2.5.3 Sponsored Program Management

2.5.3.1 Introduction

Paine College encourages its faculty, students, and administrative staff to become involved in obtaining sponsorship from outside agencies through contracts and grants for scholarly activities, and recruits nationally talented and dedicated faculty members committed to teaching and professional service. This policy provides a guideline to obtaining external funding for scholarly activities.

Paine College affirms its adherence to the highest ethical standards of faculty conduct in research, and any misconduct in research or other scholarly activities is prohibited and allegations of such misconduct is investigated thoroughly and resolved promptly.

Funds for sponsored projects are awarded to the College. The funds are to be spent only for the purpose and at the level designated in the final approved proposal budget unless written approval is obtained from the sponsor. The Principal Investigator (PI) is responsible for implementing the sponsored project in accordance with sponsor guidelines, hiring staff, expending project funds, and conducting the project as described in the proposal and agreed to with the acceptance of the award. The PI is ultimately responsible for the overall success of the project, including adherence to sponsors’ guidelines. This is emphasized and stressed to the PI, and their responsibility to both the sponsor of the project and Paine College. The Office of Sponsored Programs is the best source of information if one has any questions or if there is a need for guidance on management of a project.

2.5.3.2 Negotiation and Acceptance of Sponsored Agreements

“Negotiation” is the process of formal discussion between the sponsor and the recipient institution to resolve any conflicts in scope of work, budget, or terms and conditions. If successful, this process leads to the preparation by the sponsor of a mutually acceptable award document (grant, contract, or cooperative agreement).

A sponsor’s program officer may contact the PI directly to discuss the proposed budget, investigator’s level of effort, and the scope of work. Reductions in proposed budgets should be evaluated to determine whether there is a change in the scope of work. These discussions and evaluations should be relayed to the Office of Sponsored Programs within fifteen (15) days of notification.

When the award document is received, the Office of Sponsored Programs will review the terms and conditions of the award for conformity with college policies and procedures. Further negotiation between the Office of Sponsored Programs, the PI (as appropriate) and the sponsor may be necessary to eliminate or revise unnecessary or inappropriate terms and conditions.

Once the award document is acceptable to all parties, the Office of Sponsored Programs will have the agreement signed by the authorized college representative and will return it to the sponsor. PI's are not authorized to sign award documents on behalf of the College. Award documents requiring an authorized signature and contracts must be brought to the Office of Sponsored Programs with a completed Document Approval Form (this can be downloaded from the webpage of Sponsored Programs).
The award document will include the dates of the budget period or other specified funding period, the amount of the funds authorized for obligation by the grantee during the period indicated, special terms and conditions binding upon the award, and an outline of all general terms applicable to the award. Appended to the grant award document, or as an additional notification, will be a schedule for filing technical and financial reports. Under most circumstances the award document must be received by the Office of Sponsored Programs before the project can begin or anticipated funds can be expended.

2.5.3.2.1 Establishing an Account

After a fully executed contract or grant has been received, the Office of Sponsored Programs will contact the Business Office to obtain a restricted account number. Since the Business Office is responsible for all financial reporting, a packet of materials is assembled that includes the following:

1. Grant Notification Form that includes essential information for accounting purposes.
2. Copy of award documents (for the reference file in the Business Office). These documents usually contain information that Business Office will need for billing and/or financial reporting.
3. Documentation of cost-sharing. Any cost-sharing quantified in the proposal must be documented when the award is received. The personnel activity reporting procedures provide the documentation for contributed time and salaries. For other funds contributed from a Paine College source or from external sources a matching account will be established and those funds will be moved into that account. For in-kind contributions from non-Paine College sources the contributor will be asked to provide written confirmation of the contribution and the value of the contribution.

2.5.3.2.2 Grant Notification Form

The Office of Sponsored Programs completes the “Grant Notification Form” which outlines the restricted number, and match number (if applicable), budget breakdown, and position numbers tied to the account. To notify other offices on campus that this account has been established, the form, along with email notification, is sent to the following: Project Director/PI, Division Chair, Program Coordinator Business Office, and Human Resources Office.

The e-mail will also go to all departments on campus which may incur charges to the account (i.e., bookstore, post office, print shop, LRC, payroll, etc.).

2.5.3.2.3 Accounting Reports

On or about the fifth day of each month, fiscal officers of grant accounts (PIs) receive monthly status reports and a report of transactions from the Business Office. These reports reflect income and expenditures, requisitions, orders, transfers and indirect costs charges (if applicable) that have been posted to the account through the Financial Records System. The Office of Sponsored Programs also receives copies of these reports, which are maintained in the grant file. These reports should be reconciled to the PI’s records. These reports are to be reviewed to insure that charges are correct. Report any discrepancies to the Business Office. If you have any trouble reading or understanding the reports, you may contact the Office of Sponsored Programs.
The PI has the responsibility to maintain accurate budget expenditures/budget revisions to insure the account is not overspent.

2.5.3.2.4 Budget Adjustments

After the account is established, there may be a need to make a variety of budget adjustments.

2.5.3.2.5 Transferring Funds within the Account

During the course of the project, transactions may take place in budget categories in which there are insufficient funds. When this occurs, the PI will need to transfer funds from other budget categories in order to cover the transaction. The PI should first call the Office of Sponsored Programs to discuss the budget transfer.

After reviewing the balances and the policies of the sponsoring agency, the Office of Sponsored Programs will advise the PI as to available options for fund transfers. Once the decision has been made about fund transfers, the PI fills out a Budget Revision Form and submits it to the Office of Sponsored Programs. Office of Sponsored Programs will review the budget revision and forward it to the Budget Office. Because not all transfers are permissible, the PI should contact the Office of Sponsored Programs as soon as he/she suspects there may be an overrun in the original budget in a particular budget category.

2.5.3.2.6 Budget Changes Requiring Agency Approval

As has been noted above, some budget changes can be made directly by the PI without prior approval of the funding agency. Others, however, cannot be made until prior approval has been granted by the funding agency.

The types of transactions that require prior approval vary depending upon the agency and/or the type of agreement. Generally, prior approval will be required for the following:

1. Change in the scope of work of the project;
2. Extension of the duration of the project;
3. Transfer of funds into the travel or equipment categories in an amount that exceeds 25% of the original budgeted amount or $500, whichever is greater;
4. Purchase of an item of permanent equipment that was not approved in the original budget;
5. Purchase of any item of general-purpose equipment (office equipment, computer hardware, etc.);
6. Funding of foreign travel (if not approved in the original budget); or
7. Subcontract part of the work to another organization (if not approved in the original budget).

Anything included in the proposal budget initially approved by the agency is considered as having prior agency approval.

2.5.3.2.7 Obtaining Agency Approval
If agency approval is required during the course of the project, it must be requested and approved in writing, in the form of a letter of justification from the PI, through the Office of Sponsored Programs, to the appropriate agency office. Before the PI writes the letter of justification she/he should contact the program officer to determine if the agency would be receptive to such a request.

If a letter of justification to an agency is submitted, the letter should be brought to the Office of Sponsored Programs for signature. Most federal agencies require an institutional endorsement on requests for prior approval before they will approve them.

Requests for prior approval on budget transfers and time extensions should be made at least 90 days before the end of the project.

2.5.3.3 Expending Funds

The purpose of this section is to explain the various forms and procedures to use when making expenditures in connection with the sponsored project. This section will cover salaries and wages, fringe benefits, supplies and expendable equipment, permanent equipment, travel, publication costs, subcontracting, and various other expenses.

2.5.3.3.1 Salaries and Wages

All personnel who are paid salaries or wages from a sponsored project account, whether faculty, professional staff, clerical staff, technicians, or students must be paid in accordance guidelines established by the granting agency. Salary and wage categories and job classifications on sponsored project accounts are the same as those established for all other college employees.

2.5.3.3.2 Appointing Individuals to Work on a Grant or Contract

All individuals working on sponsored projects must be appointed via the initiation the PAF – Personnel Action Form –This form is used to add personnel already employed by the College to a grant. It is also used to hire student labor or individuals who are not currently employed by Paine College.

These forms are to be completed by the PIs with appropriate signatures and then forwarded to the Office of Sponsored Programs for review. The Office of Sponsored Programs will then send the PAFs to Academic Affairs or other appropriate offices.

Student Research Assistants – Student assistants can be an integral part of a research project. Paine College supports student assistants at the undergraduate level. Student research assistants may be hired for one semester, an academic year, or a fiscal year (12 months). For budgeting purposes, the salary of the research assistant and the registration fees and tuition must be included in the project.

2.5.3.3.3 Undergraduate Students - Payments to Undergraduate Students

1. Stipend - A stipend is an award to promote the education and training of a student. There is no employee-employer relationship between the student and the College. Stipends to students will be paid with a requisition through Accounting Services. A letter will be sent to the
student explaining the student’s tax obligations. Accounting Services sends a 1099 to the student at the end of the calendar year.

2. Student Labor - Often a grant will provide funds for student labor. These funds are used to pay students to assist the project director in completing the requirements of the grant. This assistance could be clerical, data entry, etc. This does imply an employer-employee relationship between the student and the College. Therefore, a PAF must be completed.

2.5.3.3.4 Estimating Fringe Benefits

Fringe Benefits are estimated in sponsored projects proposals according to college policy. Fringe benefits for full time faculty and administrative staff are estimated at 22% of the employee’s base salary. However, when charges for fringe benefits are made to an agency, they are made at actual cost. Therefore, the amount of money budgeted for fringe benefits may vary from the amount charged. In cases where the estimated amounts are inadequate, funds must be rebudgeted to allow for actual fringe benefit charges. Conversely, if estimated amounts exceed actual charges, excess funds may be rebudgeted to other areas of the project.

2.5.3.3.5 Supplies/Services and Other Costs

Purchases for goods or services costing less than $2,000.00 can be obtained without prior approval from Procurement Services. Payment for these goods and services is done via Payment Authorization Form (obtained from Accounting Services or their website). Goods and services costing over $2,000.00 and equipment must be approved by Procurement Services. For these goods and services a Departmental Requisition Form is sent to Procurement Services where a Purchase Order will be initiated.

2.5.3.3.6 Interdepartmental Transfers

Principal Investigators can charge various goods and services provided by departments on campus. Among these are Bookstore, Telephone Services, and Printing. These charges will be posted to the monthly summary reports.

2.5.3.3.7 Permanent Equipment

Permanent Equipment is defined as any item of a non-expendable nature costing $5000 or more. For sponsored research projects, equipment is further categorized as scientific or general-purpose equipment. Generally, before equipment can be purchased on a research project, funding agency approval is required.

All equipment purchases must be bid in accordance with college regulations. If the equipment must be purchased from a specific source, a justification for sole source purchasing must be attached to the requisition.
2.5.3.8 Travel

A Travel Authorization Form (TA) is required for all out-of-state trips and in-state trips where expenses are substantial. Approving authorities (department heads) have the discretion to decide what level of expense is substantial. Although a TA is not required for in-state travel, a travel authorization form is necessary when requesting an advance.

The president's approval is necessary when traveling to Canada. Travel to Alaska, Hawaii, and anywhere outside the continental United States requires the chancellor's approval. Forward travel requests for these destinations to the president's office at least 30 days prior to the expected departure date. This will allow sufficient time to obtain written advance approval by the chancellor.

The approved budget for a sponsored project will have a Budget Object Code (3000) line labeled "Travel" if such expenditures were included in the proposal budget and approved by the sponsoring agency. The funds in the category are to be used to reimburse Paine College employees who must travel in connection with their sponsored projects.

Travel on a sponsored project is reimbursed at approved college rates. Check Office of Business and Finance' web page for the latest rates. PI's or grant employees must complete a Travel Authorization before the trip is taken. This form can be obtained from the Business Office or online. The TA must be signed by the employee, project director, department chair, and dean. If the PI is traveling, the TA must be signed by his or her supervisor. Once travel has been completed, the employee must complete a Claim for Travel Expenses to be reimbursed for expenses. This form can be obtained from the Business Office or online.

2.5.3.9 Subcontracts

Paine College and agency approvals are required when any portion of a research project is to be performed by an institution or organization other than Paine College. With such an arrangement, a formal subcontract must be executed prior to commencement of work. The Office of Sponsored Programs personnel will assist the principle investigator in writing and negotiating the contract.

All subcontracts, agreements and any subsequent amendments thereto must be signed for Paine State College by the Vice President for Finance and Administration.

2.5.3.10 Consultants

Only in very specific circumstances can Paine College employees serve as consultants on an Paine College research project. In such circumstances, these employees are paid through the payroll system and the usual fringe benefits apply. Contact the Office of Sponsored Programs to discuss the use of Paine College personnel as consultants.

If an external consultant is to be used, a written agreement is required. The Office of Sponsored Programs will assist the PI in preparing the contract.
2.5.3.4 Accountability

OMB Circular A-21, Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions outlines the regulations governing time and effort reporting and the verification of salary distributions. Specifically, OMB Circular A-21, Section (J)(10)(c)(2)(b) requires Time and Effort Reports to be completed to provide after the fact verification of the salary charged to sponsored projects: “[effort] report[s] will reflect after the fact reporting of the percentage distribution of activity of employees.” OMB Circular A-21 requires that this verification be completed for all “professorial and professional”

2.5.3.4.1 Reporting Responsibilities

Reporting responsibilities on sponsored projects fall into two categories, financial reports to the sponsoring agency (handled by the Business Office) and technical reports (handled by the Principle Investigator or Project Director).

When a PI receives an award he/she should determine what the agency requires in terms of reporting. It is imperative that reports are submitted in a timely manner and in accordance with the agency’s requirements.

Time and effort reports for project personnel are subject to the requirements of the granting agency. If no requirements are expressly identified then PIs should use Paine College’s Time and Effort Forms. These forms should be turned in twice per year (on the first Friday in December and the first Friday in June).

As noted above, the Business Office prepares all necessary financial reports. Most agencies require that final financial reports be submitted within 60-90 days after the termination of a project. In order for the Business Office to meet these deadlines, it is imperative that any problems in an account, such as outstanding encumbrances, be cleared up within 30-60 days of the termination of the project.

2.5.3.4.2 Inventory/Property Control

All computers and any item of permanent equipment costing $1500 or more are marked with a permanent Paine College identification number and becomes a part of the annual inventory of permanent equipment. Title to permanent equipment purchased with funds from a grant or contract varies by funding agency. To determine whom has title to any permanent equipment purchased on a specific grant or contract, consult the terms and conditions applicable to the grant.

2.5.3.4.3 Patents and Copyrights

Patentable discoveries or inventions may result during the course of research on a sponsored project. The College has a detailed patent and copyright policy that describes the handling of patentable discoveries and the copyright of materials made by a College employee. Please consult Paine College Policy Manual Volume II.
2.5.3.4.4  External Audits

Periodically sponsored project accounts are audited by external agencies. All contact with external auditors concerning sponsored projects is coordinated by the Business Office. In cases in which an audit team requires files, documentation or discussion with other campus personnel, arrangement for these discussions or information will be made by the Business Office, and usually a college accountant will review any materials and will be present at any discussion. If a project director is contacted by an external auditor, he/she should refer the auditor to the Business Office.