



AUBURN UNIVERSITY PRINCIPAL INVESTIGATOR HANDBOOK

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INTRODUCTION

The *Principal Investigator Handbook* is published by the Office of Proposal Services and Faculty Support (PSFS) to assist faculty and staff with the administrative aspects of sponsored projects.

Sponsors fund projects based on the professional expertise of the Principal Investigators submitting proposals; however, the formal award is made in the name of Auburn University. When the award is accepted, the Principal Investigator assumes the responsibility for conducting and completing the technical work and for administering the project according to state and federal regulations, and policies of the sponsor and the University. That is, the Principal Investigator is responsible and accountable for the sponsored project. The University provides the infrastructure within which the investigator conducts the project. **Thus, the Principal Investigator and the University have a mutual interest in carrying out the project for which the funds are awarded.**

The *Handbook* has three main goals:

- ✓ To provide guidance in regard to the development and administration of sponsored projects.
- ✓ To inform Principal Investigators/Project Directors (PIs/PDs) of their roles and responsibilities in sponsored projects administration and compliance and to indicate the roles of staff in supporting the research effort.
- ✓ To collect and organize information pertinent to sponsored projects administration in a single document and make that information accessible to all interested parties.

Definition of a Sponsored Project

Most grants, contracts, and other agreements from outside sources are "sponsored projects" and are administered through the Office of Sponsored Programs. Generally, a project is considered a "sponsored project" if the receipt of funds includes, but is not limited to, the following:

- ✓includes agreement to return unused funds
- ✓requires cost sharing by the University
- ✓involves a verbal or written agreement specifying terms and conditions, a specific scope of work, and possibly reporting requirements
- ✓includes release of information restrictions, such as the delay in publishing research results, confidentiality or approval to release information

- ✓involves an exchange transaction in which there is a reciprocal transfer of something of value. However, certain non-exchange grants may also contain conditions that would call for monitoring as a sponsored project.

Gifts and Charitable Contributions

A gift is defined as any item of value given to the University by a donor who expects nothing significant of value in return other than recognition and disposition of the gift in accordance with the donor's wishes. In general, a gift has no contractual requirements and no expectation of deliverables or rights in property or data. While there may be restrictions or minimal conditions associated with a gift, generally, there should be no specific period for incurring costs, and there should be no requirement to return unexpended funds. The University has designated the Auburn University Foundation as the official recipient of gifts to Auburn University. Gift deposits should be processed through the Auburn University Office of Development in accordance with the [Collections, Contributions, and Accounts Receivable Policy](#).

The [Auburn University and Affiliated Foundations Policy to Identify and Administer Gifts and Sponsored Projects](#) provides guidance in determining whether external funding should be classified as a gift or sponsored project. If additional clarification is necessary, please contact the Office of Sponsored Programs (334-844-4438).

Definition of Principal Investigator (PI)

Serving in the role of Principal Investigator on a sponsored project is a privilege granted to certain individuals associated with Auburn University that carries with it important responsibilities. The Principal Investigator is the individual bearing primary responsibility for all essential aspects of the work being carried out, including technical aspects and completion of programmatic work, compliance with government, sponsor, and university policies and regulations, fiscal stewardship of sponsored funds, and all administrative requirements of the project. To fulfill these responsibilities, the Principal Investigator must therefore commit a reasonable amount of time consistent with the scope of work and with the proposal submitted to the sponsoring agency.

Please see the [AU Statement of Principal Investigator Eligibility](#) for additional information as to who may serve as a PI.

PROPOSAL DEVELOPMENT

The Office of Proposal Services and Faculty Support (PSFS) assists faculty and staff in the broad aspects of proposal development for their research, scholarly, and creative programs. The multifaceted mission of PSFS includes:

1. Finding targeted funding opportunities for faculty to promote research and creative scholarship across campus;

2. Proposal development services for large, interdisciplinary projects (proposed at \$1 million or more per year);
3. Faculty engagement so that we are better prepared to respond to the changing funding climate; and
4. Supporting AU's administrators and staff through the [COMPASS program](#) to better serve the research goals of Auburn University

AU Shuttle Program

Partnerships with federal agency officials, collaborators and other sponsors are vital to Auburn University's research and economic development mission and play an important role in creating opportunities for Auburn researchers and scholars.

Auburn University, as facilitated through the Office of the Vice President for Research and Economic Development (OVPRED), provides monthly domestic transportation from the Auburn University Regional Airport to airports within a 650 mile radius of Auburn. Flights depart Auburn and return on the same day. Based on date availability, one flight (per month) can be scheduled February through November. The guidelines and AU Shuttle Enrollment Form can be found on the program's [website](#). Questions can be directed to Bob Holm at (334) 844-5877 or via e-mail at rz0021@auburn.edu.

Collaboration Corner

The Collaboration Corner (Foy 205) is a welcoming environment that promotes synergy where faculty can exchange ideas, develop proposals, and engage in collaborative endeavors. The goal of the Corner is to provide a place where silos and barriers will be broken. It is a space where faculty from all departments are welcome to come together to connect with each other, share their research, and learn from each other. To help facilitate this process, PSFS will host monthly workshops and opportunities for faculty to come together to continually learn from their peers and keep pace with the current standards of proposal development in an ever changing funding climate. If interested in utilizing the Corner for a meeting, please complete the required [reservation form](#) on the PSFS website. Questions regarding the utilization of the corner or development of large, interdisciplinary proposals can be directed to Rachel Simpson at (334) 844-7910 or via e-mail at bradfra@auburn.edu.

Proposal Development Tools

In addition to myriad resources on the OSP and PSFS websites, additional tools include: a template for NSF-specific data management plans; links to evaluation and statistical services; resources for biomedical researchers through the Center for Clinical and Translational Science (CCTS) at the University of Alabama at Birmingham; and the

opportunity to utilize Hanover Research for grant development solutions including: Pre-proposal Support; Proposal Development; and Capacity Building. Details regarding these tools can be found [here](#).

Identifying Sources of Funding

PIVOT (formerly Community of Science, Inc.)

Auburn University faculty, staff, and students can use PIVOT Web-based products and services to promote their work, find funding, access experts, consult, and collaborate with colleagues. [PIVOT](#) is the leading Internet site for the global R&D community bringing together the world's most prominent scientists and researchers at more than 1,600 universities, corporations and government agencies worldwide. PIVOT provides tools and services that enable these professionals to communicate, exchange information and find the people and technologies that are important to their work.

Auburn University has purchased a subscription to PIVOT and you can access this service from any University computer (the Auburn University IP address lets PIVOT know that the institution is a paying member). For additional information regarding PIVOT or questions regarding access, please contact Marc Haon in the Office of Proposal Services and Faculty Support (PSFS) at (334) 844-5929 or via e-mail at haonmar@auburn.edu.

Funding Resources

Funding resources (including agency-specific resources) can be found on the [Find Funding](#) page of the PSFS web site.

Grants.gov

Current program announcements for all federal funding opportunities can be found on Grants.gov, the federal government's portal for Electronic Research Administration. Access <http://www.grants.gov> to search for federal funding opportunities. Auburn University is already registered as an institution and individual registration is not required.

THE PROPOSAL

A proposal is a request for financial support for a project. Generally, a proposal consists of a technical section and a budget section.

Types of Proposals

Pre-proposals

A pre-proposal (sometimes called a white paper, letter proposal, preliminary proposal, pre-application, or concept paper) is a short (generally 2-5 pages) description of the proposed project, and it does not normally involve a commitment of university resources.

A pre-proposal may include a total cost estimate but does not include a budget, and it is not expected to result directly in an award. Usually, the purpose of a pre-proposal is to inform and heighten the interest of a potential sponsor so that the sponsor requests a more detailed formal proposal. If the sponsor does not require signature of the institutional official on the pre-proposal or does not require the commitment of university resources at the pre-proposal stage (i.e., institutional cost share), then the investigator is not required to route the pre-proposal through the University proposal routing process. However, if a sponsor does require the signature of the institutional official on the pre-proposal or requires the commitment of university resources at the pre-proposal stage (ie: institutional cost share), then the investigator is required to route the pre-proposal through the University proposal routing process. In those cases where proposal submission is delegated to the college, the Principal Investigator should confirm with the respective designee (OSP liaison) as to whether college-level approval is required at the pre-proposal stage. **NOTE:** In cases where a pre-proposal is submitted via an electronic system by an institutional official (e.g., Grants.gov, Fastlane), the pre-proposal **must** be processed through the University proposal routing process. In addition, it is requested that, in those cases where approval is not required at the pre-proposal stage, that a courtesy copy be forwarded to OSP or the appropriate college-level designee following submission.

Solicited Proposals

Sponsors may solicit formal proposals by publishing a specific program announcement. Researchers responding to the program announcement write the proposal to meet the sponsor's program guidelines. Deadlines (receipt/postmark) may occur annually or several times a year.

These proposals are submitted for initial funding of a project. Most new proposals are submitted for competitive review by the sponsor through a peer review in most cases and may be announced through an **RFP (Request for Proposal)**, **RFQ (Request for Quotation/Qualifications)** or an **RFA (Request for Application)**. Proposals submitted in response to these specific work statements may contain specific terms and conditions and formatting requirements.

Renewal and Continuation Proposals

A competing renewal proposal (also called a competing continuation) is a request for continued funding of a project for which funding is about to terminate. Such proposals are similar to "new" proposals and must be routed and approved in the same manner.

Noncompeting continuation proposals, which request the next year's funding within a multi-year grant, generally consist of a progress report, budget, and other relevant materials such as research results, reprints, vitae for new personnel, etc. They sometimes include a financial status report indicating the unobligated balance for the current year. Read the appropriate guidelines carefully, as federal sponsors are eliminating some requirements in their efforts to reduce paperwork and streamline their processes.

In some cases, sponsors require the signature of the institutional official on the application page of noncompeting continuation proposals, and investigators are required to route noncompeting continuation proposals through the University proposal routing process, even if a budget is not required. This is to ensure that appropriate university officials are informed of the current status and any changes from the original proposal before the institutional endorsement is provided.

Supplemental Proposals

Supplemental proposals request additional support of a funded project. Examples of this type of funding include the National Science Foundation [Research Experience for Undergraduate](#) (REU); [Research Experience for Teachers](#) (RET) and the National Institutes of [Health Research Supplements to Promote Diversity in Health-Related Research](#) program.

Unsolicited Proposals

Unsolicited proposals are investigator-initiated projects submitted to a sponsor but not in response to a specific solicitation. The area of activity should be of interest to the sponsor.

Consortium/Joint Proposals and Subawards

This relates to projects that will involve investigators at more than one institution. In general, one institution will be designated as the lead at the time of proposal submission (however, in cases of certain collaborative proposals, such as those submitted to the [National Science Foundation](#), proposals may be linked electronically for submission, with separate awards being made to each institution). The lead institution accepts full funding and responsibility for the performance of the project from the sponsor. Subaward agreements are then issued to transfer part of the work and appropriate funds to the other participating institutions. Generally, all conditions imposed by the sponsor on the lead institution are also imposed on the subawardee(s). All subawards, both to and from Auburn University, are negotiated by the Office of Sponsored Programs. When Auburn is the lead institution, OSP requires a statement from each participating organization that includes a full budget and scope of work, signed by an authorized institutional official. When Auburn is the subawardee, the information (scope of work, budget, etc.) sent to the lead organization must be processed as a proposal through the University routing process prior to submission.

Limited-Submission Proposals

Occasionally, sponsors announce program funding and limit the number of proposals that may be submitted by each institution. The Office of Proposal Services and Faculty Support (PSFS) distributes information related to these programs to the Associate Deans for Research who, in turn, distribute to the appropriate faculty, depending on the subject matter of the program. Information regarding these announcements and the University's [Limited Submission Policy and Limited Submission Procedures](#) can be found on the PSFS and Office of Sponsored Programs (OSP) web sites. However, please be aware

that OSP may not identify every opportunity available. Anyone who wishes to apply to a limited submission Request for Proposal that is not posted on the OSP web site or funding opportunity e-mail should contact OSP immediately.

Solicited proposals must be routed through the appropriate University administrative channels for approval before submission of the proposal to the sponsor.

Revised Budgets

When a sponsor wants to fund a proposed project at an amount different from that originally proposed, the sponsor will ask the investigator to submit a "revised" budget supporting the amount to be funded. A revised budget must be routed through the University proposal routing process to document the signatories' approval of the budget revisions. If the sponsor reduces the budget, the investigator must determine how the originally proposed scope and objectives of the project will be affected by the revision.

Initial Contact with the Sponsor

A key element of successful proposal writing is establishing a relationship with the potential sponsor early in the process, and with many agencies this is actually recommended. The purpose of this initial contact is to confirm the common areas of interest of the sponsor and the Principal Investigator. Having a contact at the funding agency can greatly facilitate writing the full proposal as well as serve as a resource for answering questions. A Principal Investigator may initiate contact with a sponsor to confirm research interests through a telephone call, office visit, letter of intent or a preliminary proposal. While prior approval or clearance is not needed when contacting a government agency for potential funding, all approaches to foundations should be cleared by the Office of Development, in conjunction with the Office of Sponsored Programs before contact is made. Because there are multiple opportunities for some foundations to be approached by the University, a coordinated effort maximizes the University's ability to successfully compete for limited funding.

Proposal Preparation

The format or presentation of a particular proposal will depend on the requirements of the sponsor. Most sponsors have developed policies and procedures for the submission of proposals and may require the use of specific application forms or electronic web-based systems. Many also have page limitations, particularly on the narrative portion. It is crucial to meet all requirements. Applications not conforming to sponsor formatting requirements may jeopardize the proposal's success. Principal Investigators should obtain the most recent version of the sponsor's application guidelines and should follow the required proposal format. Guidelines or URLs should be forwarded to the Office of Sponsored Programs or College-level designee, along with application for review well in advance of the due date of the proposal to facilitate timely internal review and processing. Successful proposal development is a team effort that involves cooperation among Faculty colleagues and the administrative staff of the University. The OSP team (composed of

contract administrators and appropriate college-level designees) will provide assistance in proposal budget development and interpretation of guidelines from numerous funding agencies. The OSP team can assist in drafting or editing portions of the proposal text related to administrative or institutional issues as requested. In addition, the OSP team can assist in the completion of sponsor and institutional forms, provide guidance on budgetary issues, and obtain the signature of the institutional authorized representative. OSP reserves the right to withdraw the application if the terms of the grantor do not meet Auburn University's standards, policies and guidelines.

When you have identified an opportunity that you intend to pursue, it is important to start coordinating with the appropriate [contract administrator](#) within the Office of Sponsored Programs or College-level designee at that time as the proposal development process may take two to three months or longer to meet an expected due date. Revised applications and renewals usually take less time but are still a major effort and should not be underestimated. Note that OSP and the College-level designees cannot guarantee submission of a proposal by a deadline unless sufficient time is provided for the internal review and approval process.

The Components of a Proposal

Most proposals, regardless of sponsor, contain the following information:

- ✓ Transmittal Letter
- ✓ Title Page (or Application Page)
- ✓ Abstract
- ✓ Table of Contents
- ✓ Introduction or Background
- ✓ Technical Description
 - past work in the area
 - objectives of proposed research
 - methodology
 - significance
 - list of references cited
- ✓ Personnel
- ✓ Current and Pending Support
- ✓ Facilities
- ✓ Budget
- ✓ Budget justification
- ✓ Vitae
- ✓ Other appendices

The Title Page (or Application Page)

The Title Page includes the following information:

Project title

Identification of the sponsor's program (RFP or other identifying number)

Name and address of sponsor

Name and address of the University

Proposed start date and end date

Amount requested

Signatures of the Principal Investigator and the Vice President for Research and Economic Development, including dates, titles, offices, and phone numbers (See the [AU Fact Sheet](#) for specific institutional information)

Abstract

The abstract is a condensed version of the proposal, written in a non-technical language, usually less than 250 words. It should concisely state the significance of the project, what will be accomplished, how it will be accomplished, and the proposed period of performance. The abstract, which is normally the first section read by a reviewer, is vital in creating a favorable first impression. Proposal writers often write the abstract last.

Introduction or Background

Some RFP's may request a [general description](#) of the University. The University web site provides a brief description and other general information.

Technical Description

The most important element in the proposal is the definition of the objectives and scope of the project. Consider the amount of requested support and define the objectives and scope accordingly. The risk in defining the scope and objectives too broadly is that it might not be possible to complete the project at the awarded level of funding. If the scope and objectives are defined too narrowly, the investigator runs the risk of project activities being deemed "outside of the proposed scope." In either case, the scope must be clear enough to define the responsibilities of the Investigator(s) and the funding obligations of the sponsor.

Patentable ideas, trade secrets, privileged or confidential commercial or financial information, disclosure of which may harm the proposer, should be included in proposals **only** when such information is necessary to convey an understanding of the proposed project. Such information must be clearly marked in the proposal and be appropriately labeled with a legend such as,

"The following is (proprietary or confidential) information that (name of proposing organization) requests not be released to persons outside the Government, except for purposes of review and evaluation."¹

In some cases (such as with the National Science Foundation), an agency will also have a specific "check block" or field that needs to be completed if proprietary or confidential information is included in a proposal.

Current and Pending Support

Most sponsors (especially Federal) are interested in an investigator's current and pending support for related projects, as well as evidence of an investigator's current commitments. The term "pending support" is defined as all outstanding proposals. Proposals that have been formally rejected or withdrawn are not included as "pending" support. It is appropriate to indicate in the Current and Pending Support section what your plans will be under the various possible funding scenarios, paying particular attention to committed level of effort.

Facilities and Equipment

A description of the facilities available for use on the project should be included in the Facilities section. Major items for use on the project should be included in the Facilities section. Major items of equipment should be described and special technical support facilities, such as computing equipment, and electronic/machine shops should be mentioned. This information will assist the evaluators in determining the capabilities of the organization to perform the scope of the project.

Budget

The proposed budget is the Principal Investigator's best estimate of the financial support needed to perform the technical goals and activities of the proposed project. Careful front-end preparation is important, as the proposal budget may become the award budget and be binding on the institution. Investigators must use vendor price quotes or some other reasonable cost basis as support for budgeted items such as equipment, supplies, etc.. Unallowable costs, as defined by the guidelines applicable to your sponsor, must not be included in your proposed budget. Inflation factors (not to exceed 5%) may be used for the out-years of the project depending on sponsor guidelines.

The budget should reflect the methodology described within the proposal narrative. Reviewers should be able to determine if sufficient funds are being requested to successfully complete the project, and that those requests are reasonable given the scope of work. Accuracy and detail are essential in this section. Principal Investigators are encouraged to follow a sponsor's guidelines exactly and provide information in the format as specified in the proposal guidelines. As appropriate, a College-level designee,

¹ Excerpted from *NSF Proposal and Award Policies and Procedures Guide (PAPPG)*.

departmental business office personnel, or the Office of Sponsored Programs staff is available to assist investigators in developing budgets that are consistent with University policy and agency requirements.

Underestimated budgets are one of the primary causes of cost overruns. These become the responsibility of the Principal Investigator and department head.

A detailed budget or spreadsheet must accompany each proposal submitted to the Office of Sponsored Programs or College-level designee for review and approval. This budget is used for internal planning and review purposes to verify that items have been categorized appropriately and that Facilities and Administrative (F&A) calculations are correct.

The Budget Justification

Any details that help clarify the budget line items not appropriate for statement in the actual budget form should be included in this section.

A Special Note Regarding NIH Modular Budgets

The National Institutes of Health (NIH) maintains [modular budgeting guidelines](#) for many of its applications. Under these guidelines for application under \$250,000, no detailed budgets are provided to NIH, although details on personnel and subcontracts are provided in a budget justification. Amounts requested per year cannot (currently) exceed \$250,000 in direct costs and funding must be requested in \$25,000 increments.

Please note that while NIH does not require submission of a detailed budget when submitting a modular budget, a detailed internal budget is required for institutional review purposes.

For more detailed information regarding proposal development, please refer to the [Proposal Review, Institutional Approval, Submission, and Budget Development Guide](#).

PREAWARD ISSUES

Cost Sharing and Matching

Some sponsored projects require the University to participate in funding the costs of a project. The University's participation in funding the costs of a project is referred to as "cost sharing." Cost sharing expressed as a ratio is sometimes referred to as matching. For Federal grants, the terms cost sharing and matching is used interchangeably and is subject to the same federal regulations. *Reference: Code of Federal Regulations: Title 2: Part 200 – [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#)* (see Section 200.306). In accordance with the Uniform Requirements, announcements must state whether there is a required cost sharing,

matching or cost participation without which an application would be ineligible (if cost sharing is not required, the announcement must explicitly state this as well). Unless waived by the terms of the program, federal cost principles require that cost sharing contributions meet all the following criteria:

- ✓ are verifiable from the recipient's records
- ✓ are not included as contributions for any other Federal award
- ✓ are necessary and reasonable for accomplishment of project or program objectives
- ✓ are allowable under Subpart E – Cost Principles of the Uniform Requirements
- ✓ are not paid by the Federal government under another award
- ✓ are provided for in the approved budget when required by the Federal awarding agency

The cost sharing requirement can be expressed as: (1) percentage of the Principal Investigator's level of effort or; (2) number of hours of the Principal Investigator's time; or (3) percentage of total sponsor-funded costs; or (4) as an absolute dollar amount. Usually, the University meets its cost sharing requirement by contributing direct labor and associated fringe benefits, plus indirect costs. For projects awarded at less than the negotiated indirect cost rate, the University may include the difference between the negotiated and the awarded indirect cost rate as cost sharing with the prior approval of the Federal awarding agency.

On proposal budgets, the promised contribution of level of effort must be consistent with the cost sharing amount. The budget period for most sponsored projects is twelve months. Unless otherwise indicated, the assumption is that the contributed percentage of level of effort applies to the twelve month budget period. If the contributed effort applies to the academic period only, the budget line item should be clearly stated as "academic period." Expenditures eligible for matching must be incurred during the same time period and under the same requirements for allowability as the expenditures on the sponsor-provided funds.

Proposals should include cost sharing only to the extent required by the program. Some investigators believe that they will improve the competitive advantage of their proposal if they promise generous amounts of cost sharing. The investigator must consider that, if an award is made on the basis of a proposal that includes excess cost sharing, the proposed cost sharing in excess of the required amount becomes a legal obligation. After the award, failure to deliver the promised cost sharing may cause a sponsor to demand a refund for the unmet cost sharing and may constitute a violation of the terms of the award so serious as to provide grounds for debarment or suspension.

The cost of University equipment purchased before the start date of the project, yet made available for use on the project, may not be included as cost sharing. It is appropriate to

describe University equipment available for use on the project in the Facilities section of the proposal. The value of loaned equipment must not exceed its fair rental value.

The source of funding for the proposed cost sharing should be identified before the proposal is routed. Auburn University's "[Cost Sharing Policy](#)" provides additional guidance in this regard.

Types of Cost Share

Mandatory Cost Sharing

Funding, either required by the terms and conditions of the award or by federal statute, that requires a University contribution toward the project as a condition of receiving the award.

Voluntary Committed Cost Sharing

A cost associated with a sponsored project and supported with University and/or other non-sponsored funds, which was identified in the proposal, but was not required or funded by the sponsor. It is important to note that, under Federal research proposals, voluntary committed cost share is **not** expected.

Voluntary Uncommitted Cost Sharing

A cost associated with a sponsored project that is not funded by the sponsor, and was not committed in the proposal or in any other communication to the sponsor. This includes effort of faculty or senior researchers that is over and above that which is committed and budgeted for in a sponsored agreement.

In-kind/Matching

This is the requirement, by some sponsors, that grant funds be matched in some proportion with funds from another party, either from the University or another sponsor. Matching may be in the form of actual cash expenditure of funds or may be an "in-kind" match, which is the value of non-cash contributions to the project. In-kind or matching contributions made by a party other than Auburn require documentation from that third party that supports the use of the funds as in-kind/matching and may require a certification of fair market value from the party providing the match.

Program Income

Some applications ask the investigator to describe and estimate expected program income. Program income refers to income generated by activities of a project, where part or all of the cost of the activity is either borne as a direct cost of the grant or counted as a direct cost towards meeting a cost sharing or matching requirement of a grant.

Examples of program income include: collection of fees for services performed during the grant, proceeds from sale of property (e.g., instructional materials), usage or rental fees, and conference registrations. There are several options for the accounting treatment of program income which will be addressed further in this document. The award document will identify which option applies to your project. [Section 200.307](#) of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards provides administrative guidance regarding program income. Auburn University's "[Program Income Policy](#)" provides further guidance regarding the management of program income.

Conflict of Interest

The University supports and encourages relationships which may advance academic research. However, potential, perceived, and actual conflicts of interest must be managed to avoid bias or the appearance of such in an Investigator's activities and responsibilities, in order to protect the integrity of the research. Currently, both the National Science Foundation (NSF) and the Public Health Service (PHS) require Investigator(s) to disclose significant financial interests. Guidance regarding the disclosure process for both NSF and PHS can be found on the Research Compliance web site under the [Conflict of Interest](#) link. Auburn University has contracted with the Collaborative Institutional Training Initiative (CITI) at the University of Miami to provide PHS-COI training. CITI is a web-based training program with content developed by a national consortium. The CITI COI program will ensure appropriate training and documentation related to COI requirements. CITI can be accessed at the following link: www.citiprogram.org.

Proposal Audits and Site Visits

Occasionally, a Federal agency will audit a proposal before negotiating the contract. The auditor will verify the fringe benefit, indirect cost and labor rates, and will review quotes and other documentation supporting the proposed costs. The audit report will be sent to the appropriate Federal contracting officer for purposes of negotiating the contract with the University. If a representative from the sponsoring agency contacts you to schedule a site visit, notify your department head and ask about the proper procedure for setting up the visit. Sometimes the sponsor will want to talk to an administrator about the financial capabilities of the institution. A representative from the Office of Contracts and Grants Accounting and/or the Office of Sponsored Programs is available to address these issues.

Transferring an Award from another University

When a faculty member transfers to Auburn University from another institution, the former institution will close out its agreement with the sponsoring agency. The sponsoring agency will then award a new agreement to Auburn University. The first step in transferring an agreement is for the relinquishing institution to notify the sponsor of the remaining balance and the new end date. The investigator should work with their former institution to determine the remaining balance of the agreement. The investigator will

submit a proposal from Auburn University to the sponsoring agency in the amount of the remaining balance. Many Federal agencies have special forms for both the relinquishing institution and the institution to which the award is being transferred.

Budget Negotiation

Frequently a sponsor needs additional information or wants to award a grant to the University at an amount lower than proposed. The sponsor's grants office will contact the Principal Investigator or Sponsored Programs to revise the budget. Depending on the reduction, the investigator will need to determine how the originally proposed scope and objectives of the project will be affected under the revised budget. A Contracts and Grants Administrator within the Office of Sponsored Programs (or appropriate College-level designee) should serve as the single point of contact, coordinating the communication between the sponsor and the Principal Investigator.

REGULATORY REVIEW

Export Control

Federal regulations and sanctions promulgated and enforced by various federal agencies including the **Department of Commerce** - Export Administration Regulations (**EAR**), the **Department of State** - International Traffic in Arms Regulations (**ITAR**) and the Department of Treasury - Office of Foreign Assets Control (**OFAC**) prohibit the unlicensed export of specific technologies and items and payments to certain entities and individuals for reasons of national security or protection of trade.

While most research conducted on U.S. college and university campuses is excluded from these regulations under the Fundamental Research Exclusion, if university research involves specified technologies, the EAR and/or ITAR may require the University to obtain prior approval in the form of a license from the appropriate agency before allowing foreign nationals to participate in the research, partnering with a foreign company and/or sharing research - verbally or in writing - with persons who are not United States citizens or permanent residents. The consequences of violating these regulations can be quite severe, ranging from loss of research contracts to monetary and criminal penalties for the individual and/or organization violating these regulations. Please note that export control regulations may also apply to projects that are non-research in nature.

Additional information concerning export controls can be found on the [Research Security](#) web site or by contacting Georgia White, Manager of the University's Research Security Office at 334-844-5962 or via e-mail at gaw0004@auburn.edu or Tony Novara, Export Control Coordinator at 334-844-5041 or via e-mail at tan0005@auburn.edu.

Hazardous Materials/Hazardous Chemicals/Biohazards

Hazardous materials are any chemical or biological agent that may cause a physical or health hazard to persons exposed to them. Use and disposal of hazardous materials are

governed by many Federal, State and local agencies. **Hazardous chemicals** are defined as any chemicals that exhibit a physical or health hazard. Examples of such chemicals are flammable liquids and solids, corrosives, oxidizers, and any chemicals that are considered toxic such as heavy metals. The term "**biohazards**" generally refers to carcinogens, mutagens, teratogens, all microbiological agents and radiological hazards. Examples of materials that fall into the biohazard classification are viral, bacterial, and fungal agents, and chemical toxins. The [Office of Risk Management and Safety](#) web site provides detailed information regarding these issues.

The [Institutional Biosafety Committee](#) reviews and approves the use of all Risk Group 2 or higher biohazardous agents, all experiments involving human gene therapy, formation of transgenic animals or plants, and the generation and/or use of rDNA (as defined by the National Institutes of Health Guidelines) to ensure compliance with applicable regulations and institutional policies.

Animal Subjects

The [Institutional Animal Care and Use Committee](#) (IACUC) oversees campus-wide animal care and use (research, testing, or educational) to ensure adherence to humane and ethical principles, as outlined in the Animal Welfare Act, Institute for Laboratory Animal Research "Guide for Care and Use of Laboratory Animals," and all other applicable public laws and local policies. Investigators who plan to use animal subjects as part of their research should become familiar with these laws and policies, copies of which are available from the [Office of Research Compliance](#). Federal laws and regulations define and prescribe rules for obtaining, maintaining, transporting, and using animals for research purposes. Failure to comply with these rules and regulations can result in significant monetary fines and penalties, including the loss of federal funding for the University.

Investigators/Instructors using live vertebrate animals in such activities are required to submit an Animal Subjects Review Form (ASRF) or an Animal Production/Maintenance Facility Standard Operating Procedures Form (APMF) for IACUC review and approval prior to project initiation along with annual reports of protocol activities.

Approval by the IACUC must be obtained before an animal research project can be conducted at the University. Most granting agencies do not require IACUC approval for submission of proposals, however approval is generally required prior to their funding of a project.

Human Subjects

The University is required to safeguard the rights and welfare of human subjects involved in sponsored projects. Any project originating at Auburn University which utilizes human subjects should be submitted for review to the University's [Institutional Review Board](#) (IRB) prior to initiation of the project.

[Forms and instructions](#) for securing approval for sponsored projects involving human subjects may be obtained from the Office of Human Subjects Research web site. Please contact the Office of Human Subjects Research if you have any questions.

Approval by the IRB must be obtained before a sponsored project including human subjects can be conducted at the University. Most granting agencies do not require IRB approval for submission of proposals, however approval is generally required prior to their funding of a project.

Responsible Conduct of Research

The University encourages, but does not require, all investigators to complete responsible conduct of research (RCR) training. This training is currently dependent on sponsor requirements. Currently, the National Science Foundation and United States Department of Agriculture/National Institute of Food and Agriculture (NIFA) have [specific requirements](#) in relation to RCR training.

Collaborative Institutional Training Initiative (CITI)

Auburn University has contracted with CITI to provide a number of web-based training modules including those for the Responsible Conduct of Research (RCR), Export Control, Financial Conflict of Interest (FCOI) and for individuals involved in activities involving the use of human subjects. For information and FAQs regarding these training requirements, information is provided on the [Office of Research Compliance's](#) web site.

SUBMITTING THE PROPOSAL

Submission of the Auburn University Cover Form for Extramural Programs

Principal Investigator and Co-Investigator

When submitting the [AU Cover Form for Extramural Programs](#) (the “cover form”), the Principal Investigator and co-investigators confirm that the information on the form and associated application are accurate and factual, and that, when the project is funded, they will assume accountability for carrying out the conditions of the award. Submission further certifies that neither the Principal Investigator nor anyone involved in this project is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency. The Principal Investigator will indicate whether the project does or does not involve an actual or potential conflict of interest or commitment, based on University policy.

The Principal Investigator is responsible for identifying the total costs of the project, sources of funding for cost sharing, and making arrangements for space and facilities. The investigator, by his/her submission of the cover form and application, is stating that he/she will meet the proposed level-of-effort if the project is funded. The Principal

Investigator cannot begin research activity on the project until completion of the applicable administrative reviews and approvals (e.g., biohazards, recombinant DNA, animal subjects, human subjects, and conflict of interest).

Department Head

By approving the cover form, the department head or direct supervisor certifies that the Principal Investigator, to the best of the department head's knowledge, is competent and capable of carrying out the proposed project, and that, when the project is funded, the Principal Investigator's responsibilities within the department will be adjusted so that the investigator can commit the required effort to the project. The department head's approval signifies that space and facilities are available for the project should the proposal be funded. The department head will determine whether the project is consistent with the mission of the department, the School/College, and the University.

All department heads involved in a proposed project must approve the cover form. Department heads may delegate signature authority to a designee.

Dean/Director

By approving the cover form, the dean or director of the college or program certifies that the required resources will be available and that the department is capable of carrying out the proposed project. The dean or director will determine whether the project is consistent with the mission of the college and the University.

The dean or director may delegate signature authority to a designee.

Vice President for Research and Economic Development

The Vice President for Research and Economic Development does not personally sign the cover form or the application page; the authority to sign on behalf of the Vice President for Research and Economic Development has been delegated to the Office of Sponsored Programs.

Office of Sponsored Programs

Approval by Sponsored Programs (or College-level designee) on behalf of the Vice President for Research and Economic Development indicates that, pending successful completion of negotiations between the University and the sponsor, the University will assume institutional responsibility for the project.

Routing the Proposal for Approval

A guide for the [Electronic Routing of Proposals](#) can be found on the Office of Sponsored Programs web site. This document provides detailed instructions regarding how to route a proposal via e-mail through the approval process. Principal Investigators are

encouraged to utilize the assistance of their departmental administrators, contract administrators and College-level designees. These individuals are well-versed in university rules and sponsor regulations. They can help prepare documents, control routing and approvals, and help Principal Investigators sidestep the occasional pothole found in the many administrative processes of large institutions.

IMPORTANT NOTE: When Auburn University is proposing to serve as a subawardee or subcontractor on a proposal being submitted by another institution, routing of the University's portion of the proposal (including Auburn's budget and budget justification) and institutional approval is **required**. In many cases, the institution submitting the proposal will request a letter of intent/collaboration. This document should be signed by the Office of Sponsored Programs on behalf of the Vice President for Research and Economic Development. In some cases, it is requested that both the Principal Investigator **and** VPR sign the letter.

For those colleges/schools/units participating in the decentralized submission of proposals, Principal Investigators are encouraged to contact their college/school-level office point of contact to find out about any deviations from these guidelines that may be applicable for submission.

Electronic Submission of Proposals

Please note that proposals submitted electronically must also be routed through the University system. Sponsored Programs will not approve electronic proposals without first receiving a completed and approved cover form.

It is highly recommended to allow extra time for unforeseen problems when submitting proposals electronically. Note that OSP and the College-level designees cannot guarantee submission of a proposal by a deadline unless sufficient time is provided for the internal review and approval process.

Mailing the Proposal

While a large majority of proposals are now submitted electronically, for those that require a hard copy submission, the Principal Investigator is responsible for duplicating and mailing the proposal to the sponsor. Be sure to note whether the due date for your proposal is the date of postmark or date received at the sponsoring agency.

Pre-Award Summary of Responsibilities for the Principal Investigator

- ✓ **keep track of pending support**
- ✓ **keep track of available and committed FTE**
- ✓ **propose budgets based on actual costs**
- ✓ **identify source of funding for matching or cost sharing**
- ✓ **disclose conflicts-of-interest, if appropriate**

- ✓ coordinate special approvals
DNA, radiation safety, biohazards, hazardous waste, human subjects, animal subjects
- ✓ route proposal through the administrative process
- ✓ prepare, assemble, duplicate, and mail proposal, as required

Pre-Award Responsibilities of the Office of Sponsored Programs (and College-level Designees)

- ✓ assist in interpreting sponsor guidelines and fulfilling application requirements
- ✓ consult and assist in all phases of budget design and preparation
- ✓ review proposals for consistency with federal, institutional and sponsor guidelines and requirements
- ✓ assist in preparation of small business subcontracting plans when required by the sponsoring agency

TYPES OF AGREEMENTS

Restricted Gift

Restricted gifts are donations of money or property that must be used for a specific purpose, such as faculty recruitment, equipment purchases, student financial assistance, or research (other than project research). The award document for a gift usually takes the form of a letter to the University, written by the donor. Restricted gifts are administered by the Auburn University Foundation.

Grant

A grant is one of several mechanisms for supporting a specific activity, or project, under the direction of a Principal Investigator. Typically, sponsors award grants on a competitive basis to recipients responding to a sponsor's program announcement. A grant award instrument is used when the principal objective is to accomplish a public purpose. The scope of work and expected outcomes are less defined than a contract. Grants are associated with "assistance" type of funding and the contract is associated with "procurement." The grant award agreement is generally a short, pro-forma document (often an e-mail) referencing a standard set of regulations, e.g., National Science Foundation or American Heart Association. A grant may require University signature.

The administrative process for a grant is simple. The proposal routing procedure applies. The sponsor will send the grant award document to the Office of Sponsored Programs, at which time Sponsored Programs will send the appropriate documentation to the Office of Contracts and Grants Accounting to establish a Fund (i.e., account) into which the award is deposited.

Cooperative Agreement

A cooperative agreement is similar to a grant in that the principal purpose of the transaction is to accomplish a public purpose. A cooperative agreement is used if

substantial involvement is expected between the sponsor and the University when carrying out the activity contemplated in the agreement. The cooperative agreement usually requires University signature.

Memorandum of Agreement

A memorandum of agreement (also referred to as a memorandum of understanding) is a written agreement to identify the working relationships and guidelines between collaborating or partnering entities. It details common understandings; clarifies the type of support to be provided; and defines the rights and responsibilities of each party.

Contract

A contract is a mechanism for procurement of a product or service with specific obligations for both sponsor and recipient. Typically, a topic and the methods for conducting the project are specified in detail by the sponsor, although some sponsors award contracts in response to unsolicited proposals.

Sponsored Research Agreement

A sponsored research agreement is a type of contract used when a sponsor is supporting a research project with a defined scope of work and/or deliverables. Sponsored research agreements usually require negotiation between the University and the sponsor and always require the signature of an officially designated University signatory. The Office of Sponsored Programs conducts the negotiation on behalf of the University, sometimes in consultation with the Office of Innovation Advancement & Commercialization. Sponsored Programs has the authority to sign the contract. Principal Investigators are not authorized to sign contracts on behalf of the University.

Research Services Agreement

A research services agreement is a type of contract used by sponsors for services to be provided by the University for which the Sponsor provides a specific protocol to be followed, to which the Principal Investigator did not contribute creative/intellectual input. A standard research services agreement is available on the Office of Sponsored Programs web site.

Technical Assistance Agreement

A technical assistance agreement is a type of contract used by sponsors for services to be provided by the University that are not necessarily considered a “research” activity (wind tunnel testing, etc.). A standard technical assistance agreement is available on the Office of Sponsored Programs web site.

Cost-reimbursable Award

In a cost-reimbursable award, the sponsor agrees to pay for all allowable costs incurred by the University in the process of doing the work or research up to an agreed upon maximum. If the project costs less to complete than the original amount budgeted, the sponsor is obligated to reimburse the University only up to the allowable costs of the project.

Fixed-price Award

A fixed-price award commits the Principal Investigator(s) to a defined scope of work for a set sum; that is, the sponsor pays the University a fixed sum to complete a specific job, regardless of actual cost. The Principal Investigator is obligated to perform the work specified in the award and to complete that work in accordance with the negotiated time schedule. The sponsor is obligated to pay the specified price, regardless of the actual costs of completing the project.

Accurate cost pricing is critical in preparing the proposal budget for a fixed-price award. If the project costs more to complete than the award price, the Principal Investigator must make special arrangements with the Department Head and Dean to cover the cost overrun. If the project costs less to complete than the award price, the funds remaining at project completion are handled in accordance with the "[Fixed Price Residual Balances Policy](#)" which defines the procedures for access to residual balances.

If a fixed-price award is audited, it is audited at the proposal stage, not after completion of the project.

Purchase Order

Companies use the purchase order as a mechanism for buying goods and services. In many cases, purchase orders contain terms and conditions that the University cannot accept. Usually, the company contact does not have the authority to negotiate these problematic terms, and the negotiation must make its way through company management. It is better to provide a copy of the Auburn University standard Research Services Agreement to the company and involve the Office of Sponsored Programs as soon in the process as possible.

Subcontracts or Subgrants (Subawards)

Subawards are contracts or grants issued under a larger agreement where a portion of the scope of work is delegated to Auburn University. Subawards are typically subject to the terms and conditions of the prime award.

Material Transfer Agreement (MTA)

A material transfer agreement is a legal agreement entered into by a provider and a recipient of research material. Research material can include biological materials, plant and plant tissues, hazardous, toxic or radioactive compounds. MTA's are reviewed, negotiated, and signed by the Office of Innovation Advancement & Commercialization before the transfer of research material has occurred.

Confidentiality Agreement (Non-disclosure Agreement)

A confidentiality agreement is a legal agreement required by the University between at least two parties that outlines confidential material that the parties wish to share with one another but wish to restrict access to by a third party.

A confidentiality agreement may be required by a company when the company wishes to disclose its proprietary information to an Auburn University investigator. The company may wish the University to sign as well as the investigator.

Confidentiality agreements are reviewed, negotiated, and signed by the Office of Innovation Advancement & Commercialization. Confidentiality agreements must indicate that Confidential information be reduced to writing and marked as "Confidential." The agreement must specify a time limit, usually three years.

Collaboration Agreements (Teaming Agreements)

Collaboration agreements involving investigators employed by more than one organization may develop informally at the beginning stage in preparing a proposal, or they may be formally required by a funding agency as part of a proposal. If the collaboration is with an employee of a company, a collaboration agreement must be formalized with the University and intellectual property rights must be addressed. Collaboration agreements with a commercial company must be reviewed by the Office of Innovation Advancement & Commercialization. If the collaboration is between an Auburn University investigator and a non-Auburn, non-company investigator, a letter of intent is still good practice. The letter of intent should include a statement agreeing to collaborate, the identification of the scientists responsible for the respective activities, and a sentence or two describing what each collaborator will contribute. This letter need be between the investigators only, unless the sponsor requires University signature.

Forms

Form templates for the Office of Sponsored Programs Agreements can be found at: <https://cws.auburn.edu/OVPR/pm/forms>

Form templates for the Office of Innovation Advancement & Commercialization Agreements can be found at: <https://cws.auburn.edu/OVPR/pm/tt/standardagreements>

Liability for Conducting Sponsored Projects without an Agreement

Contracts or agreements for sponsored projects funded by the government, private foundations or private industry and performed by Auburn University faculty or staff at the University or at facilities leased or owned by the University must undergo review and approval by the Office of Sponsored Programs prior to project initiation. The Office of Sponsored Programs, on behalf of the Vice President for Research and Economic Development, is the designated office responsible for signing sponsored project agreements on behalf of the University. OSP will sign these agreements only after this review and approval process has been properly completed. Individual faculty or staff are not authorized to sign on behalf of the University. The following applies:

- If a faculty member or staff person conducts a sponsored research project outside the auspices of the University review, approval and oversight, as outlined above, that faculty member or research staff person is acting in his/her own private capacity, and not as an employee or agent of the University, with regard to liability insurance. Thus, such an individual is not covered by the liability insurance afforded by the University to faculty or staff who are acting as University employees.
- Because the faculty member or staff person is acting outside the course and scope of his/her employment with the University, the individual faculty member or staff person will be personally liable for any claims by either the sponsor or subjects of the project.
- A faculty member or staff person conducting a sponsored project for which there is not an approved agreement by the University may not use the facilities, personnel, equipment or the name of the University for such activities. Any such activity is not a University sponsored or endorsed activity and specific arrangements must be made by the individual to reimburse the University for any property or facilities being utilized in the conduct of that individual's private endeavors.
- If no agreement exists between the University and the sponsor of the project, the individual faculty member or staff person is solely and personally liable for necessary accounting reports and for dealing with any audit requested or required by the sponsor, as well as reimbursing the University for any resources used in connection with such reports or audits.
- If no agreement exists between the University and the sponsor of the project, and thus, the faculty member or staff person is acting on his/her own behalf, the faculty member/staff person is not entitled to legal or administrative support from the University, should a dispute or problem arise as a result of the project.

CONTRACT PROCESS

Negotiations with the private sector can lead to time delays in processing a new contract. Companies frequently include contract terms in their agreements that are problematic in

terms of University policy and State law. Reaching mutually satisfactory arrangements in our partnership with industry can be challenging, given our different missions. Contentious issues include: publication constraints, confidentiality clauses, intellectual property rights, indemnification, liability and insurance issues, arbitration clauses, governing law, currency exchange (ie: ensuring that contracts entered into with foreign entities are in U.S. dollars **only**) and requests for indirect cost reductions. Investigators should understand the University's position on these issues before they begin discussions with prospective sponsors. Clear communication at the initial stage makes the negotiation process easier and is the most important factor in minimizing processing turnaround time.

The contract review process can be complicated; as a result, University sign off on contracts is not available on a walk-through basis.

Drafting the Agreement

Provide prospective sponsors with the University standard agreements, which clearly reflect our position on acceptable terms and conditions.

Principal Investigators may negotiate directly with the sponsors regarding the scope of work to be conducted. However, **Investigators may not negotiate any other terms.** Frequently, companies will not give up terms offered by investigators, even those terms that are not acceptable to the University and prolonged negotiations result.

Indirect costs should not be discounted to heighten the acceptance of a proposal. The University cannot subsidize the private sector. The University's indirect cost rate is federally negotiated and reduced rates are allowed only as dictated by law or sponsor policy universally applied to all recipients. Reductions in indirect costs that do not meet these requirements must be approved in advance at the proposal stage by the Vice President for Research and Economic Development.

Principal Investigators should consider the risk of sponsor default when working with a new sponsor. If the Principal Investigator is aware of any information about the sponsor that is relevant to determining the risk of default of payment, it is the investigator's responsibility to report the information to the Office of Sponsored Programs prior to payment terms being negotiated.

All contracts should contain a **property title clause**, even if the proposed budget does not include equipment. This will prevent a problem should equipment be purchased during the life of the contract. The standard University property clause states, "Upon termination of the Agreement, any equipment, material, or supplies remaining in stock will become the property of the University."

The property title clause should be appropriately worded if equipment and supplies purchased for projects conducted off-site (e.g., host country, host university, cooperating U.S. agency, a host governmental agency, host country research foundation, museum,

or relief or aid organization), are to remain at the off-site location after the termination of the contract.

Involve the Office of Sponsored Programs as early as possible so terms can be pre-negotiated. Investigators are encouraged to forward draft agreements, especially those with non-standard terms, to OSP at the earliest possible stage.

Negotiating the Agreement

The administrative process for awards begins in Sponsored Programs. The award document, or agreement, is matched to the appropriate proposal. If the award document does not require University signature (e.g., most federal grants), then the paperwork to establish a Fund is initiated and forwarded to the Office of Contracts and Grants Accounting to create the Fund. CGA will send an e-mail notification to both the Principal Investigator and departmental administrator with the Fund number once created.

If the award instrument requires University signature, or if specific terms or conditions are involved (e.g., contracts, some purchase orders), Sponsored Programs will review and negotiate terms directly with the sponsor.

Signing the Agreement

Principal Investigators are not authorized to sign agreements on behalf of the University. If the terms of the agreement are standard, the Office of Sponsored Programs will sign the documents, generally within 1-3 days.

If the sponsor's signature is present on the agreement and if there are no changes to the agreement, OSP will sign for the University, forwarding one original, fully-executed agreement to the sponsor, with a copy to the department. If changes to the contract are required, OSP will work directly with the sponsor to address the changes before signing the contract.

If the sponsor's signature is not present on the agreement and if there are no changes to the agreement, OSP will sign for the University and return the original documents to the sponsor for signature. In some cases, and dependent upon sponsor requirements, signed agreements may be scanned/e-mailed between the parties to expedite the process. When the sponsor returns the fully-executed agreement to the University, Sponsored Programs will forward a copy of the fully-executed agreement to the department.

SETTING UP THE FUND

The University considers the tight technical schedule that a Principal Investigator is under once a project is awarded and does its best to minimize the amount of time it takes to set up a Fund to allow for expenditures. The Office of Contracts and Grants Accounting sets up a Fund in the Banner system after receiving a fully-signed Auburn University Cover Form for Extramural Programs, budget, journal voucher, indirect cost distribution form (as

applicable) and a fully-signed copy of the award document (e.g., purchase order, grant, contract). These documents are forwarded by the Office of Sponsored Programs.

Anticipation

The University does not have formal authority to incur costs against a grant or contract until a fully-executed award document is in place. However, there are times when the award documents are late and the Principal Investigator needs to begin spending before the award document is fully-executed. Charging another sponsored project account for costs associated with a pending award is not allowed. Instead, when the award documents are late and the investigator knows that the University will accept the terms of the award, e.g., standard Federal grants, it is appropriate for the investigator to request that a Fund be established on **anticipation**. Establishing a Fund on anticipation is not appropriate if the University and sponsor have not completed negotiation of unacceptable terms of a contract.

The Principal Investigator must first make arrangements with the department head in order to issue an anticipation request to the Office of Sponsored Programs. Establishing a Fund on anticipation is a guarantee that the department head will cover expenditures charged to the account in the event that the award does not come through (in some cases, this guarantee may actually be provided by the dean). The anticipation request should include any pertinent information (such as any limitations on what is to be loaded during the anticipation status, etc.) and should include a statement that “should an award not be finalized, the department will be responsible for any costs incurred.” If the award does not come through, the Principal Investigator and department head must promptly transfer the costs incurred during the anticipation period to a discretionary source of funds (not a restricted sponsored project account).

Pre-award Costs

Pre-award costs are those costs that a Principal Investigator may incur before the effective date of the project. Most sponsors require their approval before charging pre-award costs to the project. A provision for pre-award costs in the terms of the contract is the most acceptable documentation of sponsor approval. A letter from the contracting officer or grant officer approving pre-award costs is also acceptable.

Many Federal grants are awarded under the terms of expanded authorities. Call the Office of Sponsored Programs if you are unsure whether or not your project will be awarded under expanded authorities. Expanded authorities allow the University to incur project costs up to 90 days before the effective date of the project. The costs to be incurred must be necessary for the conduct of the project and must be allowable under the potential award. If pre-award costs are anticipated, please be sure to notify the appropriate contract administrator in the Office of Sponsored Programs. They will include a note on the Auburn University Cover Form for Extramural Programs noting that pre-award costs will be incurred.

SPENDING THE AWARD

Principles of Sponsored Project Support

The majority of externally sponsored funding at Auburn is provided by the federal government. Cost accounting principles for higher education grantees are established by the federal Office of Management and Budget (OMB). The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award provides the basis for determining applicable direct and indirect costs (Subpart E); sets forth the maximum administrative requirements that institutions must adhere to (noting that individual federal agencies are required to implement these requirements as individual agency regulations, such as the NIH Grants Policy Statement or the NSF Grant Policy Manual (Subpart D); and establishes audit requirements and defines federal responsibilities for implementation and monitoring such requirements for institutions receiving federal awards. These requirements are applicable to state, local and Indian tribal governments, institutions of higher education (IHE's) and non-profit organizations.

Allowable Direct Costs

The most important questions to ask in determining whether a cost is allowable are:

- ✓ *Can the cost be specifically identified with the project relatively easily with a high degree of accuracy?*
- ✓ *Is the cost reasonable?*
- ✓ *Is the cost given consistent treatment on all sponsored as well as non-sponsored funds?*
- ✓ *Does the cost conform to the terms of the award, University policy, State law, and Federal law?*
- ✓ *Is the cost generally recognized as necessary for the performance of the sponsored agreement?*

Proposal Costs

Proposal costs are the costs of preparing bids or proposals on potential Federal and non-Federal sponsored agreements or projects, including the development of data necessary to support the institution's bids or proposals. Proposal costs may **not** be directly charged to a sponsored project Fund.

See Auburn's "[Direct Cost Policy](#)" for additional information regarding consistent practices for defining, charging, and coding direct and indirect costs to university Funds.

Rebudgeting

The budget is an estimate of the spending plan for the project. The actual spending pattern may vary from the categorical budget breakout. The terms of your award will dictate how much the actual project expenditures can vary from the cost categories of the award budget.

For grants awarded under the terms of Expanded Authorities, the investigator is not limited by the categorical breakout of the budget, unless the deviation from the budget represents a change in scope or objectives or if a significant part of the research is being transferred outside the University (usually in the form of a subcontract). As a rule-of-thumb, the NIH Agency-Specific Terms state that a deviation in a budget category of more than 25% of the total award may indicate a change in the scope or objectives of the project.

Sponsor Prior Approval

Requests for sponsor approval of budget deviations and requests for sponsor approval of specific items of cost should be addressed to the grants officer or contracts officer, with a copy to the program officer. All letters to sponsors requesting prior approval should include the countersignature of the official institutional representative. The Office of Sponsored Programs will sign on behalf of the authorized institutional representative.

The document [Rebudgeting of Sponsored Projects](#) provides additional guidance on this topic.

PERSONAL SERVICES

Effort Reporting

Typically, two thirds of the direct cost budget for research grants and contracts consists of personal services. Due to sponsor regulations and the unstructured nature of research, accounting for the effort of personnel assigned to grants and contracts requires more attention than for other academic activities. Sanctions for noncompliance can be serious, including criminal charges, debarment, and suspension. The following information is intended to inform department heads and Principal Investigators of their responsibilities for ensuring compliance.

Federal cost principles allow the direct charging of personal services to project accounts, provided that the following requirements are met:

- (1) The employee's effort directly benefits the project.
- (2) The personal services costs are reasonable and necessary in order to reach project objectives.

(3) The personal services costs are treated consistently, in accordance with established policies of the institution.

(4) The terms of the agreement or Federal cost principles do not otherwise prohibit charging the personal services costs.

The important point is that the salaries and wages charged to a project must represent the proportionate share of effort that directly benefits the project. Auburn University's payroll and effort reporting systems comply with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The University has chosen an "After-the-Fact Activity Record" method which provides reasonable assurance that the charges are accurate, allowable and properly allocated. Our payroll and effort reporting systems cover only Auburn University compensated effort.

Auburn University utilizes an electronic effort certification system (e-Certs). Information regarding the system, tutorials, frequently asked questions and training can be found at the following link:

http://www.auburn.edu/administration/business_office/cga/effort-certification.html

Fringe Benefits

Fringe benefits (employee-related expenses) are charged to the project Fund at a fixed rate, depending on the classification of the employee, in accordance with the University's DHHS-approved Rate Agreement. Actual charges for FICA, retirement, insurance, and other benefits are not charged to the project Fund, but are charged to a Fringe Benefit Pool Fund. This method of charging fringe benefits by a federally-approved fixed rate simplifies budgeting and accounting for personal services on sponsored agreements. See the [AU Fact Sheet](#) for current rates.

OTHER OPERATING COSTS

Consultants and Speakers

It is important to differentiate an "employee" from an "independent contractor" before engaging a consultant or speaker via a Professional Service Contract (PSC). An Independent Contractor (IC) Form ([Form IC 99-01](#)) should be completed to assist with this determination. Once a determination is made, the [Professional Services Contract](#) can be completed and routed through the appropriate offices for approval. Be aware of possible sponsor limitations in the daily or hourly rates.

Entertainment vs. Meeting Expenses

Entertainment costs on sponsored projects are unallowable. The distinction between unallowable entertainment charges and legitimate project-related meeting expenses is

not clearly defined by the regulations; however auditors and agency regulations apply a conservative interpretation of the cost principles. Therefore, the University requires that meeting and conference expenses directly charged to sponsored projects must be supported by documentation that the activity is directly-related to the project charged, and that the primary purpose of the activity is the dissemination of technical information. Examples of acceptable documentation include: a line item in the approved project budget for the meeting or conference, narrative in the proposal referring to the meeting or conference, a published agenda, and correspondence with the sponsor. Sponsored funds are not to be spent for meals or coffee breaks for intramural meetings of the institution or any of its components, including, but not limited to, laboratories, departments, and centers.

Administrative Costs

Subpart E (Cost Principles) of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards provides guidance on the treatment of certain administrative costs.

The salaries of **administrative and clerical staff** should normally be treated as indirect (F&A) costs. Inclusion of such costs on a proposal budget may be appropriate only if **all** of the following conditions are met:

- (1) Administrative or clerical services are **integral** to a project or activity;
- (2) Individuals involved can be **specifically identified** with the project or activity;
- (3) Such costs are **explicitly included** in the approved budget or have the prior written approval of the sponsor; and
- (4) The costs are not also recovered as indirect costs.

Computing devices under \$5,000/unit may be direct charged to a project or activity under the following circumstances:

- (1) The machines are **essential*** and **allocable** to the project in that they are necessary to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.
- (2) The project does not have reasonable access to other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience or preference.
- (3) Items costing more than \$5,000 per unit are considered equipment and follow federal equipment rules for when they can be direct charged. (SEE 200.33, 200.48, 200.89, and 200.439 of the Uniform Guidance.)

*Note that Investigators are responsible for determining whether or not the device is “essential” and to what extent the cost of the device is allocable to the sponsored project. Investigators and departments should maintain documentation that describes how the proposed computing device meets the above requirements.

Subject Pay

Budgets for research projects involving human subjects may provide for payments to the subjects for participating in the research. Payments to human subjects/research participants must be approved by the Institutional Review Board (responsible for the approval of human subject research). The IRB's written approval letter must be presented to PPS with any request for funds to pay those subjects.

Generally, subject/participant payments are processed on a multiple vendor voucher and made by check. In rare cases the IRB may determine that an alternate form of payment (cash, gift card) is required. Additionally, there may be cases where payment to a small percentage of participants through a random drawing can be justified. Such drawing incentives must be randomly designed with responsibility for oversight resting with the Principal Investigator. In either case, a request for exception, including the IRB approval of such, must be forwarded to PPS for review and approval before the study begins.

If the subject/participant will receive \$200 or less, they do not have to register through the [AU Vendor Center](#), but the PI will have to obtain and attach a completed W-9 form to the voucher for payment. The W-9 requirement will be waived if the payment is \$50 or less. If the subject/participant will receive more than \$200, they must register via the AU Vendor Center. (See the [AU Spending Policies and Procedures](#).)

Note: When mailing surveys, contact Mail Services to determine if mailings are eligible for reduce rate nonprofit/bulk mail.

Participant Support Costs

Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (**but not employees**) in connection with conferences or training projects. Participant support costs are excluded from AU's Modified Total Direct Costs (MTDC) base. The Principal Investigator should confirm that participants are eligible participants prior to payment of stipends. For example, if the award includes graduate student fellowships, undergraduate students' tuition should not be paid from that award. In addition, if housing will be provided as an expense (such as part of a summer REU program), follow applicable policies for [Summer Camps](#).

Participant support costs are often tracked separately from other funds (a separate FOP is established) and generally carry separate sponsor regulations from other direct costs. Depending on sponsor policy, prior approval may be required for budget reallocations from participant support costs to other items of expense.

Participant support costs are not Research Participant Incentive Payments (subject pay).

Payment of Participant Support Costs

In most cases, payments to participants should not be made via TES or AU payroll; rather, payments to participants should be made through Student Financial Services (SFS) or Procurement and Payment Services (PPS). (If you have questions about the requirements of a specific program contact OSP or CGA for guidance.)

Payments to AU Students

1. Contact Tommy Wilson in SFS.
2. In a memo, letter, or email provide the student's AU ID number, amount of the stipend, and frequency of the stipend. The stipend may not be paid more often than monthly.
3. If you have more than one AU student to be paid, each student will have to be paid on the same schedule, but they do not have to be paid the same amount.
4. If there is a notification letter from the program in which the student is participating, it should also be provided.
5. Provide the FOP from which to pay the students. A detail code is assigned in the Banner Student system so that the student account is credited, and then there will be a feed to Banner Finance to debit the sponsored FOP. These detail codes and associated FOPs are maintained in a database by SFS.

Payments to non-AU participants

1. The participant must register as a vendor through the [AU Vendor Center](#).
2. A vendor voucher must be prepared and sent to PPS each time the participant is to receive a payment. The voucher must include a description of the program in which the non-AU person is participating. If a notification letter from the program is available it should also be provided.
3. Account code 70515 should be used for participant support cost stipend payments.

A former AU employee may receive participant support cost payments. Their employee record must not be active in Banner. If the record is still active, an ePAF will have to be submitted by the department before the stipend payment can be made through PPS.

Tuition Remission

In accordance with the September 19, 2013 [Policy for Inclusion of Tuition in Externally Funded Contracts and Grants](#), the budgets for all proposals that include stipend support for graduate assistants must include tuition support for those graduate assistants pursuant to the requirements of the policy at either a rate of 10% of stipend amount or 40% of stipend amount. Additional information can be found in the OSP document "[Charging of Tuition in Externally Funded Contracts and Grants](#)" which provides guidance regarding various Federal sponsor policies as well as a list of institutions that reflect limitations on Facilities & Administrative (F&A) costs and/or tuition remission expenses.

Travel

It is expected that travel charges to a project will be consistent with the [University's Travel Policy](#). Please note that federally funded air transportation is generally required by the "[Fly America Act](#)" to use U.S. flag air carriers.

Equipment

Sponsor guidelines and terms of the award dictate the restrictions on the purchase of capital equipment. Before purchasing equipment on a sponsored account, the Principal Investigator must determine that the University does not have the equipment in the inventory available for use on the project. The departmental approval on the purchase request stands for assurance that existing equipment is not available. The University definition of equipment is: an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more. The amount to be charged as "capital" is the cost of the asset, including the cost to put it in place. Capital expenditure for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as sales tax, shipping and installation costs are included as part of the capital expenditure.

Distinguishing between Capital and Repair/Maintenance

If an expenditure restores the asset to its original condition, it should be classified as a repair and maintenance expenditure and charged to operations. For example, a new roof on a building generally maintains the original condition of the building or restores the building to a fit condition. A new roof does not usually make the building more useful for its intended purpose or add to the estimated useful life of the building as a structure. Expenditures for parts or improvements to existing capital are considered capital if the improvement adds to the (original) estimated useful life of the capital or if the improvement increases the (original) purpose of the capital.

Where the purchase of equipment or other capital items is specifically authorized under a sponsored agreement, the amounts thus authorized for such purchases are assignable to the sponsored agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.

Additional information regarding the purchase of equipment on sponsored projects can be found on the [Equipment](#) page of the OSP web site.

Subagreements

Most sponsors require prior approval before the University can transfer substantive programmatic work to a third party, by contracting or any other means. Generally, an award based on a proposal budget with a line item for the named subrecipient constitutes

documentation of sponsor approval. In some cases, this approval must be sought after an award has already been issued. In these cases, the Principal Investigator should work with the Office of Sponsored Programs to ensure that all documentation is complete and submitted in accordance with sponsor requirements (for example, the National Science Foundation requires that the request be submitted through the Notifications/Requests module in the Fastlane system).

- Subaward:
 - Used to procure substantive programmatic work under a grant or contract.

- Subrecipients:
 - are responsible for programmatic decision making and measurable performance requirements as defined in their work statement
 - must adhere to federal regulations (as appropriate)

During the life of a subagreement, the Principal Investigator will review and approve the subcontractor's invoices (which are routed through the Office of Sponsored Programs) before Procurement and Payment Services pays the invoices. The Principal Investigator is responsible for monitoring the technical progress of the subcontractor and for ensuring that all technical requirements have been met.

Detailed information, including the subagreement process, vendor registration information, templates (for both subagreements and invoices), invoicing procedures, definitions and close-out documents can be found on the [Subagreements](#) page of the OSP web site.

Facilities and Administrative (Indirect) Costs

Facilities and Administrative (F&A) costs are those that are incurred for common or joint objectives, and therefore, cannot be identified readily and specifically with a particular sponsored project, instructional activity, or other institutional activity. Examples of F&A costs include general office supplies and expenses, administrative and clerical expenses, and expenses related to the management of the institution (President's Office, Provost, Office of Sponsored Programs, Business Office, Library, etc.).

AU's DHHS Federally-approved F&A [rate agreement](#) reflects the current rates in place for both on- and off-campus research, instruction and other sponsored activities. AU's F&A rate is based on Modified Total Direct Costs (MTDC) which consists of all salaries, wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs excludes equipment, capital expenditures, charges for patient care, student tuition remission, rental

costs of off-site facilities, scholarships and fellowships, participant support cost and the portion of each subgrant and subcontract in excess of \$25,000.

For a project to be considered off-campus, more than 50% of the project must be performed off-campus (exclusive of subgrant or subcontract costs).

FISCAL RESPONSIBILITIES

Recordkeeping

In general (and primarily related to Federal awards), a sponsor requires record retention for three years from the date of submission of a final expenditure report. However, some sponsors require a longer retention period. In addition, as a state instrumentality, Auburn adheres to additional State of Alabama record retention requirements. The Government Records Division (GRD) of the Alabama Department of Archives and History (ADAH) is responsible for administering and coordinating all functions associated with records management for state agencies, public colleges and universities. Information related to these special requirements and Auburn University's Record's Disposition Authority (RDA) can be found at [ADAH's](#) web site.

Account Management

Each Fund in Banner is assigned to a responsible person. For sponsored projects Funds, this person is the Principal Investigator. The Principal Investigator may delegate some of the duties associated with financial management of the Fund to a business manager or other subordinate. However, the Principal Investigator assumes full responsibility for all activity on the Fund.

The Principal Investigator is responsible for ensuring that all disbursements from the Fund are:

- for the bona fide purpose of the account;
- allowable per the terms of the award
- authorized in accordance with University policies, State and Federal laws and regulations;
- charged to the appropriate account code; and
- fall within the available funding for the Fund.

The Principal Investigator is responsible for ensuring that:

- the Fund is reconciled on a timely basis, i.e., within 30 days of receiving the month-end report;
- immediate action is taken to resolve the errors or discrepancies noted during the report reconciliation and to follow up to ensure that errors are corrected; the Fund is updated for changes in authorized signers and other Fund information; file copies of supporting documentation for all activity processed on the Fund is maintained for at least three years after the final closeout of the project (unless required to maintain for a longer period of time based on sponsor requirements).

In order to assist Investigators with the management of their sponsored projects, an interactive dashboard that provides administration, faculty and staff with real-time financial data on external contracts, grants, and cooperative agreements is available through [AU Access](#). This resource, **My Funding**, is a new tab within the Self-Service Banner Application. The application, which is based on user ID, includes links to research administration resources, provides live and historical financial data for an individual's external support, facilities and administrative cost recovery details, advanced search functions, and the ability to download relevant financial information as needed.

Cost Transfers

It is extremely important that all expenditures be initially charged to the appropriate Fund and Principal Investigators and others involved in administering an award should seek to ensure that expenditures are recorded correctly. If it does become necessary to transfer expenditures from one Fund to another, if either of the Funds is a contract or grant Fund, the process reflected in either the [Non Salary Cost Transfers](#) or [Salary Wage Cost Transfers](#) policies will need to be followed (as applicable).

Program Income

Income earned that is directly generated by the sponsored project or earned in whole or in part as a result of the award is called program income (examples include fees for services performed, the sale of commodities or items fabricated under an award, conference registrations, etc.). Program income is subject to Federal regulations and must be separately accounted for. The project director must deposit and account for the program income through a separately established Fund. The Office of Contracts and Grants Accounting will set up this Fund for the program income and all associated costs will be charged to the Fund. Auburn University's "[Program Income Policy](#)" provides further guidance regarding the management of program income.

There are three ways that program income can be used as illustrated in the table below.

Matching Alternative	Used to satisfy all or part of the required grantee share of the project or program.
Additive Alternative	Added to funds committed to the project or program and used to further eligible project or program objectives.
Deductive Alternative	Deducted from the total allowable costs of the project or program to determine the net allowable costs on which the federal share of costs will be based.

Unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise, the University has no obligation to the Federal Government regarding program income earned after the end of the project period.

License Fees and Royalties

Unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise, there is no obligation to the Federal Government or non-Federal sponsor with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35 U.S.C. 18) apply to inventions made under an experimental, developmental, or research award.

Over-expenditures

Responsibility for clearing over-expenditures on sponsored projects accounts belongs to the Principal Investigator and department head. For grants awarded under Expanded Authorities, over-expenditures from one budget period may be absorbed by the award of the continuing non-competitive renewal. The over-expenditures, or "pre-award costs," associated with the continuation award must be necessary for the conduct of the project and must be allowable under the potential award. The ["Unreimbursed and Unallowable Sponsored Projects Expenditures Policy"](#) addresses defines the treatment of both unreimbursed and unallowable contract/grant costs and explains the difference between the two types of costs.

Carry-forward of Unobligated Balance to Continuation Year

Refer to the terms of the award and sponsor guidelines to determine whether you are authorized to carry-over an unobligated balance to the continuation year.

For grants awarded under Expanded Authorities, funds remaining at the end of one budget period (except the final budget period) are automatically carried over to the next.

Since the carry-over of unobligated balances is automatic, no separate or specific awarding agency prior approval is required to authorize use of the funds. Refer to the Notice of Grant Award for any exceptions. The awarding agency may ask the investigator for an explanation of excessive carryover balances (generally, in excess of 25% of total funding for the budget period).

Financial Status Reporting

The Office of Contracts and Grants Accounting prepares financial status reports for sponsors, according to the terms of the award.

Cash Management

It is important to note that loading budget into a Fund and payment terms are two separate issues. The budget is set up (loaded) at the beginning of the budget period; cash is received throughout the budget period in accordance with the payment terms established within an award document and dependent upon the agreement type (cost reimbursable or fixed price).

Invoicing

The Office of Contracts and Grants Accounting is responsible for preparing and sending invoices to sponsoring agencies. For a description of the applicable responsibilities for ensuring compliance with sponsoring agency requirements, the [“Final Billing and Reporting for Contracts and Grants Policy”](#) provides additional guidance.

Letter of Credit

Most Federal grants and contracts are under the letter of credit method of payment. The Federal sponsoring agencies, e.g., DHHS, NSF, authorize a line of credit for the University to draw funds to meet the aggregate expenditure activity of the agency.

Bad Debts

Loading budget for sponsors in unstable financial condition or sponsors with an unknown or questionable credit history should be limited to cash as it is received. Principal Investigators should consider the risk of default when setting up the terms for payment and budget approval. If the Principal Investigator is aware of any information about a sponsor that is relevant to determining the risk of default of payment, whether for a proposed project or for a currently awarded project, it is the Principal Investigator’s responsibility to report the information to the Office of Sponsored Programs.

The Office of Contracts and Grants Accounting will apprise the Principal Investigator, department head, and dean of all outstanding invoices over 45 days past due. It is the responsibility of the Principal Investigator and department head to cover unreimbursed costs in the event of default of payment.

TECHNICAL RESPONSIBILITIES

Data Ownership

The policy of the funding agency, as stated in the award document, governs ownership of data. It is the responsibility of the Principal Investigator to read the conditions of his/her grant or contract.

Access to and Retention of Scientific Research Protocols and Data

Both the scholar and the University have responsibilities and, hence, rights concerning access to, use of, and maintenance of original research data. Consistent with the precepts of academic freedom and intellectual integrity, the scholar has the primary authority to make judgments involving the use and dissemination of the data. Any disputes regarding access to data should be settled at the lowest possible level, if circumstances permit. Otherwise, each dispute should go before the appropriate University reconciliation committee.

Each scholar is ultimately responsible for the maintenance and proper retention of research records. These records should include sufficient detail to permit examination for the purposes of replicating the research, responding to questions that may result from unintentional error or misinterpretation, establishing their authenticity, and confirming the validity of the conclusions.

Each scholar should maintain a research manual that describes all major procedures. Correspondence with institutional review committees and records of the use of controlled substances and radioactive materials should be maintained as part of the research record in accordance with governmental, regulatory, and University policies.

A system of data organization should be adopted and should be communicated to all members of a research group and to the appropriate administrative person.

Where feasible, all original primary data are to be retained by the scholar or by his or her designee. Accepted practices for retaining data vary among disciplines and depend on the perishability, nature, and logistics of retaining each type of data. Each investigator should treat data properly to ensure authenticity, reproducibility, and validity and to meet the requirements of relevant grants and other agreements concerning the retention of data. Primary data should be reserved for a reasonable duration to ensure that any questions raised by the researcher, colleagues, or readers of any published results can be answered.

Authorship

Investigators should understand and properly fulfill their responsibilities with respect to authorship consistent with the Auburn University Copyright Policy. See Chapter 6, Section 6.3.1 of the [Auburn University Faculty Handbook](#).

Research Misconduct

The University believes that the academic community must do everything within its power to ensure integrity in scholarship and research, and as part of that responsibility has in place detailed procedures for dealing with allegations of misconduct in a timely and fair manner. See Chapter 6, Section 6.2.1 of the [Auburn University Faculty Handbook](#).

Changes in the Project

Change in Key Personnel

Whenever there is to be a significant change in the level of participation in the approved project by the project director, program director, or Principal Investigator, the University must notify the awarding agency as soon as such information is known. Significant change in level of effort is defined as relinquishing active direction of the project either permanently or for a continuous period of more than three months or a 25 percent reduction in time devoted to the project. Since approval of a project has, to some extent, been based on the participation and/or qualifications of the named key personnel, the awarding agency requires notification and the option to approve or disapprove alternate plans for conducting the activity.

Change in Scope or Objectives

Approval from the awarding agency is required for a proposed change in the phenomenon or phenomena under study or the specific aims of the project stated in the proposal or agreed modifications. When in doubt, it is best to err on the side of over-communicating with your agency program officer.

Changes in Timeframe

Approval of the sponsoring agency is required for changes in the effective date, termination date, and due date for deliverables or technical reports.

Change in the Effective Date

Preaward costs are those costs that are incurred before the effective date of the project. Most sponsors require their approval before an investigator may charge preaward costs to the project. A provision for preaward costs in the terms of the contract is the most acceptable documentation of sponsor approval. A letter from the contracting officer or grant officer approving preaward costs is also acceptable.

Many Federal grants are awarded under the terms of Expanded Authorities. Contact the Office of Sponsored Programs if you are unsure whether or not your project is awarded under Expanded Authorities. The terms of Expanded Authorities allow the University to incur costs up to 90 days before the effective date of the project. The costs to be incurred must be necessary for the conduct of the project and must be allowable under the

potential award. The Principal Investigator (and department) assumes responsibility for covering the obligations and expenditures in the event that the award does not come through.

No-cost Extension

Extending the termination date of the project or the due date for deliverables or technical reports requires sponsor approval.

For most grants awarded under Expanded Authorities, the University has the authority to extend the termination date one time, for a period up to one year beyond the original termination date. The Principal Investigator may request a no-cost extension for a grant under Expanded Authorities by completing the [Grantee-approved No-cost Extension Request](#) form. Please note that using up the remaining balance of the grant is not an acceptable justification for extending the termination date.

No cost extensions to projects do not increase the amount of the University's original fiscal obligation (e.g. cost sharing). The no cost extension does, however, extend the time period during which the University may perform the work.

Procedure for Requesting Sponsor Approval

All requests for changes in the project must be countersigned by an institutional representative before the investigator mails the letter to the sponsor. The Vice President for Research and Economic Development has delegated authority to Sponsored Projects to sign on behalf of the institution.

PROPERTY ADMINISTRATION

The property clause of the sponsored agreement or the applicable agency guidelines will specify the title-holder of equipment purchased with sponsored funds or equipment received from the sponsoring agency. When federal funds are used to acquire equipment, it is important that the Principal Investigator understand the approved use and accountability differences between federally-titled equipment and University-titled equipment purchased with federal funds. The Principal Investigator can contact the Property Administrator in the Office of Sponsored Programs for title information.

University-titled Equipment

There are important distinctions in treatment between property purchased under an award in which title is vested in Auburn University and title vesting in the Government, in terms of the Government rights to that property and the reporting requirements. For example, Auburn University must report annually on Federally-owned equipment or equipment furnished by the Government. For equipment in which the title is vested in Auburn University, a listing of equipment acquired under the award needs be provided only at

closeout. The property management standards require that Auburn University maintain records, available for Government review, concerning property acquired with Government funds. OSP has a Property Administrator who monitors compliance with requirements for Federally-owned property, where applicable.

Restrictions on Use of University-titled Equipment Acquired with Federal Funds

The University must use the equipment on the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. "Program" is defined in broad terms as the *research program* in which the investigator is engaged over a long period of time. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other Federally-sponsored activities, in the following order of priority: (i) activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.

During the period of time equipment is used on the project or program for which it was acquired, the Principal Investigator and department head shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies.

Disposition of University-titled Equipment Acquired with Federal Funds

When the University no longer needs the equipment for the project or program, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5,000 or more, the University may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the University has no need for items of equipment with a current per unit fair market value of \$5,000 or more, the Principal Investigator should contact the Property Administrator in Sponsored Projects Services to begin the process of requesting disposition instructions from the Federal awarding agency.

Federally-titled Equipment

Title to Federally-owned property remains vested in the Federal Government. Federally owned property can be used only on an open award(s) to which the equipment has been assigned by the awarding federal agency. Any use of equipment other than for the authorized project requires that the University request "disposition instructions" from the

awarding agency. It is imperative to contact the Office of Sponsored Programs Property Administrator as soon as the equipment is no longer used on the authorized award.

The University is required to annually submit a listing of federally-owned property under the custody of the University to the awarding federal agency. The Property Administrator in Sponsored Programs is responsible for submitting these inventory reports.

Federally-owned property is acquired by either charging the cost of equipment directly to a Federal grant or contract with applicable Federal-title property clauses or by acquiring excess government equipment from a site outside the University. Federally-titled equipment transferred to the University from excess government property is referred to as "Government-Furnished Equipment (GFE)." Federally-titled equipment acquired on one University award and transferred to another is also treated as Government-Furnished Equipment.

Government-Furnished Equipment must be included in the University's property record system. The Principal Investigator is responsible for notifying the Sponsored Programs Property Administrator of the receipt of Government-Furnished Equipment and requesting University property tags for each item from Property Services.

Upon completion of the award or when the property is no longer needed for the project, the Sponsored Programs Property Administrator reports the property to the Federal awarding agency, requesting disposition instructions. The Federal awarding agency has the option of (i) approving use on another project, (ii) approving transfer of title to the University, (iii) requesting return of the equipment to the agency or a third party, or (iv) authorizing sale of the equipment and reimbursement to the Federal awarding agency.

Property Records for Equipment

Equipment records shall be maintained accurately and shall include the following information:

1. A description of the equipment
2. Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number
3. Funding source of the equipment, including the sponsor award number
4. Whether title vests in the University or the Federal Government or other sponsor
5. Acquisition date (or date received if the equipment was furnished by the Federal Government) and cost
6. Split funding information, if more than one source of funding
7. Location and condition of the equipment and the date the information was reported.
8. Unit acquisition cost.

9. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates for the Federal awarding agency for the Federal share.

Inventory

A physical inventory of all equipment is taken every two years. The department head or designee will investigate and determine the cause for any differences between information determined by the physical inspection and that shown in the property records. The location, condition, current utilization, and continued need for the equipment will be verified as part of the physical inventory.

Maintenance

Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

Replacement of Equipment

When acquiring replacement equipment, the investigator may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment, subject to the approval of the Federal awarding agency. The Principal Investigator needs to inform the Property Administrator in Sponsored Programs when an item of federally-titled equipment is approved by the federal sponsor for trade-in or sale. The Property Administrator will issue instructions for the removal of the item from the University's equipment records and retain a copy for the project's property audit file.

Deliverables to Sponsor

When a contract provides for the acquisition, assembly or fabrication of equipment for delivery to the sponsor, the Principal Investigator must furnish the Property Administrator in Sponsored Programs copies of shipping documents as proof of the delivery of the equipment to the sponsor. The Property Administrator will issue instructions for the removal of the item from the University's equipment records and retain a copy for the project's property audit file.

Transfer of Equipment from a Former Institution

A Principal Investigator transferring to Auburn University from another institution is required to register equipment from the former institution in the University property system. This provides insurance coverage for these items. The Principal Investigator needs to provide his/her departmental administrator a list of these items, including the description, serial number, model number, and title holder. Any documents of loan, title holder, or approval of transfer from the former institution need to be attached to the list of inventory items. The departmental administrator will forward the list of inventory and supporting documents to the Sponsored Programs Property Administrator.

Transfer of Equipment from Auburn University to a New Institution

Equipment purchased with sponsored funds for use on a specific project normally remains available for use for the duration of the project. Principal Investigators who are in the midst of projects that included funding for equipment and who will continue the project at a new institution with sponsor support may arrange to have the equipment transferred with them. However, if the transfer is to an entity outside the U.S., an export license may need to be obtained from the U.S. Government. Approval of the department head, dean, Sponsored Projects Property Administrator, and the Vice President for Research and Economic Development is needed before the equipment may be transferred.

Equipment purchased on grants and contracts may still be titled to the sponsor agency. When this is the case, Auburn must obtain sponsor approval for transferring it to another institution.

- Only the Vice President for Research and Economic Development is legally authorized to give approval for transferring grant/contract-related equipment to another institution.
- Transfers of equipment and technology outside the U.S. may require prior U.S. Government approval (contact Auburn's Facility Security Officer).
- It is important to begin the approval process early, since it may take time to move the request through the university process and obtain the appropriate government approvals, if required.

Use of University Equipment for Non-university Purposes

Equipment acquired with sponsored funds may not be used to provide services to nonfederal outside organizations for a fee that is less than private companies charge for equivalent services. The fee revenue is treated as program income. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal government is permissible only if authorized by the Federal awarding agency.

Loss, Damage, or Theft of Equipment

Any loss, damage, or theft of equipment shall be investigated, fully documented and reported immediately to the Office of Risk Management. A delay in reporting loss, damage, or theft may jeopardize insurance recovery. If the equipment is owned by the Federal Government, the Principal Investigator must promptly notify the Sponsored Programs Property Administrator and the Federal awarding agency. Property inventory records must be updated.

Property Control Systems Analysis

The Office of Naval Research (ONR) annually reviews the property system. Sponsored Programs will send each department a list of Federally-titled equipment prior to the review. The data should be checked for accuracy and the equipment should be inspected

for proper location, use, and condition. The University takes the ONR review very seriously. An unsatisfactory rating of our Property Control System has serious implications for our Federal research program.

Reference: Section 200.310 – 200.316 (Property Standards) of the Uniform Guidance.

Additional information regarding equipment, including specific sponsor regulations and forms can be found on the [Equipment](#) page of the OSP web site.

THE END OF THE PROJECT

Allowable Expenditures near the End of the Project

Where a funding period is specified in the award document, the investigator may charge the project for only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the awarding agency. Investigators must consider the lead time required in ordering goods; items must be delivered and used for the benefit of the project. Auditors will review expenditure activity at the end of the project period. A large amount of orders placed at the end of a project may give the appearance of spending up the available budget balance for goods to be used for future research. This is called "stockpiling" and is not allowable.

After Project End Date

Valid post-termination expenditures are those charges that post to the account after the end date (within the closeout period specified by the sponsor), but actually occurred before the end of the project. Some examples are:

- Payroll for hours worked prior to the end date, but paid and posted after the end date.
- Long distance telephone charges (which usually lag one month) for services provided within the performance period.
- Liquidation of valid purchase orders (that were encumbered in the University system prior to the end date.
- Expense transfers and corrections of errors (Departmental Error Corrections or Salary and Wage Transfers) that either move expenditures, or transfers allowable expenditures to the account.

The Office of Contracts & Grants Accounting will review all post-term expenses for validity. Detailed backup documentation may need to accompany post-term expenses in order to evaluate and determine the direct benefit to the project.

Termination before the End Date

A project may be terminated by the sponsor, the University, or by mutual agreement of both the sponsor and the University. The award agreement and/or agency regulations specify the process for terminating a project before the end date. If you receive a notice of project termination, please contact your Contract Administrator in the Office of Sponsored Programs as soon as possible.

Transfer of the Project to another University

When the Principal Investigator on a research project transfers from Auburn University to another institution, the project, under the same Principal Investigator, may be supported at the new institution. The first step is for Auburn University to "relinquish" its interests and rights in the grant. Some agencies, e.g., NSF, NIH, have a form for this purpose. The investigator will be asked to estimate the amount of unobligated funds remaining on the project. This figure will be verified by the Office of Sponsored Programs, in collaboration with the Office of Contracts and Grants Accounting. Department head concurrence for the transfer (letter or e-mail) will also be requested. After receiving the relinquishing statement from the University, the sponsor will terminate the grant with Auburn University and establish a grant with the new institution for the remainder of the project.

The process is the same for non-Federal sponsors. Auburn University will "relinquish" its interest in the grant and return unexpended funds to the non-Federal sponsor. The sponsor will then establish an agreement with the new institution.

When the amount of time and funds remaining in a project are modest, and if both the University and the new institution are in agreement, the University may issue a subaward to the new organization for completion of the project. Sponsor approval and the approval/assignment of a replacement Principal Investigator are required before a subaward may be issued. In no event will funds be transferred from Auburn University to the new institution without sponsor approval and a subcontract.

Gift funds and funds remaining at the end of a fixed-price contract are considered University funds and are not available for transfer to the new institution.

Equipment purchased with sponsored funds for use on a specific project normally remain available for use for the duration of the project. Principal Investigators who are in the midst of projects that included funding for equipment and who will continue the project at a new institution with sponsor support may arrange to have the equipment transferred with them. Approval of the Department Head, Associate Dean for Research, and the Sponsored Programs Property Administrator is required before the equipment may be transferred.

Contract Closeout Documents

Document	Signatory	Purpose of Document
Contractor's Release of Claims	Vice President for Research and Economic Development (coordinated through Contracts & Grants Accounting)	Frees gov't of all liabilities, obligations, claims, and demands
Contractor's Assignment of Refunds, Rebates, and Credits	Vice President for Research and Economic Development (coordinated through Contracts & Grants Accounting)	Agreement to reimburse the contractor for any refunds, rebates, credit, or interest
Cumulative Claim and Reconciliation Statement	Director, Contracts and Grants Accounting	Reconciles allowable expenditures and actual receipts
Final Report of Inventions and Subcontracts	Principal Investigator and Office of Sponsored Programs in collaboration with the Office of Innovation Advancement & Commercialization	Reports inventions under the contract
Final Government Property Report	Property Administrator, Sponsored Programs	Listing of government-titled property

Final Financial Report

A final financial report is required for most cost-reimbursement contracts and grants. The Office of Contracts and Grants Accounting prepares the financial report and submits the report to the sponsor. Most sponsors require the final financial report within 90 days of the termination date of the project. In the case of projects with the State of Alabama and subagreements (for which Auburn is not the prime recipient of funds), the date for the submission of the final financial report varies but is normally between 30 to 45 days following the termination date of the project.

Final Technical Report

The Principal Investigator is responsible for preparing and submitting the final technical report to the sponsor. The Principal Investigator does not need to send Sponsored Programs a copy of the final report. If the final technical report is late, the sponsor will contact Sponsored Programs and, for some sponsors, there may be repercussions related to future funding or submission of new proposals by the investigator. In some cases, these repercussions can have an adverse effect on the University, thus submission of timely reports are critical.

Refunds to Sponsor

At the end of a cost-reimbursement project, the Office of Contracts and Grants Accounting will refund to the sponsor cash received in excess of expenditures (if any).

Remaining Balance on Fixed Price Accounts

If the project costs less to complete than the contract price, the funds remaining at project completion are discretionary and the residual balance is handled in accordance with the [“Fixed Price Residual Balanced Policy.”](#)

AUDITS

Sponsored grants and contracts are subject to audit by Auburn University internal audit staff, the State of Alabama, the Department of Health and Human Services (our cognizant audit agency), A-133 auditors, and individual sponsors. The Controller of the University is the official contact for all audits; the Office of Contracts and Grants Accounting, in collaboration with the Office of Sponsored Programs, assists in coordinating these audits. If an auditor contacts you directly, refer them to the Director of Contracts and Grants Accounting or the Controller.

Audit Letter

The audit agency notifies the University of an audit by letter. The letter should clearly define the scope of the audit and the date. Sufficient lead time is necessary in order to pull appropriate documents and schedule office space for the auditor.

Role of the Auditor

Auditors are not "The Bad Guys." Auditors provide the important function of keeping the system in balance and protecting the public. Occasionally, the auditor provides valuable feedback and advice to management for making improvements to the process and internal controls.

Role of Central Administration

Central administrators from Contracts and Grants Accounting and Financial Reporting serve in the role of host. They should be the single point of contact between the auditors and institutional staff, coordinating interviews, monitoring the flow of information, and ensuring that the auditors have appropriate space and equipment.

The central administrators monitor the audit to ensure that the audit is conducted within the rules of accepted audit practice and to ensure that the audit is conducted within the originally-defined scope. The Controller (in collaboration with the Vice President for Research and Economic Development) shall have the final say in responding to the audit on behalf of the University.

The Audit Process

The auditor may conduct an "Entrance Conference" with the Principal Investigator, departmental administrator, and representatives from Contracts and Grants Accounting and/or Financial Reporting. The purpose of the Entrance Conference is to define the scope of the audit and lay the ground rules for the audit.

The auditor will assess the competence and attitude of the University central administrators as well as the Principal Investigator and departmental business personnel. The auditor will also look at our internal control system, i.e., policies and procedures, and monitoring mechanisms. Based on this assessment, the auditor will determine to what extent he or she can rely on the University systems and the relative risk associated with the audit. In other words, if the University makes a good impression, the auditor will develop an audit plan, selecting transactions on a sample basis to verify that the system is working. If the University makes a bad impression, the auditor will have no choice but to "look at everything."

Auditors will discuss their "findings" with the central administrators. It is the job of central administration to know the regulations and defend the University if we are operating within the rules (and to concede if we are not).

Depending on the type of audit, the University may or may not have the opportunity to respond to the findings and may or may not receive a copy of the final audit report.

Audit Tips

- Do not make the auditors do your work; pull the records for the auditors.
- Do tell the truth and answer questions honestly and directly.
- Do not do the auditors' work for them; limit your response to the question being asked.
- Call a central administrator if you ever feel uncomfortable about the way an audit is being conducted.
- Do not tamper with or manufacture records. If you have no records, say so. This is not the time to create records.
- Be alert. Auditors may not know the regulations applicable to your project as well as you do.
- Auditors are people too. Kindness and respect go a long way.

QUICK CONTACT LIST

[Office of the Vice President for Research & Economic Development \(OVPRED\)](#)
334-844-4784

[Office of Sponsored Programs \(OSP\)](#)
334-844-4438

[Office of Research Compliance \(ORC\)](#)
334-844-5978

[Office of Innovation Advancement & Commercialization](#)
334-844-4977

[Office of Contracts and Grants Accounting \(CGA\)](#)
334-844-4847

[Office of Research Security \(ORS\)](#)
334-844-5962

[Office of Proposal Services and Faculty Support](#)
334-844-5954