

## Policy and Procedures for Application for, Receipt of, and Administration of Sponsored Project Funds

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### 1.0 PURPOSE

Faculty and staff members are encouraged to seek financial support for research, demonstration/evaluation, curriculum development, training/professional development, and professional and community service activities from extramural sources to fulfill the mission of the institution. The purpose of this policy is to describe the procedures that a College employee should follow in seeking extramural support for these types of activities and for administering resulting grants and contracts through the Office of Research and Grants Administration (ORGA).

### 2.0 DEFINITION OF SPONSORED PROJECTS

All grants and subgrants of public funds that support research, demonstration/evaluation, curriculum development, training/professional development, and professional and community service activities are considered sponsored projects and are administered through the Office of Research & Grants Administration.

All contracts, cooperative agreements, consortium agreements, master agreements and task orders, subcontracts, and purchase orders for these types of services (except those solely for delivery of Professional Development in Education courses), regardless of funding source, are also considered sponsored projects subject to ORGA oversight.

Grants and subgrants of non-governmental funds are considered sponsored projects if they are awarded based on a competitive application or bid process; involve the use of human research participants, animals, radiation hazards, biohazards, or recombinant DNA; and/or contain certain terms and conditions requiring implementation and/or monitoring through established university systems and procedures.

Charitable contributions, in-kind donations, and non-governmental "bricks and mortar" grants are not considered sponsored projects and are instead received by the College of Charleston Foundation and administered through Institutional Advancement (IA). The Foundation may also receive grants from individuals and non-governmental funding entities; in certain cases, funds from these grants must be transferred to the College through ORGA for implementation and administration as a sponsored project.

Types of grants requiring the transfer of funds from the Foundation to the College through ORGA include those that provide compensation of College employees or students through the payroll system; those intended for acquisition of durable goods or equipment that should be titled to the College and carried on the College's property management system for depreciation and insurance purposes; and those with complex and/or frequent management and reporting requirements that may be more easily met through the College's established post-award administration and grants and contracts accounting systems.

Further clarification about the types of funded projects that are administered by ORGA as opposed to those administered by IA may be found in the College's policy entitled "Receipt and Administration of External Funds: Defining Sponsored Projects and Charitable Giving" available on the ORGA website at <<http://www.orga.cofc.edu/>>.

### 3.0 OFFICE OF RESEARCH & Grants ADMINISTRATION SERVICES (ORGA)

The Office of Research & Grants Administration promotes and facilitates externally funded research, demonstration/evaluation, curriculum development, training/professional development, and professional and community service activities at the College of Charleston. ORGA is a central source of information on major government agencies and non-governmental organizations that support research, teaching, and scholarship. Staff provide a wide range of services to faculty members, administrators, and students, including:

- Assisting in the conceptualization and planning of projects
- Identifying potential extramural funding sources
- Assisting in the development of proposal narratives and project budgets
- Assisting in preparation of standardized application forms
- Assisting in electronic proposal submission and award administration
- Assuring compliance with federal and state regulations and university policies and procedures
- Assisting in the completion of internal requirements for proposal submission, including coordination of review of research protocols involving humans and vertebrate animals
- Reviewing and approving proposals for submission to sponsors
- Negotiating grant awards and contracts
- Providing technical assistance in administration of grants and contracts
- Managing a payroll distribution and effort reporting system for faculty and staff participating in sponsored projects
- Coordinating activities with the Grants Accounting Office and Institutional Advancement as required
- Maintaining a central file and database of all proposals submitted and awards received and generating reports of sponsored project activity.

#### 4.0 PRINCIPAL INVESTIGATOR ELIGIBILITY

The Principal Investigator (PI) is the individual responsible for administration and financial management of the sponsored project and assures that all sponsor, state, and college policies and procedures are followed during start-up, operation, and closeout of the sponsored project. He/she may or may not be the author of the proposal and may or may not have responsibility for day-to-day conduct of the project. For internal management purposes, regardless of what the sponsor may allow, a single PI who will have programmatic oversight and administrative and financial responsibility for the project must be named. This does not preclude the naming of other individuals as Co-Investigators (Co-Is) nor does it prevent other individuals from serving as signatories on the grant/contract account. However, naming other individuals as Co-Is and giving them signatory authority does not absolve the PI from the ultimate responsibility for the conduct of the project in accordance with all applicable regulations and policies.

The Principal Investigator must be a roster faculty member or a full-time permanent employee of the College. A full-time grant funded employee may serve as PI only with the approval of the cognizant administrator(s) (i.e., department chair/unit director and/or dean/vice-president). For the purposes of this policy, a full-time grant funded employee is defined as an individual employed on a grant or combination of grants in a classified or unclassified position for 40 hours a week for an anticipated minimum period of one year and for whom grant administration duties are specifically identified as job duties. Adjunct faculty (including full-time adjuncts), temporary employees, part-time employees, and students may not serve as a PI on funded projects administered through ORGA but may be named as a Co-I. Any person affiliated with the college who wishes to pursue a grant or contract but who is not eligible to serve as a PI must identify a roster faculty member or full-time employee to serve as PI prior to routing the proposal for internal review. That roster faculty member or full-time employee must agree to accept full responsibility for programmatic oversight and administrative and fiscal management of the project.

#### 5.0 PROCEDURES FOR PROPOSAL DEVELOPMENT AND SUBMISSION

##### 5.1 Proposal Development

A request to an external funding agency is most commonly made in the form of a formal proposal. Generally, the Principal Investigator is responsible for preparing the proposal narrative and project budget. Assistance in proposal preparation and budget development is available from the Office of Research & Grants Administration. Faculty and staff members who are interested in pursuing extramural funding are requested to consult with ORGA early in the project planning stages.

As the proposal is being drafted, the PI is encouraged to consult with his/her department chair/unit director and colleagues as necessary, as well as with ORGA, to ensure that the project is technically, financially, and administratively sound. It is particularly important to discuss the need for course release time and applicant cost-sharing or other matching requirements with the department chair/unit director. Continuing commitments after the expiration of the grant may require pre-submission review and approval by such individuals and units as the dean, provost or vice-president, Business Affairs, and/or the president.

##### 5.2 Budget Development

###### 5.2.1 Direct Costs

Except when a sponsor requires institutional cost-sharing or other match commitment, the Principal Investigator is expected to request sufficient funds from the sponsor to cover all the direct costs that will be incurred during the conduct of the project. Direct costs include salaries and wages for all personnel directly assigned to the project; the proportionate share of fringe benefits; equipment; travel; supplies and expenses; consultant services; other contractual services; participant support costs; and subcontract costs. Allowability of costs is determined in accordance with OMB Circular A-21 (Cost Principles for Educational Institutions) and applicable South Carolina regulations.

###### 5.2.2 Proportionate Share of Fringe Benefits

The South Carolina General Assembly requires that "any Agency of the State Government whose operations are covered by funds from other than General Fund Appropriations shall pay from such sources a proportionate share of the employer costs of retirement, Social Security, workmen's compensation insurance, unemployment compensation insurance, health and other insurance for active and retired employees, and any other employer contribution provided by the State for the Agency's employees."

###### 5.2.3 Cost-Sharing and/or Matching Funds

###### 5.2.3.1 Mandatory Cost-Sharing and/or Matching

Some sponsors require an institutional cost-share and/or matching funds from other entities (i.e., other sponsors, collaborators, etc.). As a general rule, the Principal Investigator should provide as much of any required institutional cost-share as practicable as "in-kind" (e.g., contributions to the project that have a quantifiable value but do not require the institution to commit any "new" cash not otherwise already available for the purpose stated). Also, cost-share should be provided only in the amount required by the sponsor. Excess cost-sharing is discouraged and may not be approved by ORGA.

The most common type of in-kind cost-share is a contribution of personnel time and the related share of fringe benefits and associated indirect costs (also called "Facilities and Administration [F&A] costs" or "overhead"). Other contributions, such as supplies and materials, photocopying services, and long-distance telephone charges, may be pledged. However, these contributions must be directly related to the conduct of the project, and the PI must keep adequate records (such as copies of purchase orders, photocopier and telephone logs) to document these contributions. As the documentation of these kinds of contributions is tedious, they should not be pledged unless absolutely necessary to meet the minimum required cost-share imposed by the sponsor.

When cash not otherwise already available within the control of the PI is needed to meet the sponsor's cost share requirement, the PI should first consult with his/her department chair/unit director and dean/vice-president to determine the availability cost-share funds from those sources. If additional cash cost-share is still needed, the PI may request funds from the Academic Match account, which is administered by ORGA. The request should be sent to the Director of Research & Grants Administration via e-mail and must document sponsor requirements, the total amount of cash cost-share needed, the amounts pledged by the department chair/unit director and/or dean/vice-president, and the amount of request for Academic Match funds. If the proposed expenditure is for major equipment or instrumentation (excluding general purpose computers), the PI may request that all of the required cash cost-share be provided from the Academic Match account. Academic Match pledges are subject to availability of funds.

The PI must provide documentation of all commitments of mandatory cost-share from internal sources and/or match from external sources to ORGA prior to proposal submission to the sponsor. Upon receipt of award, the PI will be responsible for regular and timely documentation and reporting to Grants Accounting of all pledged cost-share and external match during the conduct of the sponsored project and through grant closeout.

#### 5.2.3.2 Voluntary Cost-Sharing and/or Matching

Proposing voluntary cost-share or match when the sponsor is silent on the issue is strongly discouraged.

If a sponsor encourages, but does not require, cost-sharing and/or matching, the PI may describe, without quantifying the value of, institutional or other contributions to the project in the proposal narrative and/or the budget justification. However, no dollar value should be assigned to this cost-share and/or match in the line-item budget or on the proposal cover sheet.

Any deviation from this policy prohibiting quantification of voluntary cost-sharing or matching must be approved by ORGA prior to submission of the proposal to the sponsoring agency.

#### 5.2.4 Indirect Costs (also called "Facilities & Administration [F&A] Costs" or "Overhead")

Indirect costs are those costs incurred by the College that are not readily identifiable with a specific project, program, or activity but which are necessary to the general operation of the organization. These are costs of operating the facilities and may include the costs of maintenance, depreciation, general and departmental administration, utilities, janitorial services, accounting and purchasing services, research administration and accounting services, library operations, etc.

##### 5.2.4.1 Waiver of Indirect Costs

The Principal Investigator should include in the project budget the maximum amount of indirect costs that the sponsoring agency allows according to the agency's written policies and procedures. The PI is not authorized to negotiate reduced indirect costs or indirect cost waivers with sponsoring agencies without prior approval of ORGA. Should need for negotiation be anticipated, the PI should contact ORGA well in advance of budget development and proposal submission so that the matter may be addressed. Procedures for requesting a reduction in or waiver of indirect costs are detailed in College's "Reduction in or Waiver of Indirect Costs on Sponsored Projects" policy. In consideration of requests for reduction in or waiver of indirect costs, ORGA will ensure compliance with the South Carolina Federal and Other Funds Oversight Act (SC Act 651).

#### 5.3 South Carolina Federal and Other Funds Oversight Act (SC Act 651) Compliance

##### 5.3.1 General Requirements

The South Carolina Federal and Other Funds Oversight Act (Chapter 65, Title 2 of the 1976 Code) states that the College may not receive or expend federal or other funds unless they are authorized in the annual state Appropriations Act. The College must include anticipated federal and other funds in its annual budget submission to the State Budget and Control Board (SCBCB). This function is carried out by the Grants Accounting Office with assistance from the Office of Research & Grants Administration.

The College may receive and expend unanticipated federal and other funds which are not included in the Appropriations Act throughout the year, but only if it submits an expenditure proposal for each project to the SCBCB. The College must receive authorization from the SCBCB prior to receipt and expenditure of these grant or contract funds. Turnaround time for such authorization can take from one week to one month.

The Act further states that the College "shall recover the maximum allowable indirect costs on ...[federally funded] projects, subject to applicable federal laws and regulations" and that "all indirect cost recoveries must be credited to the general fund of the State, with the exception of recoveries from research and student aid grants and contracts."

##### 5.3.2 Exemption of Research Projects

The South Carolina Federal and Other Funds Oversight Act specifically exempts research grants from the above prior review provision. (ORGA reports research awards to the SCBCB after receipt.) A research grant is defined as "an award of funds from the United States Government or other entity for the principal purpose of systematic study and investigation undertaken to discover or establish facts or principles. The principal purpose of a 'research grant' is not to provide services to the public or to the employees or clients thereof."

Although research awards are also exempt from the indirect cost recovery requirement, the PI is expected to request full indirect costs from the sponsor in accordance with the sponsor's normal operating procedures. Any request for a reduction in, or waiver of, indirect costs on a research project must be filed in accordance with the Policy on Reduction and Waiver of Indirect Costs and must be approved by ORGA. The PI is not authorized to negotiate a reduced indirect cost rate or an indirect cost waiver with the sponsoring agency without prior approval of ORGA.

##### 5.3.3 Exemption of Small Projects (Awards of \$200,000 or Less per Year)

Awards of \$200,000 or less per year are also exempt from the prior review provision of Act 651. (ORGA reports these awards to the

SCBCB after receipt.) Although these awards are also exempt from the indirect cost recovery requirement, the PI is expected to request full indirect costs from the sponsor in accordance with the sponsor's normal operating procedures. Any request for a reduction in, or waiver of, indirect costs must be filed in accordance with the Policy on Reduction in and Waiver of Indirect Costs and must be approved by ORGA. The PI is not authorized to negotiate a reduced indirect cost rate or an indirect cost waiver with the sponsoring agency without prior approval of ORGA.

#### 5.3.4 Assurance of Compliance

To ensure compliance with the South Carolina Federal and Other Funds Oversight Act, the president has designated the Office of Research & Grants Administration as the responsible unit within the College for classifying proposed projects (research or non-research), for obtaining authorization from the SCBCB for expenditure of grant and contract funds, for ensuring that full indirect costs are recovered on non-research awards greater than \$200,000 per year in accordance with state law, and for reviewing and acting on requests for reduction in or waiver of indirect costs for research projects and for small non-research projects (awards of \$200,000 or less per year).

### 5.4 Internal Proposal Review

#### 5.4.1 Pre-Award Proposal Routing Process

When the proposal is finalized, a Pre-Award Proposal Routing Sheet, which is available on-line at <<http://www.orga.cofc.edu/>>, must be completed. ORGA staff will assist as necessary in the completion of the Routing Sheet. The Routing Sheet must first be signed by the PI and then must be submitted, along with a copy of the proposal, to the PI's department chair/unit director for official approval. After the department chair reviews and signs the routing sheet, the package is sent to the dean/cognizant vice-president for review and signature. When both the department chair/unit director and the dean/cognizant vice-president have signed the Routing Sheet, the package is forwarded to the ORGA for final review and approval.

### 5.5 Proposal Review by the Office of Research & Grants Administration

#### 5.5.1 Required Review Time

The Office of Research & Grants Administration requests two working days for review and approval of proposals. When submission deadlines preclude this review period, the PI is advised to notify the ORGA while the proposal narrative and budget are under development. ORGA may request a draft narrative and budget for review prior to proposal completion. This will facilitate an expedited review of the final proposal.

#### 5.5.2 Authorized Institutional Official Signature

The Authorized Institutional Officials for all grant and contract proposal submissions are the Director and Assistant Director of ORGA. Faculty and staff are not authorized to sign for the institution for any grant or contract proposal submission. ORGA will not approve proposals for submission until the department chair/unit director and the dean/cognizant vice-president have signed the Pre-Award Proposal Routing Sheet and all commitments of institutional cost-share and external match have been documented. In some cases, particularly where the proposed project carries a continuing obligation for the college beyond the award expiration date, ORGA staff may consult with institutional vice-presidents and/or the president before approving a proposal for submission.

### 5.6 Proposal Submission

Following ORGA approval, the PI may submit the proposal to the funding agency. Photocopying and mailing are the responsibility of the PI.

## 6.0 AWARD NEGOTIATION, ACCEPTANCE, AND PROCESSING

### 6.1 Award Negotiation

The sponsor may require modifications to the proposed scope of work or to the project budget prior to issuing a grant award or contract. Primary responsibility for this negotiation rests with the Principal Investigator, although it is strongly recommended that he/she involve ORGA in all negotiations. Involvement of ORGA is required when changes in time and effort commitment, indirect cost rate, or cost-share or match commitments are considered.

Generally speaking, the rules and regulations of the sponsoring agency and the policies and procedures of the college that governed the original proposal submission remain in effect through negotiations. Any changes in the proposed scope of work or budget require approval of the Office of Research & Grants Administration prior to submission to the sponsoring agency. Such approval will be based on careful analysis of the proposed changes and the anticipated impact on both the project and the institution. ORGA may consult with the PI's department chair/unit director and/or dean/cognizant vice-president before approving modifications to the scope of work or revisions to the project budget.

### 6.2 Award Acceptance

All official notices of grant award and contracts should be forwarded immediately to the Office of Research & Grants Administration. ORGA staff will review the award documents to ensure that the interests of the institution and the Principal Investigator are protected. ORGA may negotiate the terms and conditions of the award with the sponsor. When an agreement with the sponsor is reached, ORGA will officially accept the award. The PI is not authorized to accept a grant award or sign a sponsored project contract on behalf of the institution. The Director and Assistant Director of ORGA are the Authorized Institutional Officials for grant award acceptance and sponsored project contracting.

### 6.3 Post-Award Processing

Upon acceptance of the award or execution of the contract, ORGA will complete a Post-Award Data Collector which summarizes information about the project, the budget, and the terms and conditions of award. All pertinent project information will then be forwarded to the Grants Accounting Office in the Office of the Controller. Grants Accounting will open a new unique account for the project.

### 6.4 Grants Accounting Orientation

The PI is expected to participate in an orientation provided by the Grants Accounting Office prior to expenditure of project funds. During this orientation, the terms and conditions of the award will be reviewed, instructions for viewing account information on-line will be provided, and any questions the PI has regarding fiscal management of the project will be answered by Grants Accounting staff. An authorized signature form for the grant account will also be completed at that time.

## 6.5 Risk Accounts

Occasionally, a PI will be notified that a proposal has been recommended for funding but funding has not yet been officially approved or funding has been approved but the official award paperwork is delayed. In such cases, with proper documentation of the anticipated award, the PI may request establishment of a "risk account" so that work on the project may begin. PIs who wish to request a risk account should consult with ORGA. If ORGA determines that a risk account is necessary or desirable, the department chair/unit director must first agree to accept responsibility for any expenditures incurred and/or any uncancellable obligations if for any reason funding does not materialize.

## 7.0 ADMINISTRATION OF SPONSORED PROJECTS

### 7.1 Project Administration and Fiscal Management

The PI has primary responsibility for the technical conduct of the funded project and for the management of all project funds. He/she is responsible for completing and filing all technical reports, including required interim progress reports and the final project report.

### 7.2 Grants Accounting

The Grants Accounting Office provides all financial accounting and fiscal reporting and invoicing services. The PI is not authorized to submit invoices or fiscal reports to the sponsoring agency. If a combined technical and fiscal report is required, the PI should coordinate submission with the Grants Accounting Office.

The Grants Accounting Office also maintains the official institutional records for grants and contracts and provides such information for reporting proposes as requested by College officials, sponsors, and auditors.

## 8.0 RESEARCH COMPLIANCE

The PI is responsible for complying with all institutional policies and procedures related to research ethics (including the use of human participants in research, the care and use of animals in research and instruction, and misconduct in research and scholarship), conflict of interest, and intellectual property. These policies are available on the ORGA website at <<http://www.orga.cofc.edu/>>.

## 9.0 RESPONSIBILITIES OF THE PRINCIPAL INVESTIGATOR

The PI has primary responsibility for the following tasks:

- Conceptualizing the project
- Selecting an appropriate sponsor for the proposed project
- Developing the proposal narrative and project budget
- Identifying the source(s) of any required cost-share or matching funds and securing approval for those funds from the department chair/unit director, dean/vice-president, ORGA, or external sources
- Completing a Pre-Award Proposal Routing Sheet to accompany the proposal for the internal review process
- Securing all necessary institutional approvals prior to submission of the proposal to the funding agency
- Participating in negotiation of the grant award or contract with ORGA Administration
- Maintaining satisfactory progress in the technical conduct of the project
- Complying with ORGA policies and procedures including conflict of interest; misconduct in research and scholarship; the use of human participants in research; the care and use of animals used in research and instruction; and intellectual property
- Complying with state regulations and institutional policies and procedures including those related to human resource management, procurement, travel, and research safety
- Responsibly managing project funds, including expending funds within the project period and within designated budget categories Requesting budget modifications and no-cost extensions through ORGA Completing and submitting technical reports according to established time schedules Certifying time and effort to ORGA in a timely manner Providing documentation of grant/contract expenditures and cost-share and external matching contributions to the Grants Accounting Office in a timely manner
- Assisting Grants Accounting in account closeout

## 10.0 RESPONSIBILITIES OF THE DEPARTMENT CHAIR/UNIT DIRECTOR

The department chair/unit director has primary responsibility for the following tasks:

- Encouraging faculty and staff to seek external funding for research, curriculum development, training, and community service projects
- Serving as a mentor for junior faculty and faculty and staff members who have not had extensive experience in seeking and managing external funds
- Assisting the PI as necessary in preparing the proposal, with particular emphasis on technical aspects of the project and with special attention to proposed protocols involving human research participants or use of animals Assessing departmental personnel needs in light of grant and contract activity and approving faculty and staff effort proposed for the project
- Assisting the PI in identifying source(s) of required institutional cost-share and external matching funds (cash and in-kind) if required by the sponsor and certifying the availability of such funds via signature on the Pre-Award Proposal Routing Sheet
- Approving the PI's request to the sponsoring agency via signature on the Pre-Award Proposal Routing Sheet
- As necessary, participating in negotiation of a grant or contract
- Consulting with the PI as necessary to ensure that work on the sponsored project is progressing satisfactorily
- For sponsored projects involving human research participants, animals, or biohazards, providing sufficient oversight to ensure compliance with governmental regulations and institutional and professional standards

- Assisting the PI as necessary in solving technical problems with the conduct of the sponsored project
- To the extent necessary, assisting the PI in completing and submitting technical reports on time
- Assisting the PI as necessary in managing project funds
- Monitoring as necessary to ensure that funds are expended within the project period and that budget categories are not excessively overspent In the event of audit exceptions, disallowances, or over-expenditures, providing funds from departmental sources (or securing them from some other source) to correct negative sponsored project account balances

11.0 RESPONSIBILITIES OF THE DEAN/COGNIZANT VICE-PRESIDENT

The dean/cognizant vice-president has general sponsored project oversight responsibilities. His/her signature on the Pre-Award Proposal Routing Sheet indicates that the sponsored project will aid in the transmission of new knowledge to society, will train individuals for participating in complex technologies, will provide support for building and expansion of specialized facilities and equipment, or will otherwise provide some benefit to the institution in keeping with its mission. The signature of the dean/cognizant vice-president also indicates approval of time commitments and institutional in-kind and cash cost-share. and acceptance of responsibility for match commitments made by external parties. In the event of audit exceptions, disallowances, or over-expenditures that cannot be covered with departmental/unit funds, the dean is responsible for identifying funds to correct negative sponsored project account balances.

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Proposed Revision:	ORGA	12-07-2002
Review:	Academic Affairs and Deans	01-22-2003
Review:	Faculty R&D Committee	02-20-2003
Effective Date:		02-20-2003