

Grants & Contracts Handbook

Policies and Procedures

INTRODUCTION	2
WHAT IS A SPONSORED PROGRAM?	3
RELATED POLICIES	3
GRANT ACQUISITIONS	3
GRANT DEVELOPMENT, PREPARATION, AND SUBMISSION	4
Initial Contact with Funding Agencies	5
PROPOSAL FORMAT	5
BUDGET DEVELOPMENT	6
Salaries and Wages	6
Fringe Benefits	7
Employee Stipends	7
Consultants	7
Supplies	7
Equipment	8
Travel	8
Subcontracts	8
Other	8
INDIRECT COSTS	8
COST SHARING/MATCHING FUNDS	9
Cash matching funds	9
Soft Match	9
INTERNAL REVIEW	9
FISCAL MANAGEMENT OF BUDGET AWARDS	10
ROLE OF THE GRANTS ACCOUNTANT/BUSINESS OFFICE	11
WHO SHOULD I CALL	11
GLOSSARY	12
CURRENT RATES	16
PROPOSAL ACCEPTANCE AND IMPLEMENTATION	16
The Negotiation Process	16
The Award Letter – PI’s responsibilities:	16
How to get started spending	17
Program and Budget Modifications	18
Reporting	18
RESOURCES, FORMS & LINKS	18

INTRODUCTION

This handbook is designed to help faculty, staff and students of Lock Haven University obtain external funding for research, equipment, faculty projects, program development, conferences, and other projects. The policies and procedures provide general guidance about applying for and managing grant funds. The handbook is a work in progress and may change as rules and regulations which govern grant funds change. Comments and suggestions to improve its content and clarity are always welcome.

The Grant Acquisition Coordinator is available to answer questions and help anyone interested in seeking external funding; for help with any aspect of grant funding, contact:

Don Woodhouse

570-484-2547

dwoodho1@lhup.edu

WHAT IS A SPONSORED PROGRAM?

“Sponsored Programs” are projects or programs conducted by faculty, staff or students that are supported in whole or in part by externally restricted funds awarded to the University through a contract, a grant, or a cooperative agreement (see Glossary). Sponsored programs may support research, instruction, or service. By the very nature of sponsored programs, Lock Haven has obligations to the funding agency, typically spelled out in the program announcement, the grant proposal or bid, and/or the award letter. While awards are usually made on the basis of a proposal prepared by an individual or a team of faculty members, the University, as the formal grant recipient, has ultimate programmatic and fiscal responsibility and accountability for the project. For this reason, internal review and approval are essential before proposals are submitted to outside agencies. **Only the President or his designated representative has authority to sign a grant proposal or a contract bid on behalf of Lock Haven University.**

All grants and sponsored programs are processed through the Grant Acquisitions Coordinator and the Grants Accountant. The Contracts Officer, the Grant Acquisitions Coordinator, and the Grants Accountant help principal investigators and project directors monitor and track grant-related expenditures and comply with reporting requirements. The project director is responsible for insuring that the project is carried out in accordance with university, PASSHE, and funding agency guidelines whether they are federal, state, or private funds.

RELATED POLICIES

The following Lock Haven University policies may affect the conduct of sponsored activities.

Misconduct in Research (currently pending)

Protection of Human Subjects [IRB Policy Webpage](#)

Conflict of Interest <http://www.lhup.edu/HR/policies/conduct.htm>

Intellectual Property Policy (Currently in development)

GRANT ACQUISITIONS

A Grant Acquisitions Coordinator who reports to the Vice President for Academic Affairs is available to assist faculty with researching opportunities for and preparing grants. The [Grants website](#) provides links to federal, state, and private funding opportunities and information about how to search and apply for grants. Grant Acquisition services available include:

- ✓ Monitoring and disseminating information about funding opportunities.
- ✓ Locating potential funding sources upon request from faculty or staff.
- ✓ Providing resources on proposal writing.

- ✓ Presenting workshops on proposal writing and related topics.
- ✓ Working with the Business Office and other University entities to finalize grant award contracts, agreements, and memorandums of understanding.
- ✓ Contacting funding agencies about proposed projects.
- ✓ Working with Project Directors/Principal Investigators to develop proposals.
- ✓ Helping complete federal and state forms.
- ✓ Providing information about University policies, procedures, and agreements with federal agencies.
- ✓ Assisting with the preparation of, and reviewing draft proposals and budgets.
- ✓ Verifying all matching or cost-sharing agreements.
- ✓ Coordinating the internal review and endorsement process.
- ✓ Providing supporting documentation (e.g. financial statements, proof of non-profit status, list of Trustees, and the like), ensuring that all required forms and information are present, and mailing proposals to funding agencies.
- ✓ Assisting with proposal revisions and budget negotiations, if necessary.
- ✓ Requesting reviewers comments and reasons for non-funding.
- ✓ Assisting with the preparation and submission of final reports.
- ✓ Facilitating access to FastLane, grants.gov and other electronic grant application portals

GRANT DEVELOPMENT, PREPARATION, AND SUBMISSION

Anyone with concepts or ideas that may have potential for external funding is encouraged to contact the Grant Coordinator to discuss their projects. Ideas for proposed projects should also be discussed with your department chair and Dean to verify that the planned activities will:

- ✓ Be consistent with Lock Haven's mission, values and the strategic plan.
- ✓ Support the University goals of excellent teaching, research, and public service.
- ✓ Contribute to scholarship and knowledge.
- ✓ Comply with all University, federal, state, local government, and granting agency regulations, policies, and directives that pertain to, among other things:
 - ◇ Affirmative action and equal opportunity
 - ◇ Civil rights compliance
 - ◇ Protection of human subjects
 - ◇ Protection of animal welfare
 - ◇ Copyrights, patents, royalties

- ◇ Property rights
- ◇ Use of hazardous materials
- ◇ Matching funds or cost-sharing

Initial Contact with Funding Agencies

Faculty and staff are encouraged to make preliminary contact with potential grantors in order to verify congruence with the funders' granting priorities, to obtain grant guidelines or to discuss possible projects. Contact can be made by telephone, e-mail, office visit, letter of inquiry, or preliminary proposal. Make sure to send informational copies of any query letters or preliminary proposals to the Grant Acquisition Coordinator. *Please note, however, that you may not commit or bind the University in any way, or enter into any formal agreement, without the express authorization of the President or his designated representative. The University President, the Vice President for Academic Affairs and the Vice President for Finance, Administration & Technology are the only individuals authorized to sign grants or proposals on behalf of, i.e. to obligate, the University.*

PROPOSAL FORMAT

The format of your proposal is usually specified in the sponsor's guidelines. Investigators should request a copy of the application kit or grant guidelines and the most recent annual report from the sponsor if they are not available on-line. If no guidelines or application forms are provided by the funding agency, there are a number of common formats available. Many grant proposals are evaluated according to a rating system that assigns points to specified review criteria, and applications must score a certain number of points to be eligible or recommended for funding. Guidelines provided by the funding agency generally correspond with the review criteria, and the specific instructions provided by the funder should be followed **exactly**. If the guidelines specify the font size or margin size required by the funder, make sure your proposal adheres to the requirements. Some funding agencies want proposals bound; others will reject any proposal that arrives with binding. The Grant Coordinator can help you be sure that you've got the details right.

Accurate and timely data to describe the institution and to document the need for the proposed research project or program are essential elements of competitive proposals; University resources that can help you obtain these data include the Grant Coordinator and the Director of Institutional Research. Factual information and data that describe the organization, mission and characteristics of Lock Haven University and its students are available from the Grant Coordinator, as are copies of other proposals.

Allow ample time to complete your proposal and to submit it to the Grant Coordinator for internal review (said another way: **DON'T WAIT UNTIL THE LAST MINUTE!**). If at all possible, please submit proposals in both written and electronic form **at least 10 business days prior to the deadline** to allow enough time for internal

review and to obtain the required signatures. The earlier your proposal is submitted, the better.

Government agencies and private foundations are increasingly using electronic applications, and will not accept paper applications. The National Science Foundation requires **all** letters of intent and applications be submitted electronically, as do a growing number of other federal agencies. Given the proclivity of computers (despite the diligent efforts of the Computing Center) to fail at the worst possible time, it is imperative not to wait until the last possible minute to submit grants via e-mail or electronic portals such as the National Science Foundation's *Fastlane* system or *Grants.Gov*. Note, too, that *Fastlane*, *Grants.Gov* and other electronic portals require advance registration. The Grant Acquisition Coordinator serves as the institutional administrator for *Fastlane* and will register prospective applicants, assign passwords, enter them in the NSF PI database, and help with electronic access to grant announcements and applications, and describe the electronic submission and signature process.

All proposals, whether on old-fashioned paper or in digital form, must be submitted through the Grant Acquisition Coordinator.

BUDGET DEVELOPMENT

The Grant Coordinator will assist with the creation of the budget. Research and program budgets typically include two categories of expenses; these are *direct costs* (such as personnel, equipment, travel, and supplies) needed to carry out the project, and *indirect costs* which reflect very real but less visible overhead costs (such as building maintenance, utilities, computer services, administrative support and accounting) to the University of supporting research and grant sponsored programs. Some grant funding agencies do not award indirect costs, or limit the amount of indirect costs. Except in cases where indirect costs are not awarded by the funding agency, all funding requests should include both direct and indirect costs. Proposals which do not request indirect costs, when available, require a Waiver of Indirect Costs, approved by the Vice President for Finance, Administration and Technology. A copy of the request for Waiver of Indirect Costs is available on-line as part of the [Grant Authorization Form](#) and is **included in** this handbook.

DIRECT COSTS

Direct costs generally include the following categories:

Salaries and Wages: List all the people who will work on this project, starting with the project director/principal investigator, then faculty, staff, students, and part-time workers respectively. In all cases, estimate how much time will be needed to carry out the project successfully and how much time each person will actually commit to the project. Contact the Grant Acquisition Coordinator for assistance to make sure you capture all personnel costs. Specific people should be identified on the LHU Authorization Form whenever possible for internal purposes; however, unless a grant requires it, no specific individuals should be named on the grant proposal and budget.

Positions and/or titles should be used to allow flexibility should a person become unavailable to perform the tasks of the grant. If the proposed project is for more than one year, likely salary increases should be reflected in the budget.

Please remember to include fringe benefit costs in your budget proposal.

Human Resources can help determine the actual salary and fringe benefit costs for people now on Lock Haven's payroll.

The cost of wages for graduate assistants can be obtained from the Grant Acquisition Coordinator. Include only the cost of the stipends, not the tuition waivers, in this category. Student wages may be calculated in accordance with whatever the project director deems appropriate for the required skills and activities of the position. All personnel must be identified in detail on the "Personnel Request Form" section of The [Grant Authorization Form](#).

Once the Dean and Provost have approved hiring temporary grant-funded employees, it must be coordinated through the HR Office; contact Deana Hill at 484-2014 or dhill@lhp.edu for more information.

Fringe Benefits:

Fringe Benefits vary from individual to individual. To calculate or estimate your fringe benefits for a proposal, contact the Grant Acquisition Coordinator or the Human Resources office.

Employee Stipends:

Stipends may be paid to employees if work to be performed would not fall in the same type of work performed for the university and when there are no specified hours or percentage of time required by the grantor to complete the tasks by the individual. Stipends are subject to all payroll taxes, retirement, etc., and funding for these items must be clear within the proposal.

Consultants: A consultant is an expert who is **not an employee** of the University and is hired at an hourly (or per diem) rate, without benefits, to provide some service related to the grant project. When hiring a consultant, there must be a written agreement specifying the specific work to be performed with all pertinent information, and the expected date(s) or term of the contract. Care must be taken to ensure that no employee/employer relationship is created.

All contracts, letters of agreement, or memoranda of understanding with consultants or other outside vendors must be developed with the University Contracts Officer in the Comptrollers Office.

Supplies: Supplies include any items with an individual cost of less than \$5,000 that are needed to complete the project. Individual grants may specify a different dollar cut-off for the designation of supplies versus equipment.

Equipment: Many funding agencies will not pay for capital equipment. Some funders that do not permit the purchase of equipment *will* permit the lease of equipment. Be sure to read the funding guidelines carefully. Final ownership of any capital equipment purchased must be determined and disclosed prior to submission of the proposal. By policy, the University will not purchase capital equipment from federal funds due to the very stringent guidelines for said equipment. The University will obtain competitive quotations where expenditure requests exceed \$1,500 to obtain the best price for products and services that are within stated specifications, unless there is an existing contracted price for the item. The Purchasing Office is the only department authorized to issue an invitation for bids or quotes.

Travel: Identify travel for University personnel only. Indicate the destination, duration, and purpose of the trip. Include transportation, registration fees (if appropriate), lodging, meals, car rental, parking, and other expenses. If a personal automobile or a university owned vehicle is to be used for travel, indicate the number of miles that will be traveled and calculate the anticipated cost using the current University mileage reimbursement rate. Use of a university owned vehicle will cost the grant the same amount as a personal auto because the university charges back to the grant based on the mileage recorded in the vehicle log. Call the Grant Coordinator or the Business Office Travel Clerk for the current rate.

Subcontracts: If any of the grant work is to be completed by another institution or company, identify the organization by name and indicate the total anticipated cost. The subcontractor must provide a letter of intent indicating the willingness of the organization to enter into a subcontract with the University. If travel costs are to be paid for a contractor, this needs to be specified on the contract as such. Travel for contractors and consultants is not to be paid via travel forms, but rather in the contract costs.

Other: This category covers any other expenses necessary for the completion of the project, such as tuition for graduate assistants, telephone charges, copying charges, monthly lease payments, postage, publication costs, animal care costs, or equipment maintenance. These items should be included as direct costs for the grant.

INDIRECT COSTS

Indirect Costs are expenses incurred in conducting or supporting research or other externally funded activities that are not directly attributable to a specific project. General categories of indirect costs include general administration (accounting, payroll, purchasing, etc.), sponsored project administration, facility operation and maintenance, library expenses, departmental administration expenses, depreciation or use allowance for buildings and equipment, and

utilities.

Indirect costs are calculated at the Lock Haven University-approved rate (federally negotiated), unless restricted by the funding agency guidelines. (Some grant funders will not award indirect costs, or limit them to a specified percentage of direct costs). **Indirect costs may not be waived without the express approval of the Vice President for Finance, Administration & Technology.** Lock Haven University's federally negotiated indirect cost rate effective 7/1/07 through 6/30/10 is 44.6% On Site and 21.4% Off site of Salaries and Fringe only. These rates are subject to change as of 7/1/10. To determine the amount of indirect costs to be budgeted, multiply the total projected cost of all salaries, wages and benefits for Lock Haven University personnel (including student employees) by the appropriate percentage.

COST SHARING/MATCHING FUNDS – Some agencies and foundations require the University to demonstrate its commitment to a project by sharing in the total cost of the project. **Matching funds and in-kind contributions must be dedicated to the project. You must complete the “Matching Funds” form that is a part of the “Grant Authorization Form” for all of these costs. This form must be signed by the person who is funding these costs.** Two kinds of matching funds exist:

Cash matching funds (also known as hard match) is any actual cash outlay from sources other than the grantor used to purchase merchandise, university services, or pay personnel costs directly attributable to the grant.

Soft Match (also known as in-kind contribution) refers to services, use of departmental supplies, use of office or classroom space, computers services, personnel costs in service areas, equipment usage, and the like that will be furnished by the University to specifically to support the grant project.

INTERNAL REVIEW

There are very few funders that award grants to individuals. Although grants are awarded on the basis of proposals written by individual faculty members, staff or students, Lock Haven University is the formal recipient of all grants, and has programmatic and fiscal accountability for all projects. **Only the President, the Vice President for Academic Affairs, or the Vice President for Finance, Administration & Technology, therefore, are authorized to sign a grant proposal on behalf of the University.** For this reason, internal review and approval are required before any proposal is submitted. The “**Grant Authorization Form**” serves both as a checklist to help you consider key elements of a proposal, and as a means for documenting the approval of key Lock Haven personnel (typically the Department Chair, Dean, Grants Accountant, VP for Academic Affairs, VP for Finance, Administration & Technology, and President). **The President will not sign proposals that have not first been reviewed first by these people.** To expedite this process, keep your Department Chair and the Grant Acquisition Coordinator apprised of the status of your proposal throughout the its development.

FISCAL MANAGEMENT OF BUDGET AWARDS

It is important for Project Directors/Principal Investigators (PD/PI) to thoroughly understand the fiscal terms and conditions of their grants, as well as the reporting requirements. The Business Office can help the PD/PI understand the fiscal terms and conditions of the grant/contract award and the procedures for processing expenditures and requests for payment. When scheduled fiscal reports are required by the funding agency, they must be validated by and submitted through the Business Office.

Once a proposal has been funded and you receive formal notification of the award and the conditions of the award, a Grants “Hand-Off” Meeting will be scheduled by the Grant Accountant with the PD/PI all personnel as deemed necessary for a specific grant. This meeting is established to review the terms and conditions of the award; to review reporting requirements and procedures; to provide for documenting time and effort allocated to the project; and to facilitate spending the grant funds. In addition, the following steps are necessary.

- ✓ Each funded grant/contract will be assigned a unique WBS (spending account) by the Grant Account to track the expenditures.
- ✓ Expenditure requests are coordinated by PD/PI with the Grant Accountant. The Expenditures of budget line items must conform to the original intent of the grant/contract award. PD/PI must maintain documentation for auditing purposes.
- ✓ All expenditures must occur during the project dates approved by the funding agency according to the approved budget line items and the schedule of activities outlined in the proposal narrative.
- ✓ All expenditures must be in accordance with University, state, and federal guidelines in effect during the granting/contracting period and with any special terms and conditions imposed by the funding agency.
- ✓ Any change to the distribution of awarded funds must conform to the policies of the funding agency and the University. Budget revisions that require prior approval by the funding agency must be processed through the Grants Accountant and approved by the funding agency.
- ✓ Equipment purchases, rentals, and maintenance agreements under grants/contracts must be coordinated through the Business Office. (Equipment is identified as any asset costing \$5,000 or greater, not to include consumables.) Ample time must be allowed for any bid requirements. It must be clearly written in the contract or grant proposal as to whether any equipment purchased through a grant/contract is to be retained by the University or returned to the grantor/contractor at the end of the funding period. Arrangements for maintenance agreements should also be considered as part of the budget when grant funds are to be used for

equipment purchases or rentals.

- ✓ Under certain conditions, funding agencies allow a project extension beyond the approved project period if no additional funds are required. Most funding agencies require a request for extension 45 days prior to the termination date of the grant. Unless an extension is authorized, the grant will be closed on the date specified in the grant contract and the Grants Accountant will refund any balances of unobligated funds to the funding agency. If an extension is requested and/or awarded, the Grant accountant must be sent a copy of documentation.

ROLE OF THE GRANTS ACCOUNTANT/BUSINESS OFFICE

In accordance with the requirements of the funding agency, the Grants Accountant:

- ✓ Is the initial University Contact Person upon the award of a grant.
- ✓ Provides grant specific expense account number (WBS) for all transactions.
- ✓ Facilitates Payroll charges to appropriate grant WBS.
- ✓ Maintains Time and Effort Tracking sheets and acts as internal auditor for personnel requirements within the grant.
- ✓ Makes authorized budget revisions on SAP as per grant contract and PD/PI
- ✓ Provides SAP reports.
- ✓ Monitors expenditures for compliance.
- ✓ Prepares required financial reports.
- ✓ Invoices the funding agency.
- ✓ Coordinates the close out process; and, Coordinates any financial audits required by the funding agency.

WHO SHOULD I CALL...

If I need help finding grant sources and preparing proposal:

Don Woodhouse, Grant Acquisition Coordinator
484-2547 dwoodho1@lhup.edu

If I need the University's DUNS, Federal Employer Identification Number, or other identifiers or if I need to be registered to use Fastlane or added to the NSF PI database:

Don Woodhouse, Grant Acquisition Coordinator
484-2547 dwoodho1@lhup.edu
Glenda Feidler, Grant Accountant
484-2009 gfeidler@lhup.edu

If I plan to include **human subjects** in my research:

Dr. Christine Offutt, Chair
LHUP Institutional Review Board

484-2400 coffutt@lhup.edu

If I plan to use **animals** in my research:

Dr. Christine Offutt, Chair
LHUP Institutional Review Board
484-2400 coffutt@lhup.edu

If my grant includes a temporary **grant-funded employee**:

Deana Hill
Director of Human Resources
484-2036

If I need the current reimbursement rates for mileage, lodging, meals, or other **travel related expenses**:

Lorie Smith Purchasing Agent
484-2701 lsmith@lhup.edu

If I need information about the management of my **grant budget**:

Glenda Feidler, Grants Accountant
484-2009 gfeidler@lhup.edu

If I need to purchase supplies or equipment for the grant project:

Becky Proctor Purchasing Agent
484-2010 bproctor@lhup.edu

If I have questions about **contractual issues**:

Todd Webber, Contracts Officer
484-2019 twebber@lhup.edu
Kelly Hibbler, Purchasing Agent
484-2015 khibbler@lhup.edu

If I need information about ordering **computers** or related technology:

Don Patterson, Director of Computing and Institutional Technology
484-2255 dpatters@lhup.edu

If I need to know the likelihood that LHU administration will approve matching funds:

Discuss this with your college dean

GLOSSARY

The following list of terms and their meanings is provided as a quick reference guide. While many of these terms are not used in this Handbook, they are used by some sponsors, or are used in federal grant application packets.

Audit: A formal examination of an organization's or individual's accounts or financial situation. An audit may also include examination of compliance with applicable terms, laws, and regulations.

Broad Agency Announcement (BAA): An announcement of a federal agency's general research interests that invites proposals and specifies the general terms and conditions under which an award may be made.

Budget Period: The interval of time—usually twelve months—into which the project period is divided for

budgetary and funding purposes. (Also see Project Period.)

Continuation Project (Non-Competing): A project approved for multiple-year funding, although funds are typically committed only one year at a time. At the end of the initial budget period, progress on the project is assessed. If satisfactory, an award is made for the next budget period, subject to the availability of funds. Continuation projects do not compete with new project proposals and are not subjected to peer review beyond the initial project approval.

Contract: The procurement of a product or service. Typically, the sponsor specifies a research topic and the methods for conducting the research in detail, although some sponsors award contracts in response to unsolicited proposals.

Cooperative Agreement: An award to an organization in the name of a Principal Investigator to conduct research in cooperation with the sponsor's personnel (usually a federal agency). Sponsor staff is actively involved in both proposal preparation and research activities once the award has been made.

Cost-Reimbursement Type Contract/Grant: A contract/grant for which one party pays the other party for the full costs incurred in the conduct of the work.

Cost-Sharing: A general term—used as a noun or adjective—that can describe virtually any type of arrangement in which more than one party supports research, equipment acquisition, demonstration projects, programs, institutions. Example: A university receives a grant for a project estimated to have a total cost of \$100,000. The sponsor agrees to pay 75% (\$75,000) and the university agrees to pay 25% (\$25,000). The \$25,000 is the cost-sharing component.

Direct Costs: Clearly identifiable costs related to a specific project. General categories of direct costs include but are not limited to salaries and wages, fringe benefits, supplies, contractual services, travel and communication, equipment, and computer use.

Donation: Transfer of equipment, money, goods, services, and property with or without specifications as to its use. Sometimes donation is used to designate contributions that are made with more specific intent than is usually the case with a gift, but the two terms are often used interchangeably.

Endowment: A fund usually in the form of an income-generating investment, established to provide long-term support for faculty/research positions (endowed chair).

Equipment: The University considers equipment any non-consumable item having a useful life greater than a year and cost of \$5,000 or greater. Federal regulations recognize the same criteria. State and private grantors may have a lower value as their threshold.

Expiration Date: The date signifies the end of the performance period, as indicated on the Notice of Grant Award.

Extension: An additional period of time given by the sponsor to an organization for the completion of work on an approved grant or contract. An extension allows previously allocated funds to be spent after the original expiration date.

Fiscal Year (FY): Any twelve-month period for which annual accounts are kept, at Lock Haven University, July 1 through June 31.

Fixed-Price Contract/Grant: A contract/grant for which one party pays the other party a predetermined price,

regardless of actual costs, for services rendered.

Funding Cycle: Range of time during which proposals are reviewed and funds are awarded. If a sponsor has standing proposal review committees (or boards) that meet at specified times during the year, application deadlines are set to correspond with those meetings. For some sponsors, if proposals are received too late to be considered in the current funding cycle, they may be held over for the next review meeting (i.e., National Science Foundation's Target Dates).

Gift: Gifts and bequests are awards given with few or no conditions specified. Gifts may be provided to establish an endowment or to provide direct support for existing programs. Frequently, gifts are used to support developing programs for which other funding is not available. The unique flexibility, or lack of restrictions, makes gifts attractive sources of support. (Also see Donation.)

Grant: A financial assistance award to an organization in the name of a Principal Investigator or Project Director to assist the organization in the conduct of research or other activities as specified in an approved proposal. A grant—as opposed to a cooperative agreement—is used whenever the awarding office anticipates no substantial programmatic involvement with the recipient during the performance of the activities.

In-Kind: Consisting of other than money. Equipment use, materials, or services of recognized values that are offered in lieu of cash, and dedicated to the particular project that is described in the proposal.

Indirect Cost Rate: The rate, expressed as a percentage of a base amount established by negotiation with the cognizant federal agency on the basis of the institution's projected costs for the year and distributed as prescribed in OMB Circular A-21. The indirect cost rate is charged on a set of direct costs known as an indirect cost base. (Also see Modified Total Direct Costs.) Lock Haven University's negotiated indirect cost rate is 44.6% On Site and 21.4% Off-site of Salaries and Fringe only. Off-Site is "*all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project, the off-campus rate will apply. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.*

Fringe includes-FICA, Unemployment, WC, Retirement, Hosp, Life, Dental, Prescription Ins, and tuition Remissions. Vacation, holiday and sick leave pay and other paid absences are included in salaries and wages and are claimed on grants as part of the normal cost for salaries and wages. Separate claims are not made for the costs of these paid absences. These rates are effective 7/1/07 through 6/30/10 and subject to change 7/1/10." (quoted from Indirect Cost agreement from US Department of Health and Human Services [HHS])

Indirect Costs: Costs related to expenses incurred in conducting or supporting research or other externally funded activities but not directly attributable to a specific project. General categories of indirect costs include general administration services (accounting, payroll, purchasing, etc.), sponsored project administration, plant operation and maintenance, library expenses, departmental administration expenses, depreciation or use allowance for buildings and equipment, and student administration and services. Also referred to as overhead or facilities and administration cost.

Investigator-Initiated Proposal: A proposal submitted to a sponsor that is not in response to an RFP, RFA, or a specific program announcement.

Matching Grant: A grant that requires a specified portion of the cost of a supported item of equipment or project be obtained from other sources. The required match may be more or less than the amount of the grant. Some matching grants require that the additional funds be obtained from sources outside the recipient organization. Many matching grants are paid in installments, the payments coinciding with the attainment of pre-specified levels of additional funding. (Also see Challenge Grant.) Matching grants are very common in the sciences, especially for equipment. They are standard practice in some government agencies.

Mission: A sponsor's stated purpose, which is designed to address a specified set of problems. Almost all federal research agencies are designated as mission agencies.

New and Competing Proposals: Proposals that are submitted for the first time or unfunded proposals that are resubmitted; either must compete for research funds. Ongoing projects must compete again if the term of the original award has expired.

Notice of Grant Award: The legally binding document that serves as a notification to the recipient and others that a grant or cooperative agreement has been made; contains or references all terms of the award; and documents the obligation of funds.

Pre-Proposal: A brief description—usually 2-10 pages—of research plans and estimated budget that is sometimes submitted to determine the interest of a particular sponsor prior to submission of a formal proposal. Also termed Preliminary Proposal.

Principal Investigator/Project Director: The individual responsible for the conduct of research or other activity described in a proposal for an award. (PI/PD)

Program/Project Officer: A grantor or sponsor's designated individual officially responsible for the technical, scientific, or programmatic aspects of a particular grant, cooperative agreement, or contract.

Project Period: The total time for which support of a project has been programmatically approved. A project period may consist of one or more budget periods. (Also see Budget Period.)

Proposal: A complete proposal that contains all information necessary to describe project plans, staff capabilities, and funds requested. Formal proposals are officially approved and submitted by an organization in the name of a Principal Investigator.

RFA: Abbreviation for Request for Applications. RFAs are announcements which indicate the availability of funds for a topic of specific interest to a sponsor. Proposals submitted in response to RFAs generally result in the award of a grant. Specific grant announcements may be published in the Federal Register and/or specific sponsor publications. (Also see Broad Agency Announcements.)

RFP: Abbreviation for Request for Proposal. RFPs are announcements that specify a topic of research, methods to be used, product to be delivered, and appropriate applicants sought. Proposals submitted in response to RFPs generally result in the award of a contract. Notices of federal RFPs are published in the Commerce Business Daily.

Stipend: A payment made to an individual under a fellowship or training grant in accordance with pre-established levels to provide for the individual's living expenses during the period of training.

Subcontract, Subgrant, or Subagreement: A document written under the authority of, and consistent with the terms and conditions of a prime award (a grant, contract or cooperative agreement), that transfers a portion of the research or substantive effort of the prime award to another institution or organization. Lock Haven may receive a grant and subcontract with outside entities to perform part of the work, or another grantee may subcontract with Lock Haven to perform services specified in the grant. The Subawardee is bound to the same rules and regulations as the University and is responsible for providing all information required by grantor to the University.

Terms of Award: All legal requirements imposed on an agreement by the sponsor, whether by statute, regulation(s), or terms in the award document. The terms of an agreement may include both standard and special

provisions that are considered necessary to protect the sponsor's interests.

Total Project costs: The total allowable direct and indirect costs incurred by the institution to carry out an approved project or activity.

Unrestricted funds: Funds having no requirements or restrictions as to use or disposition. Grants, contracts, and cooperative agreements are considered to be restricted funds.

Unsolicited Proposal: Proposals submitted to a sponsor that are not in response to an RFP, RFA, or program announcement. (See also Investigator-Initiated Proposal.)

501(c)(3) not for profit organization: IRS designation of a not-for-profit organization; charitable contributions to such organizations are deductible by the donor. Lock Haven University is a public institution of higher education. IRS certification of Lock Haven's not-for-profit status (often required by grant funders) is available in the Grants Office.

CURRENT RATES

The following are some of the rates that are in effect for the academic year:

Federally negotiated rate for **indirect** is 44.6 On Site and 21.4 Off site of Salaries and Fringe only.

- Reimbursement **per mile** rates for automobiles (either personal or university owned), subsistence, lodging, etc., and a full set of travel regulations can found at

<http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8203&channelId=-13224>

- Current tuition and fees rates for all campuses and distance education can be found on the LHUP web site:

<http://www.lhup.edu/financial-services/bursar/>

PROPOSAL ACCEPTANCE AND IMPLEMENTATION

The Negotiation Process:

The University may be notified that your grant has been recommended for funding, but be asked to negotiate or defend your budget and possibly other aspects of your plan before your award is finalized. A budget that has unnecessarily broad categories without sufficient budget detail will invite further scrutiny and clarification. Keep in mind that it may be necessary to prioritize or find alternatives for the items in your budget in case the full amount of requested funding is not approved. Questions may be raised about your objectives, proposed activities, timeline, or evaluation plan. At this stage the funding agency wants to be assured that your grant has realistic goals and objectives and a sound budget before an award letter is issued. You will need to work closely with Grant Accountant and Grant Coordinator during this process to ensure a successful result.

The Award Letter – PI's responsibilities:

1. Read your award letter carefully. Make sure the amount is correct, the dates are correct, and that it does not contain any unanticipated obligations. (Example: the award letter states that you must attend two grantee meetings and that funds to pay for your travel will come out of your travel budget.) Does it state whether or not you will be able to carry forward funds from one year to the next? Is there any fine print? Does it contain special provisions that might affect your project?
2. Deliver the original award letter to the Grants Accountant and send a copy to the Grant Coordinator.
3. The sponsor and the University assume that the project director/principal investigator, operating within both the policies of the University and sponsor, is responsible for the programmatic and financial integrity of the project.
4. You must document all expenditures (with bills, invoices, receipts, etc.) and have a clear audit trail. If you have to show a match or in-kind contribution as a condition of your grant, you must also have documentation to back it up.
5. All expenditures must be within the limits of your approved budget categories plus any grant approved variance.
6. Federal funds must be separated from other sources of funding, so that expenditures and costs can be clearly tracked. It is the university's policy to request reimbursement of expended federal funds rather than request money upfront. Financial Status Reports must be based on actual expenditures at the end of the reporting period and cannot be based on estimates or other methods of projection. All financial reports are to be generated via the Grant Accounting office.
7. You must keep time and effort records for anyone paid with grant funds; if an employee's salary is partially paid from the grant, and the employee divides his or her time between the grant and other duties, then records need to clearly show that distribution of time. A "Time and Effort" form must be completed by every employee paid in part or completely with grant funds or considered as match. They must be submitted to the Grant Account biweekly, the Monday following each pay date.

How to get started spending: The Grant Acquisition Coordinator and Business Office staff will meet with the principal investigator/project director upon the funding of a project to review award terms and conditions. Such items as time and effort reporting, project reports, budget limitations and University policy will be discussed. A unique account (WBS) will be established for each project and funding period. The appropriate WBS must be used on all paperwork processed that is to be charged to the grant. These forms include:

1. All Human Resources documents related to a grant/match paid employee
2. Purchasing documents: Agency Purchase Request, Service Purchase Request, Travel Authorization Form and subsequent travel form
3. Other Miscellaneous forms:

- a. Food Service requests from the dining services contractor
- b. Storeroom Supplies forms
- c. ALL outgoing mail or shipping requests, return postage-paid envelopes
- d. Return main envelopes provided to grant participants
- e. Duplicating Request form

Program and Budget Modifications

Sponsoring agencies have varying restrictions upon deviations from approved tasks and budgets. However, reasonable requests for change may be considered as the sponsor is just as concerned with a successful outcome as you are. The Grants Office and Grant Accountant should be consulted prior to any requests for a change to the sponsor and should be provided with copies of all correspondence. The dean should also be consulted and kept abreast of any significant changes.

Reporting

The project director/principal investigator is primarily responsible for complying with all reporting requirements. Failure to do so can jeopardize future awards to the University. All financial reports must be completed and approved by the Grant Accountant. **No report containing expenditure data is to be submitted without this approval and verification with the accounting information provided on SAP.**

RESOURCES, FORMS & LINKS

- A. Grant Acquisition Resources <http://www.lhup.edu/grants/home.htm>
- B. National Network of Grant makers (NNG)
<http://templates.edinboro.edu/resources/ExternalLink.pl?URL=http://www.nng.org&LINK=www.nng.org&AUTHOR=Z867466H@edinboro.edu>
- C. Grant Authorization Form <http://www.lhup.edu/finance-admin-tech/grant%20tracking%20form.doc>
 - a. Personnel Request Form
 - b. Matching Funds
 - c. Request for Waiver of Indirect Costs
- D. Time and Effort tracking Form (provided by Grant Accountant)
- E. Protection of Human Subjects – Institutional Review Board for the Protection of Human Subjects (IRB-PHS)
- F. Travel Regulations & Cost Guidelines
<http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8203&channelId=-13224>
- G. Conflict of Interest Policy <http://www.lhup.edu/HR/policies/conduct.htm>
- H. Tuition & Fee Rates