

Office of Sponsored Programs



OSP Grants and Contracts Procedures Manual Mississippi Valley State University

Revised: July 31, 2013



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I. General Information

A. Overview of OSP Services

The principal responsibility of Mississippi Valley State University (MVSU) to sponsoring agencies or individuals is to ensure that all grants and contracts are conducted and funds are spent according to the award terms and conditions, applicable state and federal regulations and guidelines, and university policies and procedures, and that each project supports and promotes the mission of the University. To facilitate these processes and to help ensure successful project outcomes, the Office of Sponsored Programs (OSP) provides the following services and activities.

Pre-award Technical Assistance

- ✓ Identify external funding sources
- ✓ Interpret proposal guidelines and contract terms
- ✓ Assist with proposal organization, and review and edit proposal format and text
- ✓ Develop and review proposal and contract budgets
- ✓ Identify and advise on cost-sharing and matching commitments
- ✓ Complete standard application forms
- ✓ Conduct contract reviews in coordination with the President's Office
- ✓ Coordinate the University's proposal clearance process
- ✓ Manage and coordinate proposal submissions (paper and electronic)

Post-award Technical Assistance

- ✓ Process award documents
- ✓ Facilitate grant and contract budget set-up
- ✓ Interpret contract and award terms and conditions
- ✓ Provide new award orientation sessions
- ✓ Provide information and training on compliance requirements of awards
- ✓ Manage the effort certification process for state and federal awards
- ✓ Develop, review, and route subawards and contracts to the President's Office
- ✓ Review and submit budget and project revisions to sponsors
- ✓ Assist with submission of project technical and financial reports

Data Collection and Reporting

- ✓ Maintain application and award information in the OSP database
- ✓ Maintain subaward and contract information in the OSP database
- ✓ Prepare and submit reports concerning state, federal, and private awards
- ✓ Prepare and disseminate information to the MVSU administration, faculty, departments, and organized research units and other interested parties

Professional Development and Networking

- ✓ Conduct workshops and forums to provide pre-award and post-award information and promote grantsmanship
- ✓ Maintain a database of faculty research interests

Committee Service

- ✓ Serve on the Institutional Review Board for Protection of Human Subjects (IRB)
- ✓ Serve on additional university committees, as required

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B. Definitions

1. **Types of Sponsored Projects** - The term "sponsored projects" encompasses externally funded research, scholarly, and public service activities supported by entities outside the University. They result from proposals submitted by MVSU or the MVSU Foundation, and/or contracts offered to MVSU, and funded by external organizations. Sponsors may be a federal, state, local, or foreign unit of government, a foundation, an association, or a commercial entity or individual.

Sponsored projects are solicited and/or accepted for purposes that are consistent with and enhance the teaching, research, and public service mission of MVSU. Sponsored projects usually include a defined scope of work or set of objectives and technical and/or financial reports are usually required by the sponsor. All types of sponsored projects must be routed through and submitted by OSP.

Sponsored project award agreements vary and usually follow one of the formats described below.

- **Grants** are used when the principal purpose of the award is to accomplish a specified public purpose, or support or stimulate initiatives authorized by federal or state statute (grants from state and federal governmental entities). Grants are also used by local governments, foundations, associations, corporations, and other private entities. Most federal and many state grant award documents are in the form of a Notice of Grant Award (NOGA) and grant terms and conditions usually consist of sponsor or program regulations that are referred to but not included in the grant document itself. Some grant awards take the form of contracts.
- **Subawards and subcontracts** are pass-through awards from an entity using funds it received from a primary sponsor rather than its own funds. Subawards are subject to the same terms and conditions of the primary award to the pass-through entity, plus any additional terms and conditions the pass-through entity adds to ensure effective administration of the subaward.
- **Cooperative agreements** have the same principal purpose as a grant but are chosen as the instrument of award when conduct of the work involves substantial participation by the sponsor (thus a cooperative arrangement).
- **Contracts**, which include purchase orders, are used when the principal purpose is procurement (acquisition of property or services for the direct benefit of the sponsor) and constitute a vendor relationship, although as noted above, contracts may be used to outline the terms of a grant award. Contracts usually detail specific deliverables, and terms and conditions are incorporated directly into the contract document.
- **Fixed-price agreements** are awards where the University agrees to perform work or deliver a product within a specified period at a price agreed to in advance that is payable in full regardless of actual costs incurred. They usually take the form of a contract.
- **Scholarships** are considered sponsored projects and are covered under sponsored project policies if they require a formal grant application and are: (1) received as all or part of a sponsored project and awarded to eligible students selected by the sponsor, or (2) received as all or part of a sponsored project when the sponsor imposes terms and conditions for which the University is responsible for compliance, irrespective of whether the sponsor or the University selects the recipient.

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2. **Research and Development** means all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and other non-profit institutions.

- "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied.

- "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

The term "research" also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function. (U.S. Office of Management and Budget, Circular A-110, Appendix A, Subpart A.2.dd).

Curriculum development projects may be considered "R&D" when the primary purpose of the project is developing and testing an instructional model through appropriate research methodologies (i.e., data collection, evaluation, dissemination, and publication).

A project is classified as "restricted research" if:

The use of the funds is restricted - Restricted funds are funds for which some external entity has restricted how the funds can be spent. When a federal agency provides a grant for a specific purpose, the grant would be considered restricted. A contract from a private sector company would typically be considered restricted. When a donor provides a gift for a specific purpose or for creation or addition to an endowment fund (the income from which is for a specific purpose), the funds expended would be considered restricted funds.

The purpose is primarily research - The primary purpose will normally be demonstrated by the sponsor's statement of purpose or other documented evidence, such as the statement of work or other documented evidence, and for projects with multiple goals may be demonstrated by more than half of the funds (equal to or greater than 50%) budgeted for research.

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3. **CFDA** is the acronym for the Catalog of Federal Domestic Assistance, a compendium of federally funded programs. It is noted for federally-funded projects on the Proposal Clearance Form and is used for grant applications and reporting purposes. CFDA's are assigned to a grant competition and award by the federal awarding agency. [CFDA](#)

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4. **Restricted Gifts** are targeted contributions made to the University for which the donor receives no direct benefit and provides the support with minimal requirements (i.e., no terms, conditions, or other obligations, no authorized signature required, no financial or programmatic reports required, and no intellectual property, confidentiality, or publication conditions). Gifts do not require specific deliverables.

Gift letters and checks should be forwarded to The Office of University Advancement for processing. Unrestricted gift funds are generally placed in "various donors" gift accounts. OSP should be notified of all gifts designated for research to aid in accurate reporting of research expenditures.

If one or more of the following apply, the award is not a gift and OSP must be involved in the submission process:

- a specific program of work or research is proposed to, or required by the sponsor;
- the sponsor requires an authorized representative's signature;

- the sponsor requires or expects one or more progress reports, a final report, financial reports and/or formal accounting of how the funds were expended; and/or
- there are intellectual property, confidentiality, and/or publication conditions associated with the receipt of funds.

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II. Standard Proposal Information

A. Important Information

The following information is needed for the submission of some grant applications. Contact OSP if you need any information not provided below.

Submitting Organization (Applicant), Official Central Contract Registry (CCR) Address	Mississippi Valley State University 14000 Highway 82 West Itta Bena, MS 38941-1400
Address for Official Correspondence	Mississippi Valley State University Office of Sponsored Programs MVSU 7302 Physical address: 14000 Highway 82 West William W. Sutton Administration Bldg., Suite 356 Itta Bena, MS 38941-1400
Type of Organization	Public, nonprofit, educational Entity of the State of Mississippi
Federal U.S. Senators U.S. Congressional District	Senators Thad Cochran and Roger Wicker Congressional District 2 - Congressman Bennie Thompson
State Mississippi Senatorial District Mississippi House of Representatives District	Senate District 24 - Senator David Jordan House District 32 - Representative Willie J. Perkins, Sr.
Authorized Organization Representative (AOR) – signatory authority for all proposals, certifications, and contracts	Alfred Rankins, Jr., PhD, Acting President or his designated authority
Financial Contact	Joyce Dixon, Interim Chief Financial Officer Phone: 662.254.3308 jadixon@mvsu.edu
Contractual Contact, Business Contact & Proposal Contact	Mr. Samuel Melton, Director Office of Sponsored Programs MVSU 7302 Itta Bena, MS 38941-1400 Phone: 662.254.3434 Fax: 662.254.3000 Email: smelton@mvsu.edu
Principal Investigator or Project Director	Faculty Name (or investigator to serve as project contact if there are co-investigators)
MVSU Employer ID Number (IRS EIN) & Federal Entity Identifier MVSU Central Contract Registry (CCR) DUNS Number (parent location)	64-6001395 Valid until November 15, 2013 073538654

CAGE Code (Contractor and Government Entity) FICE Code (Federal Interagency Committee on Education)	08DB2 002424
OPE ID Number (Office of Postsecondary Education)	00242400
OPEDS (IPEDS) ID Number (Office of Postsecondary Education Data System)	176044
Cognizant Agency/Contract Administration Office (F & A rate approvals)	Department of Health & Human Services (DHHS)
Date of last Negotiation of Facilities and Administration Rate	February 17, 2004
Negotiated Indirect Cost Rate Agreement (NICRA) <i>Use for all grants and contracts (unless a different rate is required by the sponsor)</i>	40.0% Salaries and Wages base (S & W)* (on-campus) 7.4% (S & W)* (off-campus) Cognizant Agency: Department of Health and Human Services (DHHS) Date of agreement: 12/29/2011 Effective dates of agreement: 7/1/11 - 6/30/14 or until amended Type of Rate: Predetermined
Fringe Benefit Rates (estimates) <i>See fringe benefit rate table (below) for additional information and rates on additional compensation</i>	37.94% of salaries and wages (Full-time faculty and staff) 7.65% of wages (Casual employees and undergraduate students)

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B. Fringe Benefit Calculations

For each dollar paid as salary or wages to an employee, the University incurs associated costs for non-optional fringe benefits. These benefits include F.I.C.A., worker's compensation, unemployment compensation, retirement matching, life and health insurance. [MVSU's Human Resources Benefits](#).

Fringe benefits are treated as a direct cost to a sponsored project and are shown as a separate entry in the budget. The actual costs for fringe benefits are charged to a sponsored project fund at the time the costs are incurred. The amount charged is based on salary, the selected benefit package, and other variables applicable to the individual employee. Calculations for full-time employees include withholding taxes, retirement contributions, and health insurance.

As a general rule, benefits can be determined using an estimated calculation if the staff member to fill a position has not been identified at the time of proposal submission.

- **Effective FY 2013** the estimate used for unspecified employees is 37.94% of salary or wages (full benefits) for faculty and staff and 7.65% of salary or wages for students, part-time and casual employees. Additional compensation is calculated at 26.54% of salary (all but health insurance).

The table below outlines rates for each category of benefit.

Fringe Benefit Breakdown - FY 2013		
Description of Benefit	Regular Employee	Student Assistant, Part-time/Casual Employee
	11.40%	

Health Insurance	Health Insurance Premium Rates	0
FICA/Medicare	7.65%	7.65%
Retirement Matching	15.75%	0
Life	.20%	0
Unemployment Insurance	1.00%	0
Worker's Compensation	1.94%	0

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C. Indirect Cost (IDC) Calculations – aka Facilities & Administration, F&A, Overhead Costs

All proposals and contracts submitted on behalf of the University must include indirect costs at the maximum rate allowed by the sponsor.

- MVSU's Negotiated Indirect Cost Rate Agreement:
- Cognizant Agency: Department of Health and Human Services (DHHS)
- Effective Dates: July 1, 2010 to June 30, 2011 40.0% Salaries and Wages base (S & W)* (on- campus) 7.4% (S & W)* (off-campus)
- July 1, 2011 to June 30, 2014 until amended 40.0% Salaries and Wages base (S & W)* (on- campus) 7.4% (S & W)* (off-campus)

In addition to costs directly related to a project, the University incurs costs that are indirectly related to all projects. These costs typically include:

- building space and utilities;
- executive, departmental administrative and clerical services;
- office supplies, local telephone service; and
- the services of OSP, legal affairs, payroll, travel, purchasing, university security, and custodial staff.

In other words, indirect costs encompass all elements that support sponsored activities that cannot be directly associated and charged to a specific grant or contract. The recovery of these costs is essential because these costs don't go away, and if unrecovered, are paid for by tuition and other non-grant sources.

Indirect costs are allowable, necessary and expected. Sponsors that allow indirect costs DO NOT preferentially fund proposals that request less than the maximum allowed IDC rate and including indirect costs in a budget does not negatively affect the outcome.

Indirect cost rates are determined for each institution using a standardized, detailed cost accounting procedure. Representatives of the federal government (the cognizant agency) audit and approve IDC rate calculations.

MVSU's current negotiated indirect cost rates for all programs are:

- **40.0% (S & W)** (on-campus)
- **7.4% (S & W)** (off-campus): Based on the new agreement, off-campus is defined as activities performed at facilities not owned by MVSU and for which rent is directly allocated to the project. When the Principal Investigator (PI), Project Director (PD), or other research staff are actually conducting research away from the campus for a period of no less than one long semester or all three summer months, will require an indirect cost reduction

request. In rare occasions, a proposed budget may include both on and off campus budget items. Prior to selecting the off-campus rate, please contact OSP for assistance.

- **Fixed-price agreements** will be assessed the full on-campus indirect cost rate. When developing budgets for such agreements, be sure to include indirect costs in order to arrive at the total cost to MVSU (direct plus indirect) before providing the estimated cost of services to a sponsor. Contact OSP for assistance.

To calculate IDC on S & W (Salaries and Wages):

- Exclude all costs with the exception of direct salaries and wages.

IDC must be included using MVSU's federally-negotiated rates unless the sponsor has a written policy that specifically limits IDC for all applicants. Requests for voluntary IDC reduction must be approved by MVSU administration before a proposal or contract budget is presented to a sponsor.

Only the President of MVSU can waive indirect costs. Any under-recovery of indirect costs due to grantor restrictions must either be treated as cost-sharing on behalf of the University or supplied from other funds.

IDC Recovery and Distribution:

After IDC is charged to sponsored projects based on the approved rate, the resulting revenue is placed in a campus fund for distribution by campus administration based on MVSU's IDC distribution guide. Any questions about the collection and distribution of recovered IDC should be directed to Business and Finance or OSP.

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D. Gift vs. Grant


MVSU is a state agency and therefore is a tax-exempt, non-profit institution and has IRS 501(c)(3) status.








Proposals that require submission by a 501(c)(3) organization are submitted through the University. These applications are coordinated efforts of OSP that follow all standard MVSU grant procedures, and are routed through OSP.

If you are seeking a **gift**, you should contact the Office of Development. Gifts are defined as:

- cash gifts designated for generic research (no specific statement of work) or general program support;
- donations of equipment and other non-cash items; and
- assistance with solicitation of philanthropic gifts from foundations and individuals.

The table below provides guidance regarding "gifts vs. grants."

If one or more of the following apply:	Process through:	
	OSP	Development
A specific program of work or research is proposed to, or required by, the sponsor.		

The sponsor requires an authorized institutional signature.		
The sponsor requires or expects one or more progress reports, a final report, financial reports, and/or formal accounting of how the funds were expended, and/or a return of any unexpended balance.		
There are intellectual property, confidentiality and/or publication conditions associated with the receipt of funds.		
Grant proposals are submitted through the MVSU Foundation [501(c)(3)].		
If none of the above apply:	Process through:	
	OSP	Development
Cash gifts designated for any type of research activity.		
Unrestricted or other cash gifts		
Donations of equipment and other non-cash items		
Not sure? Contact OSP or call ext. 3882		

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III. Compliance and Safety in Research

A. Introduction: Ethics in the conduct of sponsored projects

Mississippi Valley State University (MVSU) strives to create a climate that promotes faithful adherence to high ethical standards in the conduct of scientific research, scholarship, and creative activities without inhibiting the productivity and creativity of the academic community.

Faculty scholars and other personnel at MVSU are expected to adhere to the highest ethical standards for all research and scholarly work. It is the responsibility of every research investigator to maintain the integrity of research projects, including maintaining an auditable record of experimental protocols, data, and findings.

Misconduct in research or scholarly/creative activity is a major breach of the relationship between a faculty or staff member and the University. Co-authors on research reports or scholarly/creative works of any type must have a bona fide role in the research or scholarly work and must accept responsibility for the quality of the work reported.

Misconduct in science and allegations of such behavior will be handled promptly. The University's policy regarding research integrity may be found in the [Faculty Handbook](#).

A Principal Investigator (PI) or Project Director (PD) should have no conflict of interest that would affect the conduct of a project.

MVSU's policy requires that an employee of the University who applies for grants or cooperative agreements from the federal government for research or other sponsored activities, or otherwise submits a proposal for sponsored activities to any entity, ensures that there is no reasonable expectation that the design, conduct, and reporting of research will be biased by any significant financial interest of a PI/PD responsible for the research or other sponsored activity. Based upon federal regulations and the University's objectives to maintain an environment that promotes faithful attention to high ethical standards, this policy relating to conflicts of interest is to be administered in conjunction with Mississippi laws setting forth standards of conduct.

Biosafety Considerations - Individuals proposing research projects that anticipate the use of carcinogenic or toxic compounds, animals, human subjects (including surveys), recombinant DNA, pathogens, or radioactive materials in research activities should contact OSP for further information.

Compliance and safety in research also applies to research activities funded by gifts.

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B. Financial Conflict of Interest (FCOI)

To protect the credibility and integrity of MVSU and ensure the public trust and confidence in the University's research and sponsored activities, actual or potential conflicts of interest must be identified, and then managed, reduced, or eliminated prior to the University's expenditure of any funds under an award, and if required by a sponsor, certify to the funding agency that this has been done or report conflicts that cannot be satisfactorily managed, reduced, or eliminated.

All investigators are required to disclose any significant financial interest that could directly or indirectly affect the design, conduct, and/or reporting of research and/or affect professional judgment in the conduct of sponsored activities.

Additional requirements pertain specifically to Public Health Service sponsored research and to research sponsored by other federal agencies with similar financial conflict of interest regulations. For PHS supported research, resolution of any potential or actual conflicts of interest shall not be required until after funding has been approved and prior to any expenditure of funds under the PHS supported award. Prior to the expenditure of any funds under a PHS-funded research project, the Institutional Official at MVSU shall develop and implement a management plan that shall specify the actions that have been and shall be taken to manage the financial conflict of interest.

For pending or active research or other sponsored activities, a significant financial interest that must be disclosed by an investigator consists of one or more of the following interests of the investigator, and/or the investigator's spouse and dependent children, or any other financially interdependent individual in the household; which reasonably appears to be related to the investigator's institutional responsibilities; and was received, obtained, or held during the twelve (12) months preceding the disclosure:

- Payments from or an equity interest in a publicly-traded entity if the value of any remuneration received from the entity in the twelve months preceding the disclosure and the value of any equity interest in the entity as of the date of disclosure together exceed \$5,000. Remuneration includes any payment for services not otherwise identified as salary (e.g., consulting fees, honoraria, paid authorship);

- Payments from or an equity interest in a non-publicly traded entity if the value of any remuneration received from the entity in the twelve months preceding the disclosure exceeds \$5,000 and any equity interest is held;
- Intellectual property rights and interests (e.g., patents, copyrights), upon receipt of income related to such rights and interests; and
- Travel payments (reimbursements or amounts paid on behalf of the investigator) related to institutional responsibilities (this requirement only applies to investigators with PHS supported research or other federal sponsors with similar FCOI requirements).

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C. Protection of Human Research Subjects (IRB)

The **Institutional Review Board (IRB)** is responsible for reviewing and approving research involving the use of human subjects, including surveys. Principal Investigators (PIs) proposing research using human subjects at any level should review related policies and are encouraged to communicate with and submit the appropriate application to the chair of the IRB early in the process. This includes research conducted by students.

Many agencies require documentation of IRB approval, or that the IRB process has been initiated, in the funding application.

Copies of IRB approval letters and/or e-mails for all externally funded projects must be provided to OSP.

[IRB Guidebook](#)

IRB Chair: Dr. Louis Hall
Phone: 662.254.3384, ljhall@mvsu.edu

OSP Members:
Mr. Samuel Melton, Jr.
Phone: 662.254.3434, smelton@mvsu.edu

Mr. RoShaun Bailey
Phone: 662.254.3745, rbailey@mvsu.edu

U.S. Department of Education's [website](#) on protection of human subjects in research.

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D. Export Control Regulations

Export control regulations are federal laws that prohibit the unlicensed export of certain goods, products, or information for national security and to protect trade. The interpretation of these regulations requires a certain level of expertise because they require classification of commodities, and export and licensing determinations.

Export controls are usually associated with the destination of the export (country, organization, etc.) and the potential use of the export (military or economic use). Exports can occur through shipping, oral communications, written documentation (including e-mails), and visual inspections of any technology, software or technical data to any non-U.S. citizen, whether here in the U.S. or abroad.

Most, if not all, research activities at MVSU are exempt from export control regulations because the results meet the definition of fundamental research (e.g., the results will be in the public domain, and published or otherwise shared broadly in the scientific community).

Export Administration Regulations (EAR) - U.S. Department of Commerce
http://www.access.gpo.gov/bis/ear/ear_data.html (Commerce Control Database or List)

International Traffic In Arms Regulations (ITAR) – U.S. Department of State
http://www.pmddtc.state.gov/regulations_laws/itar_official.html (Defense-related items/services)

However, you must contact the OSP to determine if you have an export control issue if one or more of the following applies to your research:

- You are working on controlled proprietary technology found on the EAR or ITAR lists (you must have a plan to limit access to U.S. citizens and foreign nationals with a green card).
- You have a foreign national working with controlled proprietary technology found on the EAR or ITAR lists.
- MVSU accepts any restrictions on the publication of the information resulting from the research, other than limited prepublication reviews by research sponsors to prevent inadvertent divulging of proprietary information provided to the researcher by sponsor or to ensure that publication will not compromise patent rights of the sponsor;
- The research is federally funded and specific access and dissemination controls regarding the resulting information have been accepted by the University or the researcher.
- Project staff will travel abroad or will ship items abroad.

Travel outside the U.S. also can present export control issues for MVSU employees, specifically if you take items from work such as lap tops, data, technology, blueprints/schematics, and similar items. The destination country and the individuals or entities you interact with also may present export control issues and may require a license from the Departments of Commerce, State, or Treasury. Shipping certain items outside the U.S. also could require a license.

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E. Biosafety and Select Agents

Select agents include biological agents and toxins that have the potential to pose a severe threat to public health and safety or pose a potential threat to animal and plant health or to the safety of animal or plant products. These items are regulated by the Centers for Disease Control (CDC) and the U.S. Department of Agriculture (USDA).

[Select Agents and Toxins List](#)

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IV. Regulations, Policies, and Procedures

A. Role of University Offices in Sponsored Projects

- [Office of the President](#) - Delegates responsibilities of the authorized certifying official (organizational representative) to approve applications and accept external awards; reviews all

- grant-related contracts and modifications; legal consultations and opinions; signs all contracts; approves application before submission
- [Office of the Provost/Vice President for Academic Affairs](#) - Reviews and approves applications before submission and contracts (also applies to other Area VPs when necessary)
 - [Office of University Advancement](#) - Accepts and processes gifts
 - [Office of Business and Finance](#) - Banner fund set-up; project invoicing; financial monitoring and reporting; and maintenance of financial records
 - [Human Resources](#) - Employment and benefits, including management of Position Control Forms (PC05s)
 - [Internal Auditor](#) - Coordination of internal and/or external audits

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B. OSP and Grant-related Procedures

The following are categories of procedures related to the processing of grants, contracts, and other types of external awards. Each is linked to the appropriate indexed section(s) of this manual.

1. [Proposal Processing and Submission Procedures](#)
Primary OSP contact: [Kimberly Allen](#) and [Vanessa Dumas](#)
2. [Contracts to MVSU](#)
Primary OSP contacts: [Gladys Fant](#) and [Samuel Melton, Jr.](#)
3. [Award Process: Request a fund and award orientation](#)
Primary OSP contacts: [Gladys Fant](#)
4. [Project and Budget Amendments](#)
Primary OSP contacts: [Gladys Fant](#) and [Samuel Melton, Jr.](#)
5. [Subawards, Participant Agreements, and Contracts for Services](#)
Primary OSP contacts: [Gladys Fant](#) and [Samuel Melton, Jr.](#)
6. [Budget Management](#)
Primary Accountant contact: [Marshall Boyd](#); Primary OSP contact: [Gladys Fant](#)
7. [Effort Certification and Training \(time and effort reporting\)](#) Primary OSP contacts: [Gladys Fant](#) and [Samuel Melton, Jr.](#)
8. [Research](#) (Faculty Research Grants and minigrants)
Primary OSP contacts: [RoShaun Bailey](#) and [Samuel Melton, Jr.](#)

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C. Responsibilities of the Principal Investigator (PI) or Project Director (PD)

Awards from external sources (grants, contracts, and cooperative agreements) are made to MVSU, not the PI or PD who prepared the proposal.

The President of MVSU, or his/her designated signature authority, is the only individual who can commit the University to the terms of a sponsored agreement, as indicated by the approved signature on a proposal or a contract.

Pre-award: A PI or PD should notify OSP as early as possible in the application/proposal phase so that OSP staff can assist with the proposal. Specifically, the PI/PD should complete the following prior to project submission:

- Provide OSP with program guidelines and other information required for successful submission of the proposal by OSP.

- Develop a budget with assistance from OSP that meets sponsor and university requirements.
- Complete an Internal Approval Sheet and submit with the proposal and other forms as needed; obtain chair signatures and route to OSP no later than three working days before the due date.

Post-award: The PI/PD has overall responsibility for the successful conduct of the project, including the responsibility to:

- Conduct the project according to the terms outlined in the agreement, agency guidelines, and applicable regulations;
- Adhere to compliance requirements (such as human or animal subjects in research and responsible conduct of research);
- Monitor subawards and subcontracts;
- Adhere to the budget as approved by the sponsoring entity;
- Complete interim programmatic reports in a timely manner;
- Monitor grant funds regularly to ensure that all charges, both salary and non-salary, are appropriate to the award (reasonable, allowable, allocable) and directly support the project's objectives or scope of work;
- Process cost transfers, budget and project amendments, and "no cost extensions" (NCE) through OSP;
- Develop and submit technical and programmatic reports;
- Report and certify effort accurately, including cost-shared effort; and
- Establish and maintain contact with the program officer, as applicable.

Close-out: The PI/PD has the responsibility to:

- Complete final programmatic reports in a timely manner;
- Reconcile grant budgets, including account-level overages and budget overruns;
- Involve of OSP in the preparation and submission of sponsor-required close-out documents (equipment disposition, intellectual property, etc.); and
- Maintain project records for the required time (a minimum of three years after formal closing of the project by the sponsor) and correct disposition of equipment.

[Request to Establish a New Account Form \(REA\)](#) for grants and contracts - Required to set up an account number. After receiving notice of award and/or receipt of funds, an REA must be submitted to OSP. OSP must have a copy of the award notice, grant terms and conditions, and a detailed budget (agency approved) before the REA will be processed.

The REA also serves as a vehicle for the PI/PD to acknowledge and accept responsibility for the programmatic and fiscal management of the grant or contract. These are outlined in Section [IV.C., Responsibilities of the PI or PD](#).

As soon as the PI/PD completes a new award orientation session with OSP staff (as needed) and receives the banner org number, funds may be expended within the grant period and according to the approved budget.

The language that follows is found on the REA, which is signed by the PI/PD:

Principal Investigator (PI)/Project Director (PD) Acceptance of Responsibility

The Principal Investigator/Project Director is responsible for the programmatic management of the grant or contract and conducts the project activities as approved by the funding agency to meet project goals and objectives while adhering to sponsor guidelines and policies and procedures of the University.

My signature below acknowledges that I understand I am responsible for ensuring:

- Project expenditures are directly related to the project, reasonable, allowable, allocable, and necessary to meet project goals and objectives;
- Project expenditures are processed in accordance with university policies;
- Personnel paid from grant or contract funds perform at the level of effort stated in the grant/contract and effort is certified as required by university policies;
- Subcontracts, subrecipients, and consultants are monitored and reporting requirements are met;
- Compliance with policies for human subjects in research and use of biohazards;
- Technical or programmatic reports required by the sponsor are submitted in a timely basis and copies or notification of submission sent to OSP;
- Amendments requiring sponsor approval are routed through OSP for institutional approval; and
- Project files and support for expenditures are retained for a minimum of three years (unless otherwise noted) after the grant or contract has been officially terminated by the sponsor.

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D. MVSU Policies Governing External and Internal Funding

Research and sponsored project funds awarded to and administered by MVSU must conform to university policies and guidelines, as well as those of the sponsor. Projects, where MVSU is a subawardee, are subject to applicable policies of the prime sponsor, as well as whatever other terms and conditions are specified by the entity that provides the funds to MVSU.

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E. Federal and State Regulations

[Prevent grant fraud, waste and abuse](#)

When a sponsor provides federal funding for a project, either directly or indirectly as pass-through funds, there are specific compliance requirements.

These compliance requirements include:

- **Statutory Requirements**, which are created when laws are enacted. These requirements take precedence over all other policies and regulations related to sponsored projects.
- **Office of Management and Budget Circulars (OMB)** for government-wide sponsored project management.

Federal Regulations - The University and the PI/PD, in accepting an award from a sponsoring agency, assume the responsibility for the financial, technical, and administrative aspects of the award. There are five principal sets of federal regulations that provide guidance in the financial and programmatic management of awards to universities:

[2 CFR Part, 220 \(OMB Circular A-21\)](#), [Cost Principles for Educational Institutions](#) - Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions - (Note that A-21 applies to contracts and to subrecipients performing work under federal awards.)

[2 CFR Part, 215 \(OMB Circular A-110\)](#), [Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations](#) - (Note that federal contracts are subject to Federal Acquisition Regulations rather than A-110).

[OMB Circular A-133](#), [Audits of States, Local Governments, and Non-Profit Organizations](#), [2013 Compliance Supplement](#)

[EDGAR](#) - Administrative regulations for the U.S. Department of Education grants.

[FAR](#) - Federal Acquisition Regulations are the primary regulations used by federal sponsors to govern contracts for supplies and services, including research services. FAR incorporates OMB Circular A-21 for the purpose of defining allowable costs. FAR is not applied to grants and cooperative agreements that are governed by OMB Circular A-110, agency grant regulations, or Federal Demonstration Project (FDP) terms and conditions (FDP is not applicable to MVSU). Federal contracts typically incorporate all of the FAR clauses applicable to a given project.

[Allowable and Unallowable Costs Guide](#) - guide to allowability of federal expenditures

State Regulations and Guidelines - Each state agency provides regulatory guidance in requests for proposals, in award documents, and/or in contract terms. In practice, they apply OMB Circular A-21 to universities.

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V. Find External Funding

A. Benefits of External Funding

Faculty and staff are encouraged to seek external funding for research and sponsored projects undertaken to further the mission of MVSU in teaching, research and public service.

Sponsored projects enhance and expand the educational opportunities available to undergraduate and graduate students at the University, permit research, scholarly inquiry, and the development of new knowledge, and contribute to the academic achievement and stature of MVSU.

The primary responsibility for the development of proposals rests with the Principal Investigator (PI) or Project Director (PD). All proposals are expected to be relevant to the interests and expertise of the PI/PD and consistent with the mission of MVSU.

Externally funded grants and contracts provide a number of benefits to individual faculty members, as well as to MVSU. These benefits include:

- Undergraduate and graduate student support (research experiences, salaries, scholarships, tuition support, etc.);
- Equipment, chemicals and reagents for research laboratories;
- Operating supplies;
- Support for curriculum development and public service activities;
- Project-related travel; and
- Faculty and staff salary support.

In addition, grants bring recognition and prestige to MVSU and to faculty members and provide support for and evidence of research, scholarly/creative, and/or service activities for faculty tenure and promotion.

External funding can help faculty members accomplish their professional goals in several ways.

- External funding provides a record of research and involvement in activities that advance a field of study, and builds a vita considered in promotion and tenure decisions.
- Externally funded projects can address a need or solve a problem. There are external funding programs to support a variety of activities across many disciplines.
- External funds can provide the financial means to support a project, interest, and/or program of research.

B. How to Find External Funding

Locating funding and matching your project ideas to a funding agency's needs can be a challenge. There are a variety of online publications, searchable databases, and funding notice listservs that can be useful in a grant opportunity search.

OSP pre-award staff can help you locate external funding review program guidelines and proposal application materials once a potential funding agency and/or program has been identified. See the following section (C) for additional information.

It is highly recommended that you review the following to determine if a funding agency announcement is appropriate for your project:

- Applicant eligibility requirements;
- Agency funding priorities;
- Time line for the project;
- Allowable expenditures and average award;
- Cost-sharing or matching requirements;
- Type and extent of reporting requirements; and
- Possibilities for subsequent funding.

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C. Federal, State, and Private Funding Sources

There are a number of federal, state and private grant resources. The web site, [Grants.gov](#), offers a listing of opportunities by agency and is a centralized site for downloading grant application packages for submission in the Grants.gov system. There are subscription listservs, open to anyone that can be personalized to an individual's interests.

In addition, federal agencies post grant information and grant guidelines specific for grants they fund on their websites. Here is a partial listing of federal agencies that offer sponsored project opportunities:

- [National Aeronautics & Space Administration \(NASA\)](#)
- [National Endowment for the Arts \(NEA\)](#)
- [National Endowment for the Humanities \(NEH\)](#)
- [National Science Foundation](#)
[NSF Proposal and Award Policies and Procedures Guide \(PDF\), October 2010](#) (effective January 18, 2011)
- [Institute of Museum and Library Services \(IMLS\)](#)
- [U.S. Department of Agriculture \(USDA\) National Institute of Food and Agriculture \(NIFA\)](#)
USDA Current Research Information System ([CRIS](#))
- [U.S. Department of Commerce](#)
- [U.S. Department of Education \(ED\)](#)
[Grantmaking at ED](#)
- [U.S. Department of Energy](#)
- [U.S. Department of Health and Human Services \(DHHS\)](#)
- [National Institutes of Health \(NIH\)](#)
[NIH Grants Policy Statement \(10/1/10\)](#)

- [SAMHSA](#)
- [U.S. Department of Housing and Urban Development \(HUD\)](#)
- [U.S. Department of the Interior, National Park Service \(NPS\): History and Culture](#)
- [U.S. Environmental Protection Agency \(EPA\)](#)

Private Resources

If you are seeking cash gifts designated for any type of research, unrestricted cash gifts, or donations of equipment and other non-cash items used in research, you should contact the [Office of Development](#).

If you are seeking private grant funding from individuals, foundations, and/or corporations, contact OSP for assistance. Note that some foundations limit the number of applications that can be submitted from an institution, so coordination is essential.

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VI. Apply for a Grant

A. Proposal Processing and Submission Procedures

Administrative Review and Clearance Process - All external funding proposals must be approved in advance of submission by the appropriate department chair, vice president and the President. No grants, contracts, or other agreements should be submitted to a sponsor without the prior approval of the President or delegated authority.

Department chairs are responsible for reviewing grant proposals and contracts and for assuring that the proposed commitments of unit resources are feasible and realistic and that they support the mission of the University. This includes confirming that the following are appropriate, as applicable: (1) faculty and/or staff time commitments; (2) cost-share or matching commitments; (3) use of university facilities; (4) required facility modification or remodeling; and (5) overall cost of equipment to be purchased, including shipping, set-up, and maintenance.

- Prior to routing the Internal Approval Sheet ([IAS](#)) and attachments, OSP reviews all proposal budgets and abstracts.
- Given sufficient time (at least five days), OSP will assist in the review and editing of proposals.
- The University will not authorize the submission of proposals with budgets that do not meet university requirements.
- The University will not authorize the submission of proposals that OSP staff, department chairs, vice presidents, and/or the President consider substantially incomplete (non-responsive to the sponsor's RFA/RFP requirements).

If a proposal reaches OSP with insufficient time for review, or is submitted without prior administrative approvals, OSP will perform a post-submission review and make the sponsor aware of any needed revisions. Proposals with serious deficiencies may be withdrawn.

For a proposal to be cleared for submission, the Principal Investigator (PI) or Project Director (PD) must submit the following items to OSP at least five (5) days prior to the date the proposal is due to the sponsor or at least four (4) weeks before the planned start of a contract term:

- A completed (signed through the chair level) Internal Approval Sheet;
- A final budget that meets university and sponsor requirements; and
- A final or final draft proposal or contract that meets sponsor guidelines.

The following is a suggested timetable for proposal submission and review.

Time Frame	Detail
45-30 days prior to submission date	Inform Office of Sponsored Programs of Intent to Submit by completing the OSP Intent to Submit form.
45-30 days prior to submission	Preliminary research and proposal development
30 days prior to submission date	Write abstract
30-25 days prior to submission date	Complete proposal draft and submit to OSP
20-10 days prior to submission	Write proposal revisions
20-10 days prior to submission date	Complete proposal revisions
10-5 days prior to submission date	Final review and submission of proposal to Sponsor

Electronic Submissions - OSP submits **all** applications on behalf of the University, including those submitted electronically (by e-mail or web-based systems). Common web-based systems include:

- Grants.gov
- U.S. Department of Education e-grants
- NSF Fastlane
- [National Institutes of Health \(NIH\)](http://National Institutes of Health (NIH) (eRA Commons; submissions coordinated with Grants.gov)) (eRA Commons; submissions coordinated with Grants.gov)

Some tips for a successful electronic submission:

- Provide OSP pre-award staff with the program solicitation and/or link to the on-line application, guidelines, and forms. This will allow OSP staff to preview requirements to ensure a timely and successful application.
- Contact OSP pre-award staff as soon as possible to ensure that OSP has access to the application in advance and the Principal Investigator (PI) or Project Director (PD) has registered with the sponsoring agency, if required.
- Most federal projects are now submitted through Grants.gov. Individuals DO NOT register in this system for projects submitted by MVSU; OSP is already registered on behalf of MVSU.
- On the other hand, PIs and PDs are required to register for the NSF Fastlane system and for NIH grants. These require several levels of approval, so be sure to notify OSP as soon as you begin proposal development using one of these online application systems.
- Sometimes there are technical difficulties with web applications, so please plan to have your application submitted electronically several days before the due date.
- OSP pre-award staff can help you prepare grant-related documents for uploading into the electronic system prior to submission, can monitor the status of submitted proposal components, and can provide electronic confirmation of proposal submission.
- A cover page with original signatures may need to be submitted after the electronic submission is completed.
- Signed certifications (provisions and assurances) may not be requested by the sponsoring agency until the project is under consideration for funding.

Some additional tips:

- MVSU is already registered in Grants.gov - please do not attempt to register for MVSU in that system.
- MVSU already has a DUNS number - please do not request another DUNS number for the University.

- MVSU is already registered in the Central Contract Registry (CCR) - please do not attempt to register MVSU in this system.

All online and paper submissions require prior approval of the Provost/VPAA and the President and require an [Internal Approval Sheet](#). Some applications also may require that a signature page signed by the Authorized Organizational Representative (the MVSU President or delegated authority) be submitted after completion of the online submission.

Provisions & Assurances and Terms & Conditions - Federal and federal pass-through applications and awards require that the University agree to specific provisions and assurances. Non-federal contracts and similar agreements include terms and conditions that also must be reviewed and agreed to by the University. Only the President (or designee) may sign provisions/assurances and contracts.

Required assurances, representations or certifications are usually detailed in the proposal instructions. Proposals are considered incomplete if required endorsement signatures are omitted, or if required certifications are not provided. OSP will obtain the required signature of the President when the proposal is routed through OSP.

For example, federal funding agencies require certification that the University is in compliance with the Drug-Free Workplace Act; that the University has not used and does not intend to use federal funds for lobbying activities; and that the University is not debarred or proposed for debarment.

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B. Contracts to MVSU: Development, review, and approval

Before contracts, subcontracts, subawards, consulting agreements, interagency, interlocal, cooperative agreements, or other forms of contractual agreements from another entity to MVSU can be fully executed, they **must be**:

- Reviewed by OSP; and
- Signed by the President or designee (OSP will route).

If the contract represents the entire proposal, an Internal Approval Sheet also must be submitted to OSP.

The completed form should be submitted to OSP for routing with:

- A final budget;
- A final or final draft of the contract; and
- Required departmental and college signatures, if any.

To ensure that there is sufficient time for legal review and to obtain the President's signature, please submit the contract to OSP at least four (4) weeks before the start date of the contract.

- ALL contracts shall have the signature of the President;
- ALL contracts should include contact information for MVSU and the contractor.

For MVSU, the contact for contractual matters is:

Samuel Melton, Director
Office of Sponsored Programs
14000 Hwy 82 W, MVSU 7302
Itta Bena, MS 38941-1400

Contracts with Commercial Sponsors - A PI/PD must contact OSP before beginning contract term and budget discussions with a commercial (private, for-profit) sponsor. These contracts often require modifications and subsequent review by legal departments on both sides.

Additionally, these contracts often include one or more of the following special terms or conditions:

- a fixed-price for the development of a product, provision of a service, or conduct of a research activity;
- a confidentiality provision;
- intellectual property and/or technology transfer provisions; and restrictions on publications.

Regardless of the source or purpose, no contracts or other binding agreements shall be executed without the signature of the President or delegated authority. Only the President has the authority to make commitments for the University.

Management Responsibilities of the PI/PD - The PI/PD is responsible for the effective management of all awards to MVSU in the form of a contract (see section VII Manage a Project).

Subawardee Certifications - Subawards and subcontracts from federal sources may require completion of one or more subawardee certifications in addition to those included in the body of the contract. OSP will obtain any required signatures.

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C. Tips for Project Planning and Proposal Writing

Okay, you're ready to begin writing - where do you start?

1. **Meet with OSP** - If you have not already done so, you should set up a meeting with OSP to discuss your project. OSP can offer insight and assistance in developing your proposal. By contacting OSP at the beginning of the process, OSP staff can help make sure you have all the necessary documents in the correct format. OSP staff can also provide suggestions and basic information for your narrative and budget, or provide suggestions if you are submitting a letter of intent.
2. **Plan your Project** - Developing a project plan is an essential prerequisite to successfully finding funding for a project. The development of a project plan and proposal is an ongoing process and OSP can help you every step of the way.

It's generally not a good idea to look for a funding agency and then tailor your project to fit the agency's needs. You may find yourself pursuing a project that is far from your original idea! Instead, develop a project outline first. A written plan can help you get your thoughts organized and can allow OSP, project staff, potential partners, and management to provide feedback. A good plan includes the following elements, modified to reflect a research, service, instructional, or other purpose:

- How the project meets the goals of MVSU;
- A statement of a need or problem;
- A description of clients and service area(s) or geographical study areas;
- Project goals and objectives;
- Methodology and activities;
- A project evaluation plan;
- Estimated resources or needs (budget);
- An estimation of future funding;

- Existing and prospective support from external sources; and
- Strategies for marketing the project to partner and sponsors.

While developing the plan, you should consider the following:

- Does MVSU have the infrastructure and expertise to conduct this project (or will partnerships be beneficial)?
- Will more space be needed or any special equipment?
- Is MVSU making good use of its resources in the proposed project?
- Does the project constitute a duplication of services?

3. **Search for Funding** - Requests for Proposals (RFPs), Applications (RFAs) and Program Announcements (PAs) are solicited proposals that normally include representations and certifications to be completed and executed by the University and may include contract terms and conditions. Most of these have firm deadlines applicable to their receipt by the sponsor. Most applications to federal and state agencies are submitted on-line by the authorized organizational representative (AOR, at MVSU the AOR is the President) or designee (all electronic proposals are submitted by OSP). Some proposals may be submitted by e-mail (again by OSP) or by mail.

A copy of the entire proposal solicitation instruction package (application forms and instructions) should be forwarded to OSP when it is received by the PI or PD, along with an indication of who intends to submit a proposal under the RFP, so that appropriate internal reviews and approvals may be accomplished before specified submission deadlines.

4. **Read the Project Guidelines** - Your primary guide for proposal preparation should be the sponsor's written guidelines, information provided on a sponsor's web site, and any personal advice offered by the program officer or grant contact. The guidelines will tell you what documents you will need to include and how to format your proposal. If you don't understand something in the program guidelines/announcement, you can usually submit questions to the agency's contract or program officer (within specified time lines); however, you should be aware verbal information given to you by the sponsor is not binding, so it's always best to get everything in writing.

Typically a proposal will include a narrative, budget, and budget justification. Many agencies have prescribed formats for text, biographical data, budgets (including cost-sharing and matching), and forms. For agencies that do not have specific formats, we suggest that the project director contact OSP for sample proposal outlines.

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D. Special Proposal Requirements

Some federal agencies require that the PI address specific areas in a proposal. For example, the National Science Foundation (NSF) requires the following: a Data Management Plan, Current and Pending Support descriptions, and a Post-doctoral Mentoring Plans.

Subrecipient Certification

Any time MVSU serves as a subrecipient on a proposal, the lead institution may require MVSU to complete a Subrecipient Certification Form. Most institutions will have their own standard form, as does MVSU which should be used any time a subcontract/award is budgeted in a MVSU proposal. This document usually requests, but is not limited to, the following information and must be signed by the University's signature authority or his designee. This document becomes a part of the proposal package submitted to the lead institution.

- Project title; Requested amount and project period; PI name and contact information; university information; OSP liaison and contact information; Fiscal officer and contact information; Compliance concerns (IRB, Hazardous wastes); Most Recent Audit; and Debarment Status

NSF Data Management Plans (DMP)

Effective January 2011, all proposals to the National Science Foundation (NSF) must contain a Data Management Plan (DMP), which describes the plans for data management and sharing of the products of research. The DMP will be reviewed as part of the intellectual merit and/or broader impacts of the proposal. This supplement is limited to no more than two pages and should describe how the proposal will meet the NSF policy on the dissemination and sharing of research results and may include the following:

- The types of data, samples, physical collections, software, curriculum materials, and other materials to be produced in the course of the project;
- The standards to be used for data and metadata format and content (where existing standards are absent or deemed inadequate, this should be documented along with any proposed solutions or remedies);
- Policies for access and sharing including provisions for appropriate protection of privacy, confidentiality, security, intellectual property, or other rights or requirements;
- Policies and provisions for re-use, re-distribution, and the production of derivatives; and
- Plans for archiving data, samples, and other research products, and for preservation of access to them.

A valid DMP may include a statement that no detailed plan is needed but there must be a clear justification. Only one DMP is needed for simultaneously submitted collaborative proposals and proposals that include subawards as they are considered a single unified project. No DMP is needed for proposals for supplementary support to an existing award. Data management requirements and plans specific to the Directorate, Office, Division, Program, or other NSF unit, relevant to a proposal are available at: <http://www.nsf.gov/bfa/dias/policy/dmp.jsp>. If guidance specific to the program is not available, then the requirements established in this section apply.

For more information, refer to the NSF's [Award and Administration Guide](#).

Current and Pending Support Descriptions

Almost all government agencies require documentation of current and pending support/funding from all sponsor types (federal, state, local, and private). Most have their own form or required format and request the following information for projects that are currently funded or pending applications.

- Sponsor name; Proposal title; Amount funded and funding period; Amount of effort committed each year. (This information is required for PIs, Co-PIs (and often Senior Personnel) even if they do not receive salary support from the funding agency.)

For more information, refer to the NSF's [Award and Administration Guide](#).

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E. Develop a Budget

Budget preparation is a critical component of grant applications and contracts. It is important that the budget section of the proposal reflect, as precisely as possible, the funding needed to carry out the project. The Principal Investigator (PI) or Project Director (PD) should neither overestimate the funds required nor underestimate budgetary needs as either of these strategies may lead to proposal rejection.

A budget that accurately details the funds necessary to carry out the technical statement of work strengthens the overall proposal and increases the likelihood of funding. (A carefully prepared budget can also identify weak areas in the proposal narrative and result in improvement of the technical proposal.)

OSP staff are experienced in preparing budgets and encourage investigators to contact them when they have a draft of the budget. OSP can provide expertise in completing a budget request, calculating fringe benefit and indirect cost rates, documenting subcontracts/subrecipient agreements, consultants, indirect costs, and identifying matching funds and/or cost sharing resources. OSP also completes sponsor assurances and certifications for the President's signature, when required by the sponsor.

1. Direct and Indirect Costs

Direct costs are costs which can be directly identified with your project. The categories established for federal budgets are useful in the preparation of budgets for all types of proposals. For federal projects, direct costs are those that can be directly attributed to the project. To be eligible as a direct cost, a cost must be allocable to the project, allowable under the cost principles, reasonable, and charged consistently across the University.

On the other hand, indirect costs cannot be directly identified with your project. They include building space, utilities, and related university services, departmental administrative and clerical services, and the services of OSP, legal affairs, payroll, travel, purchasing, university security, and custodial support. In other words, all those elements essential to support sponsored activity which cannot be broken down and directly charged to a specific grant or contract.

Definitions of what are allowable and unallowable direct costs for federal projects are outlined in OMB A-21, Cost Principles for Educational Institutions (OMB A-21).

Most federal and state agencies and private entities define allowable costs specific to their grants within their respective grant guidelines. If you are uncertain or have any questions about what constitutes an allowable direct cost for an application or award, contact OSP.

Reference Guide: [Allowable and Unallowable Costs Guide](#)

Before finalizing a project budget, review the budget format, cost categories, and allowable costs for the specific funding opportunity. These will differ significantly from one sponsor/opportunity to another.

In general, categories of direct costs include:

- [Salaries and Wages](#)
- [Additional Compensation](#)
- [Fringe Benefits](#)
- [Subawards and Vendor Contracts](#)
- [Equipment](#)
- [Supplies and Materials](#)
- [Travel](#)
- [Participant Costs](#) - scholarships and stipends
- [Other Direct Costs](#)

[Indirect Costs](#)

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Salaries and Wages

A project may employ current university employees or may hire new employees with the understanding that their employment is solely for the duration of the grant.

Salaries and wages should be listed by the time to be spent by each person who will work on the project, including faculty, exempt and non-exempt staff, and students (graduate and undergraduate). For faculty, professional staff, and graduate assistants, time commitments are usually expressed in terms of months and a percent of full-time effort (i.e., 9 months at 25% time). Budgets should show a breakdown between summer commitments and the regular, 9-month academic year for faculty (or for 10- or 11- month appointments). Non-salaried students and casual employees are calculated based on the hourly rate times the anticipated number of hours to be committed to the project.

Sponsored activities may not result in any employees receiving compensation at a rate in excess of their authorized base salary or rate of pay. In other words, under no circumstances can anyone be paid from grants at a rate higher than their regular salary. In exceptional circumstances, exempt individuals may receive additional compensation above their base pay (see below.)

- Some agencies (e.g., NSF) limit the amount of faculty salary to 2/9 of a 9-month contract to be received during the summer months.
- For multi-year projects, the budget should take into consideration any possible salary increases.
- Direct charging of administrative and clerical staff salaries is treated as an indirect cost, although these costs may be appropriate for a major project that requires an extensive amount of administrative, clerical, or technical support. The positions and job responsibilities must be clearly outlined in the application and budget.

Additional Compensation

In exceptional and unusual circumstances, faculty and exempt staff may be eligible to receive additional compensation for work performed outside of normal work hours and that exceeds normal expectations as outlined in MVSU policy, faculty contracts, and/or job descriptions. Non-exempt staff are not eligible to receive additional compensation – they must be paid overtime for work performed in excess of 40 hours a week.

Normally and preferably, faculty are paid a portion of their base salary with grant funds and are granted proportional release time from teaching and other duties and/or receive pay for work on grants during the summer months.

If warranted and approved as outlined below, extra effort expended during the conduct of sponsored projects may be paid additional compensation up to an amount not to exceed 25% of their institutional base salary for work performed in addition to teaching and other university duties. Please note that an employee cannot be paid regular salary or cost-share salary on a grant and receive additional compensation pay from the **same** grant.

Institutional base salary is defined as the total annual compensation that an individual receives from the university to perform activities listed in a faculty contract or professional employee job description. It does not include stipends for temporary administrative assignments or additional compensation payments.

In summary, employees may be eligible for additional compensation if the work falls into one of two areas:

- Employee paid for short-term, incidental work on a task basis **OR**
- Employee performs extra duties that are across departmental lines (consistent with OMB Circular A-21).

Terms for the payment of additional compensation to faculty and staff must be specifically outlined in the grant application or contract and approved by the sponsoring agency. The proposal, budget, and/or budget justification must:

- Explicitly state the employee or position who will receive additional compensation;
- Describe the specific work to be performed by the employee;
- State the total dollar amount of the additional compensation to be paid;
- State the percent of additional effort or the hourly rate and number of hours being committed in exchange for additional compensation; and
- Segregate the amount of the additional compensation from regular salary expenses.

All grant or contract budgets must be reviewed by OSP staff before they are submitted to a sponsor for consideration. This will help to ensure that they meet MVSU and sponsor requirements.

The [Authorization for Additional Compensation Services](#) must be completed and submitted before the work commences. The Director of OSP approves requests for additional compensation after the recipient of the additional compensation completes the form and OSP staff have confirmed the request meets both sponsor and university policies and guidelines.

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Subawards and Vendor Contracts

Subawards (Subcontracts)

Subawards are made by the University to other organizations that will perform a part of the scope of work for a project awarded by the sponsor to the University. Subawards may be subgrants, sub-cooperative agreements, or subcontracts, and are generally of the same type as the award to the University.

The PI/PD should incorporate prospective subrecipient's work statements, budgets, and administrative approvals in the sponsor's format if required, with the University's initial proposal to the potential sponsor. Failure to identify a subrecipient in a proposal may require sponsor approval or competitive selection before the subaward can be executed.

In some cases (for example, proposals submitted to the National Science Foundation) partnering institutions that constitute subawards will be required to enter and submit their own information in an online application.

If your project involves expenses associated with a cooperative organization or a tiered agreement, those expenses should be included as a subcontract in the proposed budget. The total subcontract cost should appear as a line item in your proposal budget, and a separate budget breakdown for subcontract costs should follow the proposal budget. In addition to a detailed subcontract budget, a letter signed by the individual authorized to contractually commit the subcontracting organization should be included in the proposal. Subcontract costs should include the subcontracting organization's fringe benefit expenses.

\$25,000 IDC limitation - Indirect costs (IDC) in a subcontract must be in compliance with the sponsoring agencies guidelines. Under federally sponsored research awards, the University only recovers the indirect costs on the first \$25,000 of the subcontract at the University's negotiated rate.

Subcontractors may recover indirect costs on the amount of the subcontract in excess of \$25,000 at the organization's negotiated rate. If the subcontracting organization does not have a negotiated rate,

no indirect for the organization should be included. This limitation generally does not apply to training grants or other programs that require alternate IDC rate calculations. Be sure to carefully read the program guidelines, and request assistance from OSP, as needed.

Vendor Contracts (Consultants, Lecturers, Workshop Presenters, Mentors, etc.)

Agreements to obtain goods or routine services are purchases (vendor contracts) and not subawards, and are subject to all relevant university procurement policies.

Normally, consultants are paid a consulting fee plus travel expenses, if applicable. Some sponsors do not permit payments to consultants and some restrict or limit such payments and may require inclusion of travel costs in the contract fee. If in doubt as to the allowability of consultants or rates paid to consultants, refer to the sponsor's program guidelines and/or award documents, or contact OSP for assistance.

Lecturers, workshop presenters, mentors and other service providers are not ordinarily considered consultants, but must be detailed in the budget to ensure sponsor approval for the proposed services.

Whenever possible, provide the following information in the proposal before it is submitted:

- Identify the proposed consultant or service provider by name;
- Indicate the number of days to be worked and the daily rate of pay; and
- Include curriculum vitae (only if required by the sponsor).

Additional information on the distinction between subawards and procurement is found in [OMB Circular A-133](#), Section 210.

Contract Payments

All payments on grant-related contracts must be approved by the Principal Investigator or Project Director (PI/PD).

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Equipment

Most agencies make a distinction between capital equipment, which must be detailed in line items, and minor equipment, which is generally included in the supplies and materials (or operations and maintenance, O&M) budget category.

Most sponsors accept the applicant institution's definition of capital equipment, which for MVSU is defined as an item with a cost of \$5,000 or more, that is non-consumable, independently functional, not attached to a permanent structure, and with a useful life of more than one year. Unless otherwise specified by a sponsor, capital equipment is the property of the University and must be inventoried. All capital equipment purchased with federal funds must be identified as such in the institution's property records.

For more information: [MVSU's Procurement and Contracts Department](#)

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Supplies and Materials

Materials and supplies, which include expendable, non-capital equipment, are items costing less than

\$5,000 and include such items as expendable laboratory supplies, teaching aids, computer software, and office supplies. A reasonable amount should be budgeted for these items as allowed by the sponsor.

Most federal grants generally do not allow the purchase of office furniture and other general purpose equipment unless they are necessary for conduct of the project and are specifically approved in the budget. In addition, some general office supplies are considered part of indirect costs and are not allowable without clear justification.

Note that although they cost less than \$5,000, some items are controlled (e.g., cameras, computers, scanners, TVs, and all other digital equipment except cell phones and fax machines) must be inventoried.

For more information: [MVSU's Procurement and Contracts Department](#)

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Travel

Individuals who travel using grant funds must adhere to university travel policies.

Travel on official university business, including travel on grants, requires prior approval of university administration and the sponsor. In addition, many sponsors require a detailed estimate of travel plans and expenses (e.g., destinations, hotel, per diem, and transportation) in the proposal. Travel on grants must directly support project goals, which may include dissemination of results. Federal grants generally prohibit travel outside of the 48 contiguous United States. If approved by a sponsor, travel to a foreign country will require additional administrative approvals.

Meal and lodging rates differ depending on whether the travel is in-state or out-of-state. Reimbursement for travel on grants is the same as for all other university business, except in instances where the approved grant application or contract specify different rates in the travel justification.

For complete information regarding university travel policies and procedures: [MVSU's Travel Policies and Procedures](#)

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Participant Costs - scholarships and stipends

Participant scholarships and stipends are payments to students to provide financial assistance during the period of their education and training. Scholarships typically pay for tuition and fees, but also may provide for living expenses. Scholarships are managed by Financial Aid.

Participant stipends are non-scholarship, non-salary support. They require a contract with the student that outlines the terms for payment and typically include monetary support for participation in the sponsored project.

If these items are allowed by a sponsor, they must be clearly detailed in the project budget.

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Other Direct Costs

Other direct costs include items that cannot be captured in any of the above categories. As appropriate for the project and as allowed by the sponsor, costs for copying, long-distance telephone calls, postage, reference books and materials, publication costs, and equipment maintenance.

Use caution in this area as some of these costs are considered indirect costs, so the PI/PD must justify the need for these items in relation to the project's scope and desired outcomes.

Quick Reference Guide: [What about Food Purchases?](#)

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2. Matching and Cost-sharing Commitments

Some sponsors require matching funds or cost-sharing of resources.

Although these two terms are often used interchangeably, matching funds are normally defined as cash (e.g. a percentage of the cost of a piece of equipment or cash donations from a collaborating partner). On the other hand, cost-sharing usually takes the form of contributed time and effort by the PI, PD, or other project staff - faculty release time, graduate student salaries, and student workers.

Some tips on cost-sharing and matching:

- Cost-shared or matched funds/resources must be expended or used during the term of the award.
- Do not include cost-sharing or matching unless it is required and do not cost-share or match at a higher percentage than is required.
- For federal projects, you cannot cost-share federal funds. This includes students paid through the Federal Work-Study (FWS) Program. Only use non-federal sources and only cost-share federally allowable costs.
- For all projects, do not use the exact same funds to cost-share or match more than one project. In other words, don't commit the same funds twice.
- Exercise care not to over-commit cost-shared effort or facility usage. These are areas that are examined closely by auditors.
- Unrecovered indirect costs (IDC) may be included as part of cost-sharing if allowed by the sponsoring agency.
- Cost-sharing and matching commitments must be honored, documented, and reported to the sponsoring agency.

Refer to [OMB Circular A-110 Subpart C.23](#) for federal cost-share requirements.

If cost-sharing and/or matching funds are committed to a project, the PI/PD must include a detailed budget showing these funds. This detail may be provided within the proposal budget detail. Cost-sharing and matching commitments must be approved by the department chair, and the Provost/VPAA, and the President.

When an award is accepted that includes cost-sharing, the University is committed to formally documenting that the cost-sharing was actually applied to the project during the term of the project. If the award level is significantly lower than the requested level, a corresponding reduction in cost-sharing should be negotiated.

Upon award, and annually thereafter for multi-year awards, the budgeted amount of cost-shared salaries and wages, travel costs, and supplies and materials, will be transferred from the designated

departmental fund into a Banner cost-share fund specifically tied to the grant by way of a unique Banner organization number assigned to the project manager. These expenses will then be pulled from the C-S fund, providing a clear accounting record of these cost-shared transactions. Position Control Forms (PC05s) are required for all cost-shared salaries and wages to pull the cost-shared salary or wage from the C-S fund for the grant.

Matching funds in the form of cash may be accounted for using this same companion cost-share fund or another, non-federal university fund that is appropriate for the stated purpose of the match. If cash is provided by an outside party to satisfy a matching commitment, it cannot be considered a gift.

Cost-sharing in the form of volunteer effort or contributions from third parties must be accounted for in terms of the "market value" of the effort or contribution. Written documentation must be kept for such cost-sharing and may need to be submitted to the sponsor.

Suggested cost-sharing or matching items and required documentation.

Faculty salaries and benefits, percent release time	Effort certification documents and C-S fund expenditure details
Graduate assistant salaries and benefits	Effort certification documents and C-S fund expenditure details
Graduate assistant out-of-state tuition waivers	Banner expenditure reports
Student wages (non-FWS)	Time sheets and C-S fund expenditure details
Unrecovered indirect costs (if allowed by sponsor)	Example: C-S balance of 28.3% - 15% (charged) = 13.3% Example: C-S balance of 8.5% off-campus - 5% (charged) = 3.5% Note: If the full off-campus rate of 8.5% is used, there is no unrecovered IDC to cost-share Banner expenditure reports
Indirect costs on cost-shared salaries, benefits, etc.	Example: C-S 28.3% x total of cost-shared charges Banner expenditure reports
Use of equipment or computer services (e.g., GIS lab)	Sign-in sheets documenting hours used and by whom; must use established rate schedule
University space	Use of facilities or land at the established rental or lease rate or rental estimates based on square footage and the prime commercial rate for the area (market value). OSP can provide assistance with this information. Rental rates from real estate agents, square footage from the THECB space utilization records
Travel	C-S fund expenditure details
Materials and supplies	C-S fund expenditure details
Cash matches from third-party collaborating partners	Expenditure reports for matching grant or non-grant funds
In-kind volunteer services or activities (non-MVSU)	Sign in sheets documenting hours; rate of pay equivalent to the going rate for that activity (market value)

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3. Budget Justifications

The budget justification is a narrative explanation of the budget and is either the first item that reviewers see or the last. The budget for the project must be directly related to the scope of work that is to be carried out during the project term.

Every item in the budget should be completely justified in the narrative as to why it is needed and how it is related to the activities proposed. If an item cannot be easily justified and supported in the body of the grant, then that item should be removed from the budget.

Some sponsors explain the detail they expect to see in the justifications. Some limit the number of pages; others do not. OSP pre-award staff can provide you with sample budget justifications.

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VII. Manage a Grant

A. Award Process: Grant accounts, award orientation

Congratulations! You have been funded; how do you start your project?

Award documents take many forms depending upon the type of sponsor and project. These documents require review and signature by the official institutional representative authorized to sign on behalf of the institution. At MVSU, this is the President (or his designated representative). OSP is responsible for processing all award documents.

Upon receipt of fully executed award documents or other proof of award, OSP forwards information to the grants accountant in the Office of Business and Finance. Once the PI/PD receives notification of the project account number, funds may be encumbered or expended against the project.

Step 1: Complete and send to OSP a Request to Establish a New Account for grants and contracts.

Each new grant or contract must have its own fund and internal budget based on the sponsor-approved budget.

OSP processes all paperwork to set up an award at MVSU. Each new externally funded grant or contract must have its own account and internal budget.

An account is set up only after receipt of a completed [Request to Establish a New Account Form \(REA\)](#). OSP will attach the sponsor-approved budget detail to the REA.

If OSP does not have a budget approved by the sponsor that provides sufficient detail to set up a fund, the PI/PD submits a detailed budget to OSP. This form lets the Controller's Office staff know how to allocate the award among Banner account codes (salaries, benefits, indirect costs, etc.), based on the terms of the award.

OSP will complete and send an [Account Number Application](#) for grants and contracts.

Once an account has been established and the PI/PD has participated in mandatory new award orientation conducted by OSP staff, the PI/PD will be provided with the banner org number.

- Fund numbers for external grants and contracts begin with a "3" and range between 300000 and 399999. The first 5 digits of the fund number represent the grant number; the sixth digit is used to differentiate between single and multi-year budgets.

- Unless otherwise specified on the ANA, PIs/PDs are designated as the fund managers. Each PI/PD will have a unique 6-digit Banner organization number (org) assigned to them that is used for all of the external awards that they manage.
- In addition, if a PI/PD has an award that includes cost-sharing, a cost-share org will be established for the PI/PD. Unlike the instance above, these orgs are grant-specific.

Step 2: Attend Orientation

The next step is to attend a brief award orientation session conducted by OSP staff. In this session, OSP will review the following information specific to each award:

- Terms and conditions of the award and other sponsor-specific requirements;
- General information about grant management (travel, personnel, etc.);
- Budget and accounting procedures;
- Reporting requirements, including effort certification and sponsor-required technical reports;
- An overview of OSP services and the web site; and
- Any additional, project-specific information.

Step 3: Review the [Responsibilities of the PI/PD](#)

A PI/PD is strongly encouraged to maintain a financial "shadow budget", which allows independent tracking of grant expenditures and comparison of expenditures in grant-approved categories with expenditures in MVSU's budget categories.

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B. Budget Management

- [PI/PD Responsibilities for Budget Management](#)
- [Invoicing and Financial Reporting](#)
- [Budget Revisions](#)
- [Cost Transfers between Two or More Funds](#)
- [Insufficient Funds and Cost Overruns](#)

The PI/PD should consult with OSP and the Grants Accountant for assistance with budget management issues, and for assistance in the completion of interim and final financial reports (as needed by the sponsor).

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PI/PD Responsibilities for Budget Management

Expenditures, including requisitions and payments, are made under the authority of the fund manager. Fund managers can access real-time details of their grant expenditure activity through www.sutton2.mvsu.edu. Please view the [Restricted Funds Procedure Manual](#) (available through the Office of Business and Finance) for more details. Normally, the person in a department who has purchasing authority can also view grant account activity.

Although OSP is responsible for assisting with the management of grant funds, the PI/PD is ultimately responsible for the financial management of contract or grant awards and is responsible for ensuring that all expenditures are directly related to the project, are necessary to meet project goals and objectives, and are approved by the funding agency. Grant accountants and OSP are not responsible for ensuring that expenditures are allowable,

allocable, or reasonable. This is the direct responsibility of the PI or PD.

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Invoicing and Financial Reporting

Invoicing - Externally funded, restricted use, grant and contract invoicing and reconciliation is managed by the Office of Business and Finance. The Office of Business and Finance is responsible for requesting payments from sponsors, reporting university matches based on information provided by the PI/PD and the Banner finance system, and preparing financial reports for sponsors.

Departments or individuals should never invoice sponsors. Should a project director or other party receive a check for an award, it should be promptly delivered to OSP for processing. Normally, checks for awards should be sent to the Office of Business and Finance at the address below:

Mississippi Valley State University
Office of Business and Finance
14000 Highway 82 West MVSU 7265
Itta Bena, MS 38941-1400

Financial reports are prepared and submitted by Office of Business and Finance personnel to ensure accuracy. Please notify OSP of requests for financial information that are in addition to those explicitly stated in the award document, or those that are part of a programmatic report, so that they can be processed in a timely manner.

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Budget Revisions

Requests for budget transfers are made using the Budget Transfer Form ([BTF](#)). These requests are reviewed by OSP to confirm that they are allowed in the terms and conditions of the award and/or sponsor guidelines. Once approved by OSP, the BTF is forwarded to the Office of Business and Finance for processing. Copies of transaction records are maintained in the OSP and grant accountant's project folders.

No changes will be made to budgets without OSP and explicit or implied sponsor approval. No transfers will be made without a completed and signed Budget Transfer Form.

For more information on budget revisions, see section C, [Project and Budget Amendments](#).

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Cost Transfers between Two or More Funds

Cost transfers between funds move recorded expenditures from one fund to another. The transfer may be between a grant fund and a departmental operating fund, or between two different, but interrelated grant funds. Initial charges to an account, such as interdepartmental transfers (IDTs), are not considered cost transfers although they must still be documented, allowable costs.

Costs should be initially charged to the appropriate fund. The need for cost transfers is minimized by the regular review and reconciliation of grant accounts by the PI/PD (fund manager). Only allowable and allocable costs should be charged to a fund. Should a cost transfer be required, the following

process should be followed:

Grant Cost Transfer Requests and Time Lines

- All cost transfer requests must be made using the [Budget Transfer between Departments Form](#) (BTBDF). Detailed justification for the transfer is required, in addition to any relevant and supportive documentation (award documents, pre-award authorizations, travel records, etc.).
- Completed forms should be submitted to OSP. Signatures of the appropriate fund managers involved in the transfer(s) are required.
- Transfer requests should be made within 90 calendar days after the transaction was posted to the Banner finance system or within 60 calendar days from the project end date. In addition, OSP and/or the Office of Business and Finance may initiate cost transfers if an inappropriate charge is discovered. Late transfer requests will only be processed in extenuating circumstances, which does not include the absence of the PI/PD or other fund manager.
- Transfer requests that rectify postings to departmental or other grant funds due to delays in the execution of a grant agreement or receipt of a notice of award may exceed the 90 day limit, but should be completed within 30 days of receipt of the delayed award notice.
- Errors in original charges will be corrected regardless of the timing, but a justification for the lateness of the change request is required. All improper costs must be removed from the grant fund.
- Cost transfers within the University's fiscal year should be requested no later than July 15 of the fiscal year. Under unusual circumstances, cost transfers that involve departmental accounts and that cross the University's fiscal year may be approved up to 30 days after the end of the fiscal year. Transfers for grant funds that cross the University's fiscal years should be initiated no later than September 15 and before a final fiscal report for the grant is submitted.
- Salary cost transfers should be avoided by the timely processing of Position Control Forms (PC05s) that distribute salary charges that reflect a reasonable distribution of the employee's effort.
- In the event that salary cost transfers are unavoidable, they must be processed within 90 calendar days from the date the charge was posted. Retroactive effort certifications require extensive justification.

Review and Processing Procedures

- [Budget Transfer between Departments Forms](#) (BTBDF) that do not include an adequate justification for the request will not be processed and will be returned to the PI/PD for further explanation.
- Upon receipt of the BTBDF, OSP will verify that the charges to be transferred are allowable and allocable to the award. Requests that are unallowable under the terms of the award will be returned to the PI/PD. In this case, the PI/PD may be required to designate an alternate fund for the transfer.
- If approved by OSP, the BTBDF will be sent to the Office of Business and Finance for review and if approved, the appropriate changes will be entered into the Banner finance system.
- Frequent and consistently late requests for transfers may result in reports to the proper administrative officials (chair, provost, etc.).

Allowable Cost Transfers (see Federal OMB Circular A-21, C.)

Allowable cost transfers may include:

- Adjustments for erroneous charges and to properly allocate charges to sponsored agreements, such as correcting clerical errors.

- Requests for payroll transfers that involve salary and benefits adjustments. For state and federally funded awards, these transfers directly affect effort certifications; therefore, payroll transfers should be avoided whenever possible by the timely processing of PC05s.
- Charges to active grant funds when the continuation of an existing award is anticipated (such as multi-year awards with pending grant award notices).
- Sponsor-approved pre-award costs with documentation that an award is forthcoming, although a pre-award grant-specific fund is preferred to pre-award cost transfers.
- Late awards or delayed Banner fund set-ups where delayed charges would negatively affect project outcomes.
- Moving charges from one interrelated project to another, provided that the charge could have appropriately been charged initially to the other grant, and the explanation provided with the BTBDF clearly justifies why the two projects are related (mutually beneficial).

Some transfers that are never allowable include:

- Using unexpended grant funds to pay for activities conducted for another grant award.
- Alleviating an over expenditure (overrun) on another grant fund, unless directly interrelated. See the next section for more information on cost overruns.
- Circumventing award restrictions by moving the charge to another grant fund.
- Moving charges only for convenience, including moving charges from one grant fund to free up funds in another grant.
- Shifting charges that should be charged to an agreement from a non-federal sponsor to an agreement from a federal sponsor.

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Insufficient Funds and Cost Overruns

Insufficient Funds result when a PI/PD attempts to place a purchase requisition, purchase order, or other charge against a banner org number when there are insufficient funds in the budget line item.

When OSP receives notification that a purchase transaction is requested to a grant's budget with insufficient funds, OSP investigates the reason. After review of the budget and award documents, OSP will contact the PI/PD or appropriate staff to initiate appropriate actions, such as a budget revision, or will disapprove the request.

Although a sponsor may allow some flexibility in expenditures among approved budget categories, such overages at the account level (travel, personnel, O&M, etc.) within a grant fund must be adjusted. This is accomplished by the PI/PD using the [budget revision process](#). All account-level overages should be reconciled before the end of the project term.

Cost Overruns result when the amount charged to a grant fund exceeds the available balance.

- Cost overruns that are the result of inappropriate charges must be removed from the grant fund using the [Cost Transfers between Two or More Funds](#) procedure detailed above.
- Cost overruns occurring because charges were incurred after the end of the award term must be removed from the grant fund using the [Cost Transfers between Two or More Funds](#) procedure detailed above.
- Cost overruns will be transferred to the appropriate fund by the Office of Business and Finance.
- Cost overruns are not to be charged to another grant fund unless directly interrelated.
- Cost overruns on expired projects should be cleared within six months of the project end date so that the fund can be closed. If necessary, the Office of Business and Finance will initiate transfers from an expired grant fund to a departmental fund through the PIs/PDs chair and dean using the [Cost Transfers between Two or More Funds](#) procedure.

C. Project and Budget Amendments

- A [Revision Clearance Form \(RCF\)](#) is required for all budget and project revisions.
- **All requests to sponsors for budget and project revisions must be submitted by OSP** unless specific, prior arrangements have been made with OSP and the proposed revision has been reviewed and approved by OSP staff.

Changes in Contracts - All changes to contract terms must be processed as formal amendments. Amendments are developed by OSP and processed through the [President's Office](#) before they are signed by the President.

No Cost Extensions (NCE) - A NCE may be granted to a PI/PD in order to extend the work period without additional funding. Some federal sponsors require notification that you are taking the allowable, automatic one-year extension; others may require that MVSU apply for the extension and justify any budget carry-over into the extension period. Contract extensions typically require an amendment (see above). Federal and state sponsors do not allow a NCE simply to spend any remaining budget funds.

NCE requests are time sensitive and procedures vary by sponsor. Please contact OSP as soon as you anticipate that you will need a no-cost extension. Prior to the end of your award, you should receive a Notice of Sponsored Project End Date form that you can return to inform OSP of your intentions.

Changes in a Project Budget - Budget changes include an increase or reduction in project budgets, such as any changes in the award total, indirect costs, or cost-sharing/matching commitments. These changes will be reflected in your project budget following the procedures outlined in section B, above. If the budget change is outside of percentage limits established by the sponsor or is not in a sponsor-approved budget category, OSP will request sponsor approval.

- If you want to revise your budget and the sponsor guidelines allow for it, you will need to request your revisions using the Budget Transfer Form.
- ALL budget changes that move funds from one category to another must be submitted in this manner so they can be entered into the accounting system. Changes will not be made without prior approval of OSP. OSP will not approve a change that is not explicitly or inferentially approved by the sponsor.
- If you have questions about what is allowed, please refer to your award document, sponsor policies for budget amendments, and/or contact OSP or the Grants Accountant for assistance.
- Some budget changes do not require prior sponsor approval and these are generally noted in the award document; however, OSP still must be notified of the changes.
- In most cases, if sponsor approval is required for a budget change, the PI/PD is responsible for requesting that OSP submit to the sponsor a formal request in writing, either by e-mail or by formal budget amendments as required by the individual sponsor.

Supplemental Funds Request - Requests for additional funding on an existing project are processed as proposals through OSP. You will need a revised budget, a statement of work for the additional effort, and updated certification for all compliance issues, if necessary.

Changes in a Project's Scope - Any substantive change in a project's scope generally requires prior sponsor approval and must be approved through OSP as a formal project revision. Please complete a Revision Clearance Form, attach your amendment, and submit to OSP with the appropriate signatures.

Changes in Project Personnel - In most instances, changes in key project personnel must be approved by the sponsoring agency or the agency must be notified. This includes changing the PI/PD or co-PI/PD,

reducing the time of the PI/PD on the project by 25% or more, or the absence of the PI/PD for more than three months.

Federal Projects: When Sponsor Approval Is Required - ([OMB Circular A-110](#), C.25)

- Change in the scope or objective of the program (even without an associated budget revision);
- Change in a key person specified in the application or award document;
- The absence of more than three months, or a 25% reduction in the time devoted to the project, by the PI/PD;
- The need for additional federal funding;
- The transfer of amounts budgeted for indirect costs (IDC) to absorb increases in direct costs;
- The transfer of amounts budgeted for direct costs to absorb increases in indirect costs;
- The transfer of funds allotted for training allowances (direct payment to trainees, which includes scholarships and stipends) to other categories of expense;
- Subawards and subcontracts not approved in the application; and
- The inclusion of costs that require prior approval (such as capital equipment, furniture, etc.).

There are other instances when sponsor approval may be required, which may be detailed in specific contract or grant award provisions. Others do not, but may require that the sponsor be notified (e.g., Expanded Authorities, EDGAR, US Department of Education). Please contact OSP if you have any questions.

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D. Subawards, Participant Agreements, and Contracts for Services: Development, approval, and management

In order to pay any entity (individual, organization, educational institution, etc.) not employed by MVSU, an executed contract must be on file before the work is performed.

A Form W-9 must be on file in purchasing for a contractor/subawardee to be paid.

Before contracts, subcontracts, subawards, consulting agreements, interagency, interlocal, cooperative agreements, or other forms of contractual agreements between MVSU and another entity can be fully executed, they **must be**:

- Reviewed by OSP;
- Reviewed by the [Office of the President](#) (OSP will route); and
- Signed by the President or designee.

If the contract represents the entire proposal, an [Internal Approval Sheet](#) also must be submitted to OSP. The completed form should be submitted to OSP for routing with:

- A final budget;
- A final or final draft of the contract; and
- Required departmental and college signatures on the IAS and the contract, if any.

To ensure that there is sufficient time for legal review and to obtain the President's signature, please submit the contract (and IAS as required) to OSP at least two weeks before the start date of the contract. More time may be required if the other party requires legal review of the contract on their end.

If you need assistance with the development of contracts to subawardees, consultants and other vendors, and program participants from MVSU, OSP, in consultation with the President's Office, will provide guidance with this process.

- ALL contracts shall have the signature of the President - ONLY the President or his designee can sign agreements on behalf of MVSU;
- ALL should include contact information for MVSU and the contractor.

For MVSU, the contact for contractual matters is:

Samuel Melton, Director
Office of Sponsored Programs
14000 Hwy 82 W, MVSU 7302
Itta Bena, MS 38941-1400

In order for OSP to provide you with timely and accurate contracts, please provide the following information at least 14 days in advance of the work to be performed. For agreements with other government and educational institutions, please submit information 30-days in advance as these institutions typically need time to have their legal counsel review the contract terms. If any negotiations need to occur, more time will be needed for OSP and the Office of the President to work with the entity.

If the individual has or will reach \$25,000 over the lifetime of all contracts with MVSU, a major consulting contract request may be required. Please allow an additional 45 days for this request to be processed.

Regardless of the source or purpose, no contracts or other binding agreements shall be executed without the signature of the President or delegated authority. Only the President has the authority to make commitments for the University.

Management Responsibilities of the PI/PD

The PI/PD is responsible for the effective management of all awards to MVSU in the form of a contract (see section VII. Manage a Project). In addition, a PI/PD is responsible for the effective management of grant- related contracts from MVSU to a subawardee, consultant, vendor, and participant. These management responsibilities include:

- submission of purchase requisitions and purchase orders for payments;
- receipt, review, and acceptance of invoices; and
- monitoring of contract activities.

Subawardee Certifications - Subawards and subcontracts from federal sources (from MVSU to other entities) may require completion of one or more subawardee certifications, such as (1) OMB A-133 audit certification, (2) Federal Funding Accountability and Transparency Act (FFATA) reporting, and (3) the federal Subaward Certifications and Standard Terms and Conditions for the American Recovery and Reinvestment Act (ARRA). In addition, if MVSU is the recipient of a subaward, similar certifications may be required. Contact OSP if you have any questions about these subaward/subcontract requirements.

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E. Cost-sharing and Matching: Documenting expenses

Documentation for cost-sharing and matching should demonstrate that:

- It is verifiable from the recipient's records.
- It was incurred during the period of performance of the award.
- It is not included as contributions for any other project or program.
- It is necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- It is allowable under the applicable cost principles.

- It was not paid by the federal government under another award, except where authorized by federal statute to be used for cost-sharing or matching.
- It was provided for in the approved budget when required by the federal awarding agency.
- It was consistent with federal cost allocation principles (for example, cannot include costs recovered through facilities and administrative cost pools).

For more information on cost-sharing and matching, and to view a table of suggested cost-share and match categories and related documentation, see section [VI.E.2](#).

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F. Personnel Policies and Procedures

The department of the employee is responsible for completing and routing all personnel forms, including those for grant-paid employees. Please initiate completion of appropriate forms with your department's administrative assistant or other appropriate personnel.

Position Control Form (PC05)

A [PC05](#) must be completed for all grant-paid, MVSU employees. There are several types of PC05s that are needed for grant-paid employees. These include:

- [PC05NH New Hire](#): For new staff, select the correct category (e.g., exempt full-time staff, hourly non-exempt part-time staff, graduate assistant, etc.) hires. Be sure to use the correct banner org number.
- [PC05\(SF\)](#) or [PC05\(LF\) Short Form/Long Form](#): For reassignments and transfers of faculty, staff, and students to grant projects (completed by the receiving department). Be sure to use the correct banner org number for each salary reassignment and cost-share reassignment; for student hires; to end a job assignment (completed by the employing department).
- [PC05CE Continuing Employment](#): For staff working on continuing projects.

Important tips:

- PC05s must be completed BEFORE the employment or change start date.
- Complete a Separation (Exit) PC05 for all employees WITHIN THREE (3) WEEKS of the end of employment.
- Leave forms are used as needed for grant-paid staff employees.
- Confirm that employee benefits (health insurance and retirement) and withholding (social security, workers compensation, unemployment compensation) were separately budgeted in the grant budget to ensure that PC05 amounts are accurate and the grant fund will not be overdrawn.

Additional Compensation Request and Payment Forms

Additional compensation applies only to full-time employees. Payment for extra-duty services for a less-than-full-time employee goes on a PC05. Note that an alternate payment method may be required for non-exempt (classified) staff eligible to earn time and one-half. Please contact OSP for more information. See also section [VI.E.1](#).

Additional compensation must be outlined in the grant application, contract, and/or award document or otherwise approved in advance by all sponsors. OSP will verify sponsor approval.

- Complete the [Authorization for Additional Compensation Services](#) form BEFORE work begins for all exempt positions that will be paid additional compensation from a grant, contract, or other sponsored agreement. Route the form to OSP with all appropriate departmental signatures.

- Consider employee benefits when preparing additional compensation forms. Although withholding taxes and retirement will be withheld from the payment to the employee, the state match portion of retirement will be charged to the grant fund in addition to the additional compensation payment, as well as other benefit charges. The rate is 26.54%.
- Complete and submit an [Authorization for Additional Compensation Payment](#) form to OSP after work has been satisfactorily completed.

Please contact Human Resources, ext. 3531 or OSP, ext. 3882 if you have any questions about how to complete forms.

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G. Effort Certification (time and effort reporting)

What is effort? What is effort certification?

Effort is defined as the activities, functions, or categories to which an employee directs time and energy, including instruction, sponsored projects, and departmental administration, and other effort devoted to sponsored projects for cost sharing. Effort certification reports confirm, on a best-estimate basis, the percentage distribution of effort for the period reported and serve to substantiate salary and wage charges or contributions to federal or state grants and contracts.

Effort refers only to base salary. Additional compensation is accounted for separately and IS NOT included in effort reports.

Who must certify effort?

Any person who is paid by or cost-shares any portion of their base salary on state or federally funded grants or contracts must report effort expended on the project.

- Faculty, professional exempt staff, non-exempt staff and undergraduate/graduate students (when applicable) must certify that the average estimated effort on all activities over each month in which effort is expended on a state or federal project matches the percentage salary split for the month.
- Hourly paid staff and students report their actual time on all activities over each pay period in which effort is expended on a state or federal project. This is recorded and verified with university time sheets.

Why must effort be reported?

Effort certification is required by MVSU policy, and federal and state laws and regulations. ([OMB Circular A-21](#))

Each grant or contract award budget outlines employee time committed to working on a project. To document that the commitment was honored, MVSU must maintain complete and accurate records of effort expended by employees paid from a grant or contract or contributed to a grant or contract as cost-sharing.

Principal investigators or project directors are responsible for ensuring that only legitimate expenses are charged to or contributed to the grants and contracts.

Effort charges to any contract must represent work done on that project only. It is inappropriate to charge time and effort from any other project or activity for any reason whatsoever.

Principal Investigators and Project Directors are responsible for ensuring that faculty, staff, and students certify effort reports, as appropriate to their position, and revisions promptly at the appropriate time interval.

Guidelines for Effort Certification

The purpose of the effort certification report is to confirm that the charge made to the payroll system “reasonably reflects” each employee’s activity. Significant deviations (+/- 5%) from payroll charges may require an adjustment to the payroll. This reporting requires the signature of the employee, Principal Investigator, Project Director, or other responsible official to confirm (certify) that the percentages allocated to each activity represent a reasonable estimate of the work performed.

The effort certification report should reflect how a person spent his or her total time (effort) proportional to each activity (teaching, research, service, and grants/contracts), which would not necessarily agree with how the person is paid. The estimated percentage of effort shown may be adjusted if it is significantly different (+/- 5%) from the actual time spent on a particular activity. The amount of effort must be greater than or equal to pay distribution on the grant fund.

- Effort is based on total time, not on a 40-hour work week or percent of salary.
- Effort used as cost-sharing must be documented in the same fashion as if receiving salary from the grant or contract.
- Effort CANNOT exceed 100% - For example:
 - If you work a total of 20 hours a week and 10 hours is spent on grant activities, effort on the grant(s) is 50%.
 - If you work a total of 60 hours a week and 30 hours is spent on grant activities, effort on the grant(s) is still 50%.

Changes and Corrections to Time and Effort Reports

It is important to report time and effort accurately to avoid the necessity of making retroactive corrections. Retroactive changes may be warranted when it is necessary to correct clerical and data entry errors, when subsequent information is received indicating an incorrect original entry, and/or when charges applicable to a continuing project have been charged to an old Banner fund number because the new fund was not established when the expense was incurred. (See also the [cost transfer](#) procedure.)

Retroactive changes and transfers will not be approved when sufficient reasons and explanation are not provided or when the changes or transfers violate the restrictions of an account.

For more information on effort certification requirements, training, and certification procedures, contact OSP.

YES, it can happen at MVSU!

Audit Challenges Oversight of NSF Grant at an anonymous institution

The National Science Foundation (NSF) Office of Inspector General (OIG) published an audit of an institution. Weaknesses reported in financial controls at the institution included:

Criticism of salary charges because the college did not have documentation to show that money was paid for work directly related to the grant.

The college did not maintain activity reports to document that salaries charged to the grant reflected effort expended on the grant.

Salary was paid for work performed after the expiration of the grant period (did not request a no- cost

extension).

- Cost-sharing related to the grant was not adequately tracked.
- A consultant was paid with grant funds without a formal agreement for services.

The OIG recommended that the institution be classified as a high-risk institution for future grants.

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H. Technical (Programmatic) Reports and Other Deliverables

The majority of externally funded projects require periodic reports, which may include progress reports (monthly, quarterly) and final reports (usually due within one month of the end of the agreement). These allow the funding agency to see detailed progress on all major tasks and track any changes that the investigator might require during the course of the work. Details on report deadlines are usually outlined in the signed agreement.

Federally funded projects typically require a final technical report with 90 days of the termination of the project, and may also require interim progress reports.

PIs/PDs are reminded of the need to submit reports required under the terms of the awards they receive or obtain formal approval to submit them at a later date. Similarly, PIs/PDs must submit other deliverables according to the timetable established for the project, seek an extension, or formally explain why the deliverable cannot be provided.

Please submit a copy of the final project report to OSP for our files either paper or via e-mail. Investigators with reports over 10 pages may submit an abstract of the report.

If you need assistance with technical reports, or if you need any financial information in connection with the report, please contact OSP or Marshall Boyd (mlboyd@mvsu.edu). Financial reports are NEVER submitted by project staff. They are always submitted by the Office of Business and Finance.

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I. Program Income and Other Credits

Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award and is reportable to the sponsor. Program income must be documented on federal and non-federally sponsored projects, which includes proper recognition of revenue and expenses within a Banner fund established specifically for the income.

Income that is not required to be reported to a sponsor or not directly connected to an award is considered sales and service income, which also requires a separate Banner fund for all deposits and expenditures. Contact OSP to determine if income is reportable for a specific award.

Examples of program income may include:

- Fees for conferences or workshops funded by a project;
- Income from fees for services provided during the grant term (e.g., consulting, chemical analysis);
- The sale of products created under an award (e.g., maps, books, videos, curriculum guides, software, research materials);
- The use or rental of property acquired under an award (e.g., sale, rental or usage fees of equipment purchased with project funds); and

- Note that royalties related to patents and copyrights are generally not reportable as program income.

The treatment of program income is directly related to the nature of the original award (federal, non-federal, research, non-research), sponsor limitations if any (additive, match, or deductive), and the timing of the receipt of the income (during or after the award). Use of program income can only be used for allowable costs in accordance with applicable cost principles and/or sponsor guidelines.

Accounting of program income earned during the term of a project is as follows:

- Additive Method - Program income is added to the funds provided by the sponsor and is used to further eligible project objectives and activities.
- Matching Method - Program income is used for the non-sponsor share of a project with mandatory cost share as outlined in the project budget.
- Deductive Method - Program income is used to offset the total cost of the project thereby reducing the amount owed by the sponsor.

Federal Awards - Unless otherwise specified, federal regulations require that program income funds be expended before sponsor funds and any funds remaining in the income fund at the termination of the project (and any no-cost extensions) will be returned to the sponsor. The manner in which income from federal projects is managed is determined by federal circular ([OMB Circular A-110](#)), Section C.24.

- Research - Unless otherwise specified in the award, the additive method applies.
- Non-research - Unless otherwise specified in the award, the deductive method applies and an amount equal to the program income is deducted from the total award.

Non-federal Awards - Income generated is handled according to sponsor guidelines and/or terms of the award. If the sponsor is silent on program income, the additive method is applied to the income.

Contact OSP if you have any questions about how program income should be handled. Although a department may invoice for program income, appropriate documentation must be kept with the project records for the appropriate retention period. All checks and other receipts, along with copies of invoices and purchase orders, should be forwarded to the Grants Accountant for deposit into the correct fund.

Also, unless stated otherwise in the terms and condition of a federal award, the recipient may keep program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. Patent and Trademark Amendments (35 U.S.C. 18) do apply to inventions made under federal awards.

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J. Sponsorship Acknowledgement and Disclaimers

All publications arising from work supported by the federal government must acknowledge support by the agency and award number, and provide a disclaimer that findings do not necessarily reflect the views of the awarding agency, and/or as provided for in the terms and conditions of the award.

Non-federal sponsors, in particular private foundations and corporate sponsors, may also have requirements for acknowledgments and/or disclaimers. Principal Investigators and Project Directors must review the terms of their awards to determine if the sponsor requires disclaimers or additional acknowledgments, and to determine if the sponsor requires any specific wording in the acknowledgement.

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K. Intellectual Property and Publications

The University encourages participation by faculty, staff and students in scholarly research and creative activities that support and enhance teaching in its classrooms and laboratories.

While research conducted at MVSU is aimed at discovery and dissemination of knowledge, rather than profit from commercial application, the Board of Trustees of State Institutions of Higher Learning (IHL) recognizes that questions regarding intellectual property rights may arise from such activities. The Board seeks to balance the interests of the public, the University and the inventor, author, or creator in intellectual property arising from research and creative activities conducted by employees of the University. The IHL further seeks to ensure that inventions, discoveries and creative works are used and controlled in an efficient and prudent manner which will result in maximum benefit to the public, the University and the inventor, author, or creator.

Contracts must be reviewed by the Office of the President for intellectual property and confidentiality clauses and forwarded to the President for signature.

For more information, see the [Faculty Handbook](#).

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L. I'm leaving. Can I take my grant with me? Transfer of Awards

Transferring a grant to another institution is a complicated process and requires proper timing to allow for the transfer and to allow for start-up at the new institution.

Some grants cannot be transferred. Some sponsors have specific forms which must be completed to obtain a transfer (e.g., NIH Relinquishing Interests Form, NSF Grant Transfer Form). Other sponsors may not have formal guidelines for transfers.

There are general procedures that need to be followed at MVSU to prepare for a transfer. Please note the following steps in preparing for a grant transfer:

- First, select an arbitrary expiration date for your project. You may need to submit non-competing continuations for the next year's funds through your new institution.
- In order to relinquish the project, the Office of Business and Finance must be able to determine the residual funds remaining after all MVSU obligations have cleared. It takes at least 30 days after the expiration date to obtain this information.
- Have your new institution's research and sponsored programs office contact OSP, or provide us with contact information, so we can coordinate transfer of the award.
- If you purchased equipment, have been approved to take the grant with you, and want to take equipment purchased by the sponsor for this specific grant activity with you when you move, you must obtain prior, written approval from the sponsor, your Chair, and the Vice President of Business and Finance.

Please contact OSP as soon as you know you are leaving so we can guide you through this process.

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VIII. Project Close-out

A. Close-out Procedures

When a grant or contract is nearing completion, it is the responsibility of the Principal Investigator (PI) or Project Director (PD) to ensure that steps are taken for close-out that are required by MVSU and the sponsor.

The following actions are required for MVSU:

- Submit termination (exit) or change PC05s within three (3) weeks of the end of their appointment or the end of the project (whichever comes first) for personnel paid or cost-shared on the project.
- Clear outstanding encumbrances, including P-Card encumbrances, standing purchase orders, and encumbrances for subawards and contracts.
- Correct overdrawn Banner accounts and correct fund overages by submitting a [cost transfer](#) request within the designated time frame.

Most sponsors also require specific actions for project close-out. When projects near completion, the PI/PD - in coordination with OSP and the Office of Business and Finance - should take appropriate actions:

- Follow sponsor instructions for positive fund balances after conclusion of the project. Are there funds that need to be returned? If not, what is the approved method for disposition of account balances?
- Submit all technical reports to the sponsor and verify that they have been accepted by the sponsor.
- Verify all required time and effort records are complete.
- Complete any additional forms or reports required by the sponsor (e.g., disposition of equipment).
- Ensure all financial and technical reports have been submitted and accepted by the sponsor.
- Verify official project close-out or release by the sponsor.

The Grants Accountant is responsible for submitting the final financial documents for each project in consultation with the PI/PD and OSP, as required.

Before the end of each project, OSP staff sends a Notice of Project End Date (NOPED) and conducts a close-out technical assistance review to identify areas in the project that may need to be addressed. The review includes assessing whether grant funds appear to have been expended according to the sponsor approved budget, project amendments were processed appropriately, reports were filed in a timely manner, etc.

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B. Disposition of Supplies, Materials, and Equipment

In general, at the conclusion of a project supplies and materials purchased with grant funds remain the property of the department and/or college that received the funding. For federally funded projects, the first priority for the use of these items is other federally sponsored projects at MVSU.

Inventoried equipment (of any value, capital and controlled) remains the property of the University and usually stays in the department and/or college that received the funding, unless otherwise provided for in the award document or sponsor policies. Some federal and state sponsors include very specific requirements for the accounting of, and possible return of, inventoried equipment purchased with grant funds.

It is the responsibility of the PI/PD to know and understand the policies and procedures required for their individual projects and to record the disposition of any items for audit purposes. Contact OSP for assistance.

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C. Records Retention, Inquiries, and Audit Considerations

Records Retention

It is the responsibility of the Principal Investigator or Project Director to ensure that project or program records are maintained for the time specified by the sponsor. Records should be clearly marked with the contents and the disposition date. The best location to keep grant records is in a departmental storage area to ensure that they are not misplaced if a faculty member leaves the employment of MVSU.

According to records retention requirements of OMB Circular A-110, grant-related documents must be kept a minimum of three (3) years after the final expenditure report has been sent to a sponsor. OSP establishes this date as three (3) years from the formal closure of a grant fund. Note that some state sponsors of federal pass-through funds may require retention periods of five (5) to seven (7) years.

Please work with OSP to ensure that records are kept for the length of time required by a specific sponsor for a specific award.

Inquiries

A Principal Investigator, Project Director, and any other grant personnel who receives a request for information from a sponsor should immediately notify OSP that an inquiry has been made, the nature of the inquiry, and the name, title, institution, and e-mail/phone number of the inquiring individual.

OSP will, in turn, notify the Internal Auditor and/or the President's Office, if warranted.

ALL inquiries and/or correspondence about an audit (formal or informal) must be directed to the President's Office (Internal Auditor) and to OSP.

Audit Considerations

In conducting an audit of externally funded grants and contracts, auditors will look for documentation to verify the following:

- Conditions of the grant are being followed.
- Matching funds have been received and cost-sharing commitments have been honored.
- Personnel paid by grant funds actually worked on the grant and have payroll and effort certification records as documentation.
- Faculty salaries paid from grants are consistent with limitations included in grant conditions, if any.
- Equipment purchased with grant funds was specifically listed, pre-approved, actually needed to conduct grant activities, and actually used during conduct of grant activities.
- Travel paid from grant funds is directly related to and supports grant activities.
- Budget transfers in excess of those authorized by grant conditions received prior approval from the funding agency.

Audit Alerts!

Auditors frequently look for the following:

- Sponsor, MVSU, and OSP policies and procedures are followed.
- Adequate documentation to justify payment of project personnel (effort reports).
- Project activities are outlined in the agency-approved statement of work.
- Project funds are expended for items included in the agency-approved budget.
- Travel is within the scope of the project.
- Subrecipients are monitored to ensure compliance with agency regulations.
- Changes are made to key project personnel, the project budget, key objectives, and/or subcontracts with prior agency approval.