting system);
- Compliance audit with Office of Management and Budget Circular No. A-133; or
- Individual award audit for all award expenditures.

In addition to external audits, the GHS's office of internal auditing continuously audits sponsored programs. OSP coordinates each audit and arranges for any files, documentation or discussion with other personnel required by the audit team. All questions regarding allowability of expenditures, contract modifications, etc. are to be directed to OSP to ensure an accurate audit report.

Post award grant management may find it necessary to contact departments or principal investigators to request information about a specific contract or grant during an audit. It is the responsibility of each department to keep accurate records supporting all sponsored program costs for a minimum of three years after the sponsoring agency accepts the final report. Departments must also maintain copies of progress reports, documentation of the selection process used to hire consultants and of time and effort expended for the same period. If a cost is disallowed on a specific grant or contract, an organizational review will determine who is responsible for its repayment.

XVII. RECORDS RETENTION

Federal and state agencies, as well as many private sponsors, local agencies and foundations, require GHS to maintain all project-related records for a minimum of three years after the acceptance of the final report for audit purposes. Consequently, principal investigators and project directors should ensure that their department retains complete grant files for a minimum of three years after project termination. After that date, contact OSP to ascertain whether longer retention is necessary.