Grant Management Guide

For Principal Investigators, Project Directors, and Financial Managers
# Table of Contents

Introduction ......................................................................................................................... 1

Life Cycle of a Grant .............................................................................................................. 2

Proposal Development and Submission Process ................................................................. 3
  A. External Grant Proposal Development and Submission Overview ..................... 4
  B. Internal Grant Proposal Development and Submission Overview .................... 8
  C. USI Financial Conflict of Interest Policy ................................................................. 10
  D. Faculty Workload Assignment Policy ...................................................................... 11
  E. Budget Development ................................................................................................. 11
     Cost Categories ............................................................................................................. 11
     Allowable and Unallowable Costs Table ................................................................. 13
     Compensation ............................................................................................................. 14
     Faculty ......................................................................................................................... 14
     Administrative and Clerical Employees ................................................................. 15
     Supplemental Compensation ..................................................................................... 15
     Cost Sharing ................................................................................................................ 16
  F. Submitting Grants in Cayuse 424 ............................................................................. 17
     External Grants ........................................................................................................... 17
     Internal Grants ............................................................................................................ 18

Receiving an Award ............................................................................................................. 19

Sub-Awards .......................................................................................................................... 20

Management of Funds ......................................................................................................... 21
  A. Responsibilities .......................................................................................................... 21
     Principal Investigator ................................................................................................. 21
     Financial Manager ....................................................................................................... 21
     USI Accounting Contact ............................................................................................ 22
  B. Cost Sharing ................................................................................................................ 22
  C. Cost Transfers ............................................................................................................. 23
  D. Budget Adjustments ................................................................................................... 23
  E. Effort Certification ....................................................................................................... 24

Non-Financial Reports / Progress Reports ......................................................................... 25

Glossary of Common Terms ................................................................................................. 26

Appendix .............................................................................................................................. 29
  A. Budget Justification example
  B. Biographical Sketch example
  C. OSPRA Grant Application Pre-Notification form
  D. External Grant Proposal Review Cycle Policy
  E. Effort Certification Policy and Report example
Introduction

The purpose of the USI Grant Management Guide is to educate and provide a framework of knowledge for principal investigators (PI) and project directors (PD) to understand and execute their responsibilities on externally funded projects. The scope of grant management is large and it is crucial for PI/PDs to understand the responsibilities that they assume when they undertake this role. The information in this guide is from Federal circulars (official guideline documents) that govern financial practices at institutions of higher education issued by the White House Office of Management and Budget (OMB), as well as best practices established by professional organizations and experts in the field from institutions with significant grant experience (See Appendix for links to circulars).

Principal investigators or project directors are faculty or administrative employees who assume the leadership position on a grant proposal. Upon award the PI/PD assumes all responsibilities for the execution of the proposed project or research. These responsibilities include but are not limited to financial management, project direction, and reporting. The PI/PD is the responsible party for all matters related to the grant award. USI administrative offices provide support to the PI/PD to ensure that all regulatory compliance is maintained.

The responsibilities of the PI/PD and the institution are primarily governed by three OMB circulars: A-21, A-110, and A-133. These circulars provide guidance on the financial practices of institutions of higher education and how grant funds can be expended (i.e. support research by paying for salaries, equipment, supplies, etc.). USI’s institutional policies for sponsored projects are based on the OMB circulars, as well as on USI policies when appropriate, so PI/PDs should familiarize themselves with information in the circulars [http://www.whitehouse.gov/omb/circulars](http://www.whitehouse.gov/omb/circulars).

This Grant Management Guide will supplement the resources available on campus during the pre- and post- award stages. Multiple USI administrative offices are involved in the grant and contract (i.e. sponsored projects) process. Those offices include: Office of Sponsored Projects and Research Administration (OSPRA), Controller’s Office, Provost, Business Affairs, and Human Resources, College Deans and Academic Department Chairs. The combined efforts of these offices support PI/PDs in securing and administration of external funding.
Grant processes can seem complicated and challenging. The illustration below provides an overview of the life cycle of a grant, from developing a proposal to closing out a completed award. Understanding the components of these processes can help PIs and PDs navigate through these stages. The following pages of this guide provide more information on each stage of the process.
Proposal Development and Submission Process

The Office of Sponsored Projects and Research Administration (OSPRA) is a division within the Office of Planning, Research, and Assessment (OPRA). OSPRA staff includes the Executive Director and two grant administrators. Each grant administrator is assigned to specific colleges and university departments to assist them with their external funding needs.

OSPRA assists faculty and administrators with identifying, developing, and securing external grant funding. The development of the narrative and budget for submission to a funder is a time consuming process and should be approached strategically and deliberately. The recommended time for proposal development is typically one year. OSPRA encourages potential Principle Investigators/Project Directors (PI/PDs) to work with our staff on proposal development.

The USI grant administrator…

- Is the PI/PDs partner in the grant process and can assist in various capacities to obtain external funding and administer funding.
- Serves as a liaison with the grant agency when questions arise.
- Assists the PI/PD with interpreting and responding to the grant guidelines, editing of grant proposals, and ensures the proposal is properly reviewed by all appropriate parties prior to submission.
- Manages the proposal process, assists in keeping the process on schedule, and is responsible for submitting the proposal to the funding agency.
- Monitors PI/PD compliance with non-financial reporting requirements.

Considerations before applying for external funding:

- How well does your project fit with the objectives of the grant guidelines or the agency program?
- Is there cost share required (i.e. matching of funds using USI dollars) and, if so, is money available from your college or department to meet this requirement?
- What are the time commitments of the key players on other grant proposals?
- Are the necessary resources (time, personnel, equipment, etc.) available for proposal and project execution?
- If there is a short turnaround time (typically 30 days or less), find out if the funding opportunity is reoccurring, such as available on an annual basis. If so, you might consider spending more time developing a quality proposal and submitting it the next time the agency is accepting proposals.
A. External Grant Proposal Development and Submission Overview

This section provides an overview of the development and submission process of external grants at USI.

Step 1: Obtain grant application guidelines and read thoroughly.

Determine if your project and USI meet all eligibility requirements. If you are unsure if your project or USI meets the eligibility requirements, contact OSPRA for assistance.

Step 2: Complete the OSPRA Grant Application Pre-Notification form.

This form is due to OSPRA a minimum of 15 business days before the grant submission deadline. This is the initial contact with OSPRA and allows for USI grant administrators to create the application package in Cayuse 424; USI's grant proposal software. The PI/PD's dean or supervisor will be notified by OSPRA that a pre-notification form has been submitted. PI/PDs are strongly encouraged to submit the Pre-Notice Form to OSPRA as soon as you identify a grant opportunity you are interested in (See Appendix C for an example Pre-Notification form). As a part of the Pre-Notice Form PI/PD's will be required to sign acknowledging that they have read the USI Grant Management Guide and understand their responsibilities in the preparation, submission, and administration of the application.

Click here to download the Pre-Notification Form.

Step 3: Consult with OSPRA staff to develop a timeline, engage on and off campus partners, edit drafts and obtain assistance with the various components of the proposal.

The nature of external grants is such that deadlines are tight and PI's must work quickly to meet the funder’s deadline. Development of a timeline is an effective way of strategically planning the execution of the proposal, who is responsible for which components, and can assist in completion of the proposal in a timely fashion.

Step 4: Start writing your proposal.

Make sure that you maintain strict adherence to the grant guidelines while also keeping in mind federal, state, and university policies that will apply as well. PI/PDs are strongly encouraged to work with OSPRA staff during the narrative and budget development stages. OSPRA staff can provide insight into federal, state, and university policies, assist with editing, and review drafts for clarity, continuity, adherence to guidelines, and budget/narrative agreement. Working with OSPRA staff prior to the internal approval deadline ensures a smoother approval process.

The PI/PD is also encouraged to contact relevant program officers or personnel at the funding agency to answer questions about proposal development related to the specific grant opportunity.

It is important to note that many grant agencies have very specific formatting requirements for grant applications. It is important to follow all proposal formatting rules including font size, margins, number of pages, number of words and/or characters. Failure to follow formatting requirements may result in the granting agency rejecting the proposal for non-compliance.
Below is a list of common proposal components:

**Abstract**

The abstract describes the major objectives of the proposed research and the research strategy to meet these objectives. It serves a variety of purposes. Sponsors often use the abstract in assigning the proposal to the appropriate review panels. Reviewers use the abstract to gain an initial perspective of the key concept of the project and its significance. After funding is secured, the abstract may be used for entry in national databases and its keywords are picked up for quotation indexes.

**Narrative/Project Description/Statement of Work**

The narrative is the most important part of any proposal. Simply put, the narrative should include sufficient information needed for evaluation of the project, independent of any other document. The narrative is a detailed program account, including an explanation of the objectives in clear and concise terms, and a description of the procedures to be followed in carrying out the objectives of the project.

**Biographical Sketch**

A biographical sketch is a brief sketch of the key personnel's CV, or curriculum vitae (resume) and is typically required for all key personnel. A biographical sketch highlights specific research/project experience, related publications, and other important biographical information with regard to professional personnel. Each agency has its own requirements that govern the format of the biographical sketch. See examples from the National Science Foundation and the National Institutes of Health in appendix b.

**Other Support - Current and Pending**

Virtually all funding agencies require information on the PI/PDs present support and pending proposals, inclusive of all external funding sources. The same type of information must be supplied both for active awards and for pending proposals and typically includes the sponsor of the project, the title of the project, the project period, the total project costs, and the percentage of effort devoted by the PI/PD on the project. This requirement applies not only to the PI/PD, but to all other key personnel formally committing effort to a proposed project.

**Facilities and Resources**

This section of the proposal identifies and describes the facilities and resources that will be used in the proposed research. If unique facilities exist with regard to the proposed research, it is important to emphasize this in the proposal - describing capacities, relative proximity, and the extent of availability to the project. Information can also be provided on university-wide facilities or support services such as the library, computer labs, or specialized centers.
Additional attachments, when applicable and/or required by the funding agency

Often times funding agencies require additional documents to support your proposal or the PI/PD may choose to include them to strengthen the argument for funding of the proposal. Some common supporting documents include but are not limited to:

- References
- Letters of support/ commitment
- Publications
- Financial documentation: reports, audits, tax exemption letters, F&A agreements. The majority of these documents are available through OSPRA. Contact your grant administrator with questions.
- Curriculum vitae of key personnel
- Graphs, data, or other documents that support the project
- Job descriptions

Note: For grant proposals that include human subject research, agencies generally do not require IRB approval at the time of submission of the proposal, but do require proof of approval before distributing funds to USI if the grant is awarded. All human subjects research, regardless of whether it is funded or unfunded research is required to receive IRB approval before starting the actual research.

Step 5: Work with your OSPRA grant administrator to develop budget and prepare budget justification.
A detailed, line-item budget identifying all proposed costs needed to conduct the research/project must be prepared in compliance with the funder's guidelines, applicable cost principles and USI policies. Cayuse uses the federal Research & Related (RR budget) budget forms for both federal and non-federal proposals. All budgets for external grant proposals will be developed in these forms. The RR budget has the following categories:

A. Key Personnel (this will automatically be populated with the PI/PD’s salary and benefit information.
B. Other Personnel
C. Equipment (unit price > $5,000)
D. Travel
E. Participant/Trainee Support Costs
F. Other Direct Costs
G. Direct Costs
H. Indirect Costs

PI/PD’s will complete the forms inserting budget items as they fit in these categories. Not all categories will be applicable to all proposals. For additional instructions on budget development in Cayuse visit: http://www.usi.edu/ospra/cayuse-424, or contact the grant administrator for your college.

A budget justification is one of the most important sections of the proposal. While it used to be sufficient to list the items needed and their costs, now PI’s must make a case for almost everything needed to conduct the project. A budget justification identifies the need for a particular cost and how the cost was estimated. It may seem redundant in many cases, but in fact it is usually not. The need for a particular piece of equipment, for instance, may be implied in the project description, but the implication is not necessarily apparent to a non-specialist
reviewer or a contract or grant specialist. The need must be made explicit. The place to do this is in the budget justification.

**IMPORTANT: A budget justification is required for all proposals to be processed and submitted, regardless if one is required by the funding agency or not.** The budget justification allows the OSPRA staff and the Controller’s Office to better understand the resources being sought, whether those requests match the project design, and meet federal and USI regulations regarding direct costs. See appendix A for an example.

**Step 6: Have all documents reviewed by OSPRA staff prior to the eight day review cycle deadline.**

The Grant Review and Submission cycle policy requires that all external grant proposals be submitted to OSPRA at least 8 business days prior to the deadline to obtain internal administrative approval (see Step 7).

**Step 7: Submit proposal for internal approval eight business days prior to the proposal deadline.**

All proposals that are submitted for external funding are subject to the internal approval process (see appendix d for the Grant Proposal Approval Review Submission Policy). The process begins with the uploading of the proposal to CAYUSE 424. Visit [http://www.usi.edu/ospra/cayuse-424](http://www.usi.edu/ospra/cayuse-424) for tutorials for using Cayuse with all of the required documents a minimum of eight business days prior to the submission date.

The proposal is then reviewed and receives electronic signature approval by the following offices (in order of approval): OSPRA, Grant Accountant, Assistant Controller, OSPRA, Principal Investigator, Department Chair (or equivalent), Dean (or equivalent), Executive Director of Sponsored Projects, Provost, and a final review by OSPRA. Once all approvals have been obtained the proposal is submitted to the funding agency by OSPRA.

Not sending proposals through the USI approval process as described above puts both the PI and University at significant legal risk. Therefore, OSPRA reserves the right to withdraw applications submitted without approval. In the event a proposal that was not sent through the USI internal approval process is awarded, the funds will be returned to the funding agency. Below is a checklist of documents to include in the proposal submission to OSPRA:

**USI Approval Process – Document Checklist**

All items are to be uploaded into the PI’s proposal shell as both source documents (word, excel etc.) and as a .pdf.

- Pre-Notice form (uploaded by the grant administrator when the application package is created).
- Grant application guidelines
- Abstract
- Proposal narrative
- Proposal budget (in Cayuse R&R Budget forms whether it is a federal agency or not)
- Budget Justification (required by USI even if it is not required by the agency - See appendix A for a sample budget justification)
• Completed Conflict of Interest form for the PI and all key personnel (this is uploaded in the documents section in Cayuse)
• Completed Faculty Workload Assignment form for the PI and all key personnel (this is uploaded in the documents section in Cayuse)

Step 8: Submission of an approved proposal to the funding agency.

OSPRA is responsible for submitting all grant applications to the funding agency and will notify the PI/PD and their dean or supervisor once confirmation of the submission is received.

B. Internal Grant Proposal Development and Submission Overview

This section provides an overview of the development and submission process of internal grants at USI.

Step 1: Obtain grant application guidelines and read thoroughly.
Determine if your project meets all eligibility requirements for the internal grant program you have chosen. If you are unsure if your project or USI meets the eligibility requirements, contact OSPRA for assistance.

OSPRA provides support for the following internal grant programs:

Fall Awards:
• Summer Research Award for Junior Faculty
• Office of the Provost Summer Grant for Pilot Research Projects
• Applied Research Faculty Outreach and Engagement Award
• Darrel Bigham Faculty Engagement Award
• New Harmony Outreach and Engagement Faculty Grant

For information visit: http://www.usi.edu/ospra/internal-awards-and-grants

Spring Awards:
• Faculty Research, and Creative Works Grant

For information visit: http://www.usi.edu/ospra/internal-awards-and-grants

Step 2: Complete the OSPRA Internal Grant Intent to Apply form.
This form is due to OSPRA a minimum of 15 business days before the grant submission deadline. This is the initial contact with OSPRA and allows for USI grant administrators to create the application package in Cayuse 424; USI’s grant proposal software. All internal grants and awards are required to be submitted and approved through Cayuse 424.

Click here to download the Intent to Apply

Step 3: Start writing your proposal.
Make sure that you maintain strict adherence to the grant guidelines while also keeping in mind University policies that will apply as well (i.e. travel policies). PI/PDs are strongly encouraged to work with OSPRA staff during the narrative and budget development stages. OSPRA staff can provide insight into university policies, content development, assist with editing, and review
drafts for clarity, continuity, adherence to guidelines, and budget/narrative agreement. Working with OSPRA staff prior to the internal approval deadline can increase the PI/PD’s chances of funding.

The PI/PD is also encouraged to contact the Program Directors for internal grant programs to answer questions about proposal development related to their specific grant opportunity.

For additional information and contact information for Program Directors visit: http://www.usi.edu/ospra/internal-awards-and-grants

It is important to follow all proposal formatting rules including font size, margins, number of pages, number of words and/or characters. Failure to follow formatting requirements may result in the proposal being rejected without review.

**Step 4: Work with your OSPRA grant administrator to develop budget and prepare budget justification.**

A detailed, line-item budget identifying all proposed costs needed to conduct the research/project must be prepared in compliance with the funder’s guidelines, applicable cost principles and USI policies. Cayuse uses the federal Research & Related (RR budget) budget forms for both federal and non-federal proposals. All budgets for external grant proposals will be developed in these forms. The RR budget has the following categories:

- **A. Key Personnel** (this will automatically be populated with the PI/PD’s salary and benefit information.
- **B. Other Personnel**
- **C. Equipment** (unit price > $5,000)
- **D. Travel**
- **E. Participant/Trainee Support Costs**
- **F. Other Direct Costs**
- **G. Direct Costs**
- **H. Indirect Costs**

PI/PD’s will complete the forms inserting budget items as they fit in these categories. Not all categories will be applicable to all proposals. For additional instructions on budget development in Cayuse visit: http://www.usi.edu/ospra/cayuse-424, or contact the grant administrator for your college.

**Step 5: Have all documents reviewed by OSPRA prior to the deadline.**

Allowing OSPRA staff to review your proposal package can ensure that all documents are included as dictated by the guidelines of the program the PI/PD is applying to, budget accuracy, and feedback on the proposal. Grant Administrators in OPSRA need a minimum of 5 business days prior to the deadline to be able to provide feedback on proposals.

**Step 6: Submit to OSPRA for submission and routing to Department Chair and Dean.**

Once the PI/PD’s proposal is complete and uploaded to CAYUSE they will electronically sign the package in CAYUSE. The proposal is submitted to OSPRA and then approved by the PI/PD’s department chair and dean. Once approved the proposal is submitted to the campus committee responsible for reviewing proposals for that program.
C. USI Financial Conflict of Interest Policy

University of Southern Indiana

USI Investigator - Significant Financial Interest Disclosure Policy

Federal regulations require institutions of higher education to have policies and procedures in place that ensure that investigators disclose any significant financial interest that may present an actual or potential conflict of interest in relation to externally sponsored projects. Such disclosures must be made prior to the submission of the proposal for funding, and institutions must develop specific mechanisms by which conflicts of interest will be reviewed and satisfactorily managed, reduced, or eliminated prior to acceptance of an award. In addition, if a new reportable significant conflict of interest arises at any time during the period after the submission of the proposal through the period of the award, the filing of a disclosure is also required.

Applicability
This policy applies to all investigators and their spouse and dependent children. "Investigator" is defined as the principal investigator, project director, co-principal investigators, and any other person at the University who is responsible for the design, conduct, or reporting of research or educational activities funded, or proposed for funding, by an external sponsor.

Elements Subject to Disclosure
Each investigator must disclose all significant financial interests:

- that would reasonably appear to be directly and significantly affected by the research or educational activities funded, or proposed for funding, by an external sponsor; or
- in entities whose financial interests would reasonably appear to be directly and significantly affected by such activities.

"Significant financial interests" means anything of monetary value, including, but not limited to, salary or other payments for services (e.g. consulting fees or honoraria); equity interests (e.g. stocks, stock options, or other ownership interests); and intellectual property rights (e.g. patents, copyrights and royalties from such rights).

The term does not include:
- salary, royalties, or other remuneration from the University;
- income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- income from service on advisory committees or review panels for public or nonprofit entities;
- or financial interests in business enterprises or entities if the value of such interests do not exceed $10,000 (or $10,000 per annum if such interests represent salary, fees, or other continuing payments) or represent more than 5 percent ownership interest for any one enterprise or entity when aggregated for the investigator and the investigator's spouse and dependent children. Investigators who have secured a federal grant funding the maximum allowable financial interest is $5,000 per year.

Disclosure Procedures
In accordance with federal regulations, all investigators with a potential conflict of interest as described above will identify the fact and make complete disclosure of the conflict prior to submission of the proposal. Investigators will submit the Significant Financial Interest Disclosure
Form to the Office of Grants and Sponsored Research with the submission of each external grant proposal.

Click here to download the Conflict of Interest Form

**D. Faculty Workload Assignment Policy**

The Faculty workload assignment policy and form were developed to track the time commitment of PI/PDs on sponsored projects. Tracking PI/PD time/effort ensures that a PI/PD’s effort does not exceed 100%. The Faculty Workload form is completed with the submission of each external grant proposal. See the complete Faculty Workload Assignment policy.

Click here to download the Faculty Workload Assignment Form

**E. Budget Development**

A proposed budget is simply a financial plan to accomplish the objectives outlined in the proposal narrative. It should include sufficient resources to fully execute the planned project.

Before you start preparing your budget:

- Review the funder’s guidelines
  - Identify grant restrictions
  - Determine if facilities and administrative (F&A) cost recovery is permitted and/or limited
  - Determine if cost share is required and if resources are available to meet this requirement.
- Review the proposal narrative and identify activities which require funding
- Assign activities to one of the following budget categories: salaries and wages, benefits, travel, supplies, contractual/consulting services, equipment, and other
- Estimate costs for each budget category
- Identify costs to be funded by the granting agency
- Identify costs to be funded with existing university resources (if required) and secure funding sources

**Cost Categories**

Costs may be classified as direct costs or facilities and administrative (F&A) costs.

Direct costs are those costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy\(^1\).

Expenses that are allowable but do not meet the requirements of direct costs (easily identifiable with a high degree of accuracy) must be treated as F&A\(^2\). F&A costs are also known as indirect or overhead costs. Recovery of F&A costs does not generate revenue for the University, but reimburses the University for real costs that are incurred as a part of a sponsored project.

\(^1\) Section D.1. of OMB Circular A-21
\(^2\) Section B.4. of OMB Circular A-21
The University of Southern Indiana requires that F&A costs be included in the proposed budgets for grants and contracts when allowable. If a sponsor’s written policy or proposal guidelines place a limit on the percentage or amounts of F&A costs that may be recovered, then USI will request F&A costs in accordance with the sponsor’s requirements. **Otherwise all proposals should utilize the university’s federally negotiated rate of 51 percent of salaries and wages (not including benefits).** Federal and state regulations require that the approved F&A cost rate be applied consistently to all sponsored projects not only those funded by the federal government. Failure to recover all costs reduces the university’s capacity to perform its core functions and undermines the potential benefits of sponsored projects to the institution. Click here for Additional information regarding F&A policies.

**Allowable and Unallowable Costs**

Costs must meet the following four criteria in order to be charged to a grant or project:

1. Expenses must be **allowable** by OMB Circular A-21, University policies, agency guidelines, and the grant agreement.³
2. Expenses are **allocable** to a specific grant when they directly benefit the project and can be accurately attributed to the project.⁴
3. Expenses are **reasonable** if a prudent person would be willing to pay the same amount for the product or service under similar circumstances.⁵
4. Expenses must be **consistently treated** as either direct cost or F&A when incurred for the same purpose.⁶

The following table indicates the general allowability of certain expenses. This listing is not all inclusive. Grant agreements may specifically allow expenses that are generally disallowed or vice versa. As a result, the final determination of allowability must be evaluated on a case by case basis.

---

³ Section C.4.d.(1) of OMB Circular A-21
⁴ Section C.4.d.(1) of OMB Circular A-21
⁵ Section C.4.d.(1) of OMB Circular A-21
⁶ Section C.2 of OMB Circular A-21
<table>
<thead>
<tr>
<th>Items</th>
<th>Generally allowed as direct cost</th>
<th>Generally not allowed as direct cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising and public relations</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Alcoholic beverages</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Alumni activities</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Commencement costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Communication costs (telephone services, postage, etc.)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td><strong>Compensation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faculty</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Research assistants (including grad. assistants &amp; students)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Technicians (including graduate assistants and students)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Administrative employees</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Clerical/support staff</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Donations and contributions</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Entertainment and food costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Equipment and other capital expenditures</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Fund raising and investment costs</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Goods or services for personal use</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Housing and personal living expenses</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Insurance required for a sponsored agreement</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Maintenance and repair costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td><strong>Material and supplies costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laboratory and scientific supplies</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Office supplies</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Meetings and conferences</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td><strong>Memberships and subscriptions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional and technical organizations</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Civic, community, or social organizations</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Patent costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Proposal costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Publication and printing costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Rental costs of buildings and equipment</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Scholarships and student aid costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Selling and marketing costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Student activity costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Training costs</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Travel costs</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>
Compensation

Compensation includes all amounts for salaries, wages, stipends, benefits, and any other form of payment for personal services to an individual through the university’s payroll system. Whether an individual can receive compensation from a grant depends on a number of factors, including employee category (faculty, administrative employees, or support staff) and appointment period (nine, 10, or 12 month appointments).

In general, individuals are not allowed to increase their compensation during the appointment period by working on a grant\(^7\) (see Supplemental Compensation section below for individuals on nine or 10 month appointments and other exceptions). Therefore, compensation expenses charged to a grant should be calculated as a percentage of time spent on all work-related activities for which the university compensates an individual during the project period.

The dollar value of effort should be computed using the OSPRA salary calculator (www.usi.edu/ospra) and the individual’s current annual base salary. For multi-year budgets or projects with a period of performance that crosses fiscal years, the budget for salaries and benefits should be increased by three percent for each subsequent year. Note that the three percent increase is only an estimate for budget purposes. The actual salary increases for individuals receiving compensation from grants is determined using the same process as all other university employees.

In the event the grant guidelines do not allow for 3% salary increase estimates or if salary increases are not included for some other reason, a memo stating the reasons must be submitted to OSPRA with the Sponsored Projects approval form, along with the proposal and other documents required prior to approval and submission.

Faculty compensation
A faculty member may charge a portion of his or her salary and benefits to a grant fund. The percentage charged to a grant fund should represent the actual work performed by the faculty member on the grant project compared to all work performed by the faculty member over a period of time.\(^8\)

Faculty on 12- month appointments
The contract period for faculty who are employed on a 12 month appointment is July 1 through June 30; therefore, any work performed by a faculty member on a 12 month appointment must be reflected as a percentage of his or her salary and benefits during that period of time\(^9\) (see Supplemental Compensation section below for exceptions).

Faculty on nine- or 10- month appointments
Faculty on 9 or 10 month contracts must calculate the portion of the salary attributable to a grant during the academic year in the same manner as faculty on 12- month appointments. The

\(^7\) Section J.10.d.(1) of OMB Circular A-21
\(^8\) Section J.10.d.(1) of OMB Circular A-21
\(^9\) Section J.10.d.(1) of OMB Circular A-21
calculation differs, however, for effort expended on grant projects during the summer months since it is outside the contract period.10

University policies govern summer teaching pay rates. Compensation to faculty members for summer teaching activities from grant funds is permissible provided the rate of pay is equal to or less than that paid to faculty for teaching that is not grant funded. Nine or 10 month faculty can also receive compensation for non-teaching activities attributable to a grant and performed during the summer, but the rate of pay must not exceed the faculty member’s rate of pay for the previous academic year. For example, a faculty member on a 10 month contract with a salary of $50,000 who will work full time on a grant-funded project for two months during the summer can earn $10,000. ($50,000 / 10 = $5,000 monthly salary x 2 months = $10,000.) Faculty members teaching a full load during the summer are not eligible for additional compensation.

Summer compensation rates may be further restricted by granting agencies and university policy.

**Administrative and Clerical Employees**

Grant budgets generally cannot include direct cost for compensation for administrative employees (including deans and heads of departments) or clerical employees (such as administrative assistants or other office staff) because these expenses are considered part of F&A costs.11

In order for administrative and clerical salaries and wages to be included as direct costs instead of F&A, the budget submitted to the granting agency must disclose that the position is administrative or clerical and explain why funding is being requested for the expenses as a direct charge rather than F&A.

After the grant is awarded, the PI/PD can ask the Controller’s Office to seek explicit approval in writing from the grant/business officer of the granting agency. (Note that program officers are generally not authorized to permit exceptions to agreements or fiscal compliance policies and practices.)

**Supplemental Compensation**

Supplemental compensation is defined as extra compensation paid to an employee above his or her base pay, such as a stipend in addition to regular pay during the contract period. Individuals can only receive supplemental compensation from a grant for intra-university consulting if all of the following conditions are met:

- The consultation is across departmental lines or involves a separate or remote operation;
- The work performed by the consultant is in addition to his regular departmental load; and
- The extra compensation above the base salary is specifically provided for in the agreement or approved in writing by the sponsoring agency.

Note that all three of these conditions must be met in order for supplemental compensation to be allowed. In order to meet the last condition (written approval by the sponsoring agency), the

---

10 Section J.10.d.(1) of OMB Circular A-21
11 Section F.6.b.(2) of OMB Circular A-21
budget submitted to the granting agency must disclose that the compensation is in addition to the employee’s base salary and describe how the first two conditions of the test are satisfied. Alternatively, the PI/PD can ask the Controller’s Office to seek explicit approval in writing from the grant/business officer of the granting agency after the grant is awarded. (Note that program officers are generally not authorized to permit exceptions to agreements or fiscal compliance policies and practices.)

**Cost Sharing**

Cost sharing, also referred to as matching, refers to the costs related to sponsored projects that are contributed by the university or a third party other than the granting agency. Shared costs can take the form of cash match or in-kind contributions and can be classified as either mandatory or voluntary.

Definitions of cash match and in-kind contributions may vary among agencies. In the absence of specific guidance, any cost that directly relates to a sponsored project and is absorbed by another university fund will be considered a cash match. Examples of cash matches include salaries, wages, and supplies. The amounts to be allocated to other fund(s), orgn(s), and account(s) must be identified and listed on the sponsored projects approval form so that budget availability may be verified by the Budget Office, as required by the Provost.

Costs that directly relate to a sponsored project that are contributed by a third party (other than USI or the granting agency) will be considered in-kind contributions. Examples of in-kind contributions include goods or services provided by individuals, businesses, and other organizations in the community.

Cost sharing is considered mandatory when it is required by the agency as a condition of obtaining an award. Mandatory cost sharing requirements are generally addressed in the application instructions, request for proposal, program announcements, or agency guidelines.

Cost sharing that is not required by the granting agency, but offered in the proposal, is considered voluntary. It is important to note that voluntary cost share that is offered in the proposal budget or narrative becomes mandatory if the proposal is accepted by the agency and the grant is awarded. A separate fund will be created for the cost-share.

**IMPORTANT:** Because voluntary cost share strains finite university resources and reduces the ability to recover F&A costs, USI will contribute cost share only when it is required by the granting agency.

*In the event a PI/PD feels that voluntary cost share is necessary, he or she must seek approval from the Provost by submitting a memo describing what is being volunteered (personnel time, equipment, etc.), an explanation of why it is necessary, the $ of the voluntary cost share, and an account number where the funds to pay for the cost share will come out of.*

There may be instances when inclusion of administrative, academic, or programmatic support in the proposal narrative is necessary to provide context or explain the proposed activity. Below
are examples of language that may be used to avoid the appearance of committed cost share in the proposal or budget narrative.

- Dean X will oversee all aspects of the project as a part of the facilities and administrative costs to be recovered.
- Professor X will provide expert advice on this project, but makes no specific commitment of time or salary to this particular project.
- The University of Southern Indiana will provide lab space and access to [specific] departmental equipment as a part of the facilities and administrative costs to be recovered.

According to OMB circular A-110, federal funds may not be used as matching funds on another federal grant without prior approval of the federal awarding agency. Similarly, unrecovered F&A costs may not be used to meet mandatory cost share requirements without prior approval of the awarding agency. All cost share funds are verified by the USI grant administrator with the Budget Office and a memo is sent with the proposal to the Office of the Provost for approval.

F. Submitting Grants in Cayuse 424

In the fall of 2013 The Office of Sponsored Projects and Research Administration rolled out the new grant software: CAYUSE 424. This web based software brings a large range of functionality for faculty members pursuing external funding.

CAYUSE 424 will be used to assist faculty members with the development and submission of grant proposals. All full time faculty as of fall 2013 were uploaded into the software. If you are a new faculty member please contact the Office of Sponsored Projects and Research Administration for profile creation. If you are a first time user please see log in instructions below:

- Visit: https://usi.cayuse424.com (NOTE: do not put www. in the web address)
- From log in page select “First time signing in and need a password”
- Your username will be the same as your USI username
- Create a password in to CAYUSE

External Grants

Cayuse 424 must be used for the USI internal approval process, and submission of all external grant proposals to both federal and non-federal agencies. Cayuse facilitates and expedites the OSPRA 8 day review cycle by providing electronic routing, added transparency between OSPRA grant administrators and the PI/PD, and real time submission validation. Below is an example of a routing chain in Cayuse:

- OSPRA grant administrator
- Grant Accountant
- Assistant Controller
- OSPRA
- PI/PD
- Department Chair
- Dean
Executive Director of OSPRA
Office of the Provost
Authorizing Official

Once the proposal has been approved by the above offices the proposal is ready for submission. Grant administrators are inserted in the chain twice to facilitate changes that may need to be made to the proposal budget or narrative. All PI/PDs can view the status of the routing under the Routing and Approval section in the left navigation in Cayuse. Following submission PI/PDs can view the status of federal submissions and view tracking numbers under the Electronic Submission section in Cayuse. Non-Federal proposals will contain verification of submission from the agency in the documents section under Proposal Summary.

For additional information about navigating Cayuse visit: [http://www.usi.edu/ospra/cayuse-424](http://www.usi.edu/ospra/cayuse-424)

**Internal Grants**

The following internal grant proposals must be submitted using the Cayuse 424 software:

**Fall Awards and Grants:**

- USI Summer Award for Junior Faculty
- Office of the Provost Summer Grant for Pilot Research Projects
- Applied Research Faculty Outreach and Engagement Award
- New Harmony Outreach and Engagement Faculty Grant
- Summer Research Award for Junior Faculty

**Spring Grants:**

- Faculty, Research, and Creative Grant

All internal grants will be routed electronically using the Routing and Approval feature. Below is a sample routing chain for an internal proposal:

- PI/PD
- OSPRA (confirmation of on time submission)
- Department Chair
- Dean
- OSPRA

Once the routing is complete in Cayuse OSPRA will grant permissions to the necessary members of the review committees to access proposals and make funding decisions. PI/PDs can view the progress of the routing at any time under the Routing and Approval section in the left navigation pane in Cayuse.

For additional information about navigating Cayuse visit: [http://www.usi.edu/ospra/cayuse-424](http://www.usi.edu/ospra/cayuse-424)
Receiving an Award

Award negotiation is the scope of activities between proposal submission and the acceptance of an award by the University of Southern Indiana. The award mechanism (grant, cooperative agreement, contract, etc.) and the sponsoring agency will determine the length and complexity of the negotiation process.

OSPRA negotiates and accepts all awards and contracts for the university. Any grant application or contract not routed through OSPRA for internal approval prior to submission will be denied and funding returned to the agency.

Any time a sponsor requests or requires a change in the originally proposed budget or project, the PI/PD should notify OSPRA and coordinate a response through their USI grant administrator before submitting a revised budget or project.

Notices of award (letters, checks, etc.) and award packages are often sent to offices other than OSPRA. It is very important that when a PI/PD receives a notice of award or an award package that it be delivered immediately to OSPRA.

Common Names for grant contracts:
- Grant agreement
- Contract
- Cooperative agreement
- Memorandum of Understanding (MOU)
- Memorandum of Agreement (MOA)
- Participating agreement
- Sub-contract/ Sub-award

Upon the receipt of an award, OSPRA reviews the agreement to ensure accuracy and compliance with federal and university policy.

After an award is accepted and an agreement executed by OSPRA, OSPRA will notify the Controller’s Office to request the creation of a grant fund.

All payments to USI, including income related to grants and contracts, should be sent directly to the Bursar’s Office. Grant funds which are routed elsewhere on campus by a granting agency should be delivered immediately to the Bursar’s Office in the lower level of the Orr Center in accordance with the university cash handling policy. (Reference section F.10 of the University Handbook.)
Sub-Awards

A sub-award is an award issued under a larger sponsored research award for the procurement of specific services or program-related tasks. Issuance of a sub-award under a federal prime award is subject to compliance with federal regulations. All sub-awards are subject to the terms and conditions of the larger sponsored research award and the normal purchasing standards of USI.

There are two types of sub-award arrangements:

- When USI is the recipient of a sub-award
- When USI is the grantor of a sub-award

When USI is the recipient:

This agreement binds USI to a larger proposal submitted by another institution. The prime award is made to another institution, and then a portion of it is distributed to USI to complete specific tasks as a part of the larger project. When USI is a sub-awardee this award is treated like a prime award for financial and non-financial award management. All sub-awards must go through the USI OSPRA approval process and are subject to the same terms that prime awards maintain. Facilities and administrative (F&A) costs for sub-awards are based on USI’s negotiated rate of 51%, not the host institution’s rate.

When USI is the grantor:

When USI is the prime recipient of grant funds, the sub-award is a portion of the awarded funds contracted to a third party to complete a part of the project in the original proposal. A sub-award may be issued to third-party individual contractor or institution/company.

OSPRA is responsible for all sub-award contracts. When a sub-award is necessary, the PIs/PDs should contact their OSPRA grant administrator for development and issuing of a sub-award agreement to the third-party. The sub-award agreement will indicate specifics of the proposal, budget, sponsor’s terms and conditions, and USI policies and procedures. Sub-award agreements will be reviewed by the Controller’s Office before being issued. Because a sub-award binds the third-party to USI, that third-party is responsible for the administration of their portion of the project including technical and financial components.

The PI/PD is responsible for contacting OSPRA regarding new or changes to sub-award agreements prior to implementing the change.
Management of Funds

After an award has been accepted by OSPRA, the following documents are forwarded to the Controller’s Office by OSPRA in order to create the grant fund(s) in Banner.

1. Notice of award, executed grant agreement, or similar document from granting agency outlining the terms and conditions of the award.
2. Copy of the proposal that was submitted to the granting agency.
3. Grant budget, if award amount differs from the proposal budget.

The USI accounting contact for your college or department will notify you of your grant fund number(s) after these documents are submitted to the Controller’s Office.

A. Responsibilities

Principal Investigator or Project Director

The PI/PD has overall responsibility for the conduct of the project described in the grant proposal. The USI accounting contact for the grant provides assistance, but the PI/PD is expected to conduct all work in a responsible and ethical manner, to comply with the funding agency’s guidelines for expenditures and reporting, and to keep OSPRA, the USI accounting contact, and the funding agency informed of any significant changes in the project.

The responsibilities of the PI/PD include but are not limited to the following:

- Fully understand the terms and conditions of the grant
- Acquire knowledge of policies and procedures governing research and conform to established standards
- Comply with all rules, regulations, and/or terms of the grant award
- Comply with all external regulations including applicable government regulations
- Adhere to university policies
- Monitor faculty and staff effort related to the grant
- Prepare and submit any non-financial reports to the granting agency as required
- Approve charges to the grant fund in cooperating with the financial manager
- Ensure that financial transactions comply with university guidelines, grant limitations, and/or government regulations
- Review financial activity with financial manager for accuracy and conformance with budget constraints

Financial Manager

Financial managers are assigned responsibility for funds (including grant funds) by the Vice President for Finance and Administration. Both the PI and his/her dean or supervisor will be assigned as financial managers for the grant fund account.

It is the responsibility of the financial manager to:
• Confirm submission of payroll notification forms for all compensation from grant and cost share funds prior to the start of any work
• Verify assignment of grant fund number to all grant-related transactions initiated by any method (including requisitions, direct pay forms, commercial card transactions, and travel authorizations)
• Approve charges to the grant fund
• Confirm that financial transactions comply with university guidelines, grant limitations, and/or government regulations
• Oversee review of financial activity for accuracy and conformance with budget constraints
• Grant permission to others to view activity in the grant fund

To monitor the financial activity for a grant, the financial manager should view and/or download the most current budget and transaction detail for the grant account via Banner Self-Serve on a monthly basis. The USI Accounting Contact can provide instructions on how to do this.

**USI Accounting Contact**

A USI accounting contact is assigned to each grant fund to perform a wide variety of business functions related to the administration of the grant after it is awarded. These functions include but are not limited to the following:

• Create unique funds to track accounting activity of sponsored projects, including cost sharing funds
• Prepare and submit all grant billings, invoices, or requests for funds
• Prepare and submit all financial reports and financial portions of any progress reports that include accounting information
• Examine monthly accounting activity to assist financial managers and promote compliance with federal, state, institutional, and other regulations including OMB circulars A-21, A-110, and A-133
• Evaluate account balances to validate account classifications and identify trends

**B. Cost Sharing**

Your USI accounting contact will create a separate fund to track the cost share portion of each sponsored project so those contributions can be included in financial reports to granting agencies and properly reflected in the university’s financial statements. All cost share expenses, including employee compensation, should be paid directly from the cost share fund and not charged to other existing funds. Refer to the cost transfer section of this document if cost share expenses are erroneously charged to a fund other than the associated cost share fund.

In accordance with [OMB Circular A-110](#), expenditures must meet the following criteria to be eligible for cost sharing:

• Be verifiable in the university’s accounting records
• May not be included as cost share for more than one project
• Be reasonable, necessary, and directly related to the program objectives
• Allowable under the terms of the award -- expenses that are disallowed from a grant are also not eligible for cost share
• May not be paid from federal funds unless specifically authorized by statute
• Included in the approved project budget if required by the granting agency

C. Cost Transfers

A cost transfer occurs when an expense that is originally allocated to one fund is moved to another fund by journal entry or payroll reallocation.

The Office of Management and Budget A-133 Compliance Supplement 2011 indicates that frequent requests for cost transfers are considered by auditors to be indicative of weak internal controls or unreliable accounting systems. Further, that document specifically instructs auditors to examine cost transfers for allowability. Any transactions that would be deemed to be noncompliant or disallowed may result in reimbursement to a grantor or loss of future grant funding. College & University Business Administration, 7th Edition, a publication of the National Association of College and University Business Officers (NACUBO), also states that auditors have disallowed cost transfers made near the end of a project period when they appeared to be primarily done to utilize remaining funds before a grant expired. For these reasons, every effort should be made to avoid cost transfers by ensuring that the correct fund is provided when a transaction is initiated by any method (including payroll notifications, requisitions, direct pay forms, commercial card transactions, and travel authorizations).

It is important for financial managers and PIs to review their accounting activity on a regular basis to ensure that all expenditures are properly recorded and to request cost transfers when necessary. When a transaction that applies to a grant or sponsored project is charged to a college, department, or other unrestricted fund, the following criteria must be met in order for a cost to be transferred to a restricted grant or project fund:
• Cost transfers must be requested within 90 days of the Banner transaction date and
• Requests for cost transfers must include sufficient explanation to justify the need for the transfer. The statement “to correct an error” is not sufficient.

Requests for cost transfers should be sent by email to the USI accounting contact for the fund. Note that payroll expenses cannot be reallocated after the effort has been certified.

D. Budget Adjustments

OMB Circular A-110, subpart C, paragraph ___.25 (a) states that,

“The budget plan is the financial expression of the project or program as approved during the award process.”

Paragraph ___.25 (b) further states that,

“Recipients are required to report deviations from budget and program plans, and request prior approvals and program plan revisions, in accordance with this section.”

After a grant is awarded, budget adjustments between categories often require agency approval. For example, moving budget from salaries to supplies or vice versa generally requires justification and written approval from the grant/business officer of the granting agency.
(Please note that program officers are generally not authorized to permit exceptions to agreements or fiscal compliance policies and practices.) Such budget adjustments must be approved before expenses are incurred as budget overages and/or disallowed expenses in grants and sponsored project funds must be covered by the fund-orgn of the PI’s department.

**E. Effort Certification**

Effort is defined as the proportion of time an individual spends on a particular activity. Individual effort is expressed as a percentage of the total amount of time spent on work-related activities (instruction, research, administration, etc.) for which the university compensates an individual.

Effort certification reports show the total payroll distribution for an employee in terms of percentage. The report accounts for 100 percent of all effort for which the university compensates the individual during a period of time, regardless of how many or how few hours an employee works and regardless of the percent FTE listed on the appointment. Even where the number of hours of effort the individual expends each week substantially exceeds the “normal” workweek of 37.5 hours, effort percentages must be based on total effort, not hours.

The purpose of effort certification is to confirm that the distribution of effort shown on the certification report reflects a reasonable estimate of the percentage of total effort that was spent on each activity. Effort reporting serves as a vehicle to monitor time dedicated to projects, and ensures that investigators are upholding the responsibilities that they have committed to an agency. Effort certification must reflect actual work performed and cannot be budget-driven.

Federal regulations acknowledge that teaching, research, service, and administration are often inextricably intermingled in an academic setting and allow for an acceptable variance between the actual effort for a sponsored project and the effort as certified on the statement. At the University of Southern Indiana, a variance or tolerance of no more than five percent is considered an acceptable estimate. If the actual effort differs from the pledged or committed effort for the report period by +/- five percent, the individual certifying the report must note the correct percentages on the effort certification form.

Effort certifications are distributed to deans or directors and should be signed directly by the employee listed when possible. In rare cases when it is not reasonably possible for the individual employee to certify, the report may be certified by an individual with suitable means or direct knowledge of the work performed\(^\text{12}\) (i.e. principal investigator or project director).

Effort certification is required for individuals that receive any compensation from federal sources or commit effort in the form of cost sharing for federally sponsored projects. This requirement applies to salaries and/or wages from any federal sources including federal funds that flow through one or more other organizations before being awarded to USI. Some grants and contracts from non-federal sources also require effort certification.

A sample Effort Certification form is included in appendix F of this document for your reference.

\(^{12}\) Section J.10.d.(1) of OMB Circular A-21
Non-Financial Reporting/Progress Reports

Non-financial reporting is typically required by agencies to show progress with the program that is being funded. Non-financial reporting is as important as the financial reports that are submitted to sponsoring agencies. Ensuring complete, accurate, and timely reporting is essential to maintaining current funding and securing additional funding. The format of non-financial reporting will vary from agency to agency. Below is a list of common components. This list is not exhaustive, and it is important to follow the guidance provided to the agency to ensure accurate reports are submitted.

- Progress toward stated goals and objectives
- Changes that may have occurred in funding, staffing, or other areas that may affect the progress of the program
- Evidence of success both anticipated and unanticipated
- Sustainability plans

OSPRA is responsible for monitoring the timely submission of non-financial reports to funding agencies. Email reminders are generated to PI/PDs at the following intervals prior to the deadline of the report: one month, one week, and three days. PI/PDs are responsible for submitting the report to the agency and ensuring that a copy is sent to OSPRA.

If a report contains financial and non-financial sections, the financial portions must be completed by the accounting contact. The PI/PD is responsible for sending the non-financial portions to the accounting contact and OSPRA prior to the report due date. The accounting contact is responsible for submission of the combined report to the granting agency by the due date.

**NOTE: To comply with federal regulations, OSPRA requires that PI's are up-to-date / in compliance with any non-financial reporting requirements on any current grants they have before new grant applications will be processed.**
Glossary of Common Terms

Terms marked with an asterisk (*) have been taken from the Foundation Center’s glossary (©1995-1999 The Foundation Center). The remaining terms are as defined by OSPRA.

Abstract: A short summary of a project or program including all pertinent aspects of the sponsored activity, including a summary of the objectives and expected results. The abstract is usually less than 350 words and limited to one double-spaced typed page.

Allocable Costs: Those allowable costs that actually benefit the grant or contract to which they are charged.

Allowable Costs: Those categories of costs that are allowable as a charge on a grant or contract as determined by the terms and conditions of the award and/or appropriate cost principles. Certain types of costs, such as the cost of alcoholic beverages are not allowable and may not be charged to a contract or grant.

Authorized Organizational Representative (AOR): The administrative official, who on behalf of the proposing organization, is empowered to make certifications and assurances and can commit the organization to the conduct of a project. The AOR for USI is the Executive Director of OSPRA.

Contract: A mechanism for procurement of a product or service with specific obligations for both sponsor and recipient. Typically, a research topic and the methods for conducting the research are specified in detail by the sponsor, although some sponsors award contracts in response to unsolicited proposals. An agreement; as used here, an agreement that a specific research activity will be performed at the request, and under the direction, of the agency providing the funds. Research performed under contract is more closely controlled by the agency than research performed under a grant. (Compare: Grant)

Co-Principal Investigator(s): shares authority with the principal investigator for leading and directing the project

Cost Sharing: Funds contributed to the project by the institution or a source other than the funding agency. Also referred to as Matching.

Direct Costs: Includes all items that can be categorically identified and charged to the specific project such as personnel, fringe benefits, consultants, subcontractors, travel, equipment, laboratory and scientific supplies, materials, and patent costs.

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

eGrants: The web-based system for submission and tracking grant applications used by the Corporation for National and Community Service and the U.S. Department of Education.
Facilities and Administrative Costs (F&A): Costs that have been incurred for common or joint objectives of the university and the sponsored program, and which, therefore, cannot be identified specifically in reference to a particular project. Examples include building operations and maintenance, utilities, administrative services, laboratory space, and library service. Also referred to as Indirect Costs, Overhead.

Federal Funding: money provided by the U.S. Government

Federal Pass Through: Federal funding that is awarded as a sub-grant by a non-federal entity.

FOA: Funding Opportunity Announcement

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

Grant: A type of financial assistance awarded to an organization for the conduct of research or other program as specified in an approved proposal. A grant, as opposed to a cooperative agreement, is used whenever the awarding office anticipates no substantial programmatic involvement with the recipient during the performance of the activities. Financial support provided for research study designed and proposed by the principal investigator(s). The granting agency exercises no direct control over the conduct of approved research supported by a grant. (Compare: Contract)

Grants.gov: The U.S. Government web-based source to find and apply for federal grants.

HRSA eHB: The Health Resources and Services Administration electronic handbook: a web-based system for submitting and tracking grant applications.

Indirect Costs: see F&A (Facilities and Administrative Costs)

NSF Fastlane: National Science Foundation’s web-based system for submitting and tracking grant applications.

Principal Investigator (PI): A principal investigator has absolute responsibility for the overall conduct of a sponsored project, including all technical, programmatic, financial, compliance and administrative aspects. The principal investigator is responsible for controlling the technical direction and academic quality of the project, and will ensure that a sponsored project is carried out in compliance with the terms, conditions and policies of the funder and the university. The term principal investigator (PI) is commonly used for research grants.

Private Funds: Funds available in the private sector without government involvement, support, or guarantee.

Project Director (PD): The term project director (PD) is commonly used for non-research projects and assumes the same responsibilities as a PI.
**RFP:** An acronym for Request for Proposal. When a funder issues a new contract or grant program, it sends out RFPs to agencies that might be qualified to participate. The RFP lists project specifications and application procedures. While a few foundations occasionally use RFPs in specific fields, most prefer to consider proposals that are initiated by applicants.

**Seed money:** A grant or contribution used to start a new project or organization.

**State funds:** money provided by the state

**Tax-exempt:** Refers to organizations that do not have to pay taxes such as federal or state corporate tax or state sales tax. Individuals who make donations to such organizations may be able to deduct these contributions from their income tax.
Appendix A
Budget Justification example
USI Budget Justification

TOTAL BUDGET = $56,211.81

+ $29,157.81 personnel
+ $13,660 non-personnel
+ $3,500.00 other direct costs
+ $9,894.00 indirect

$56,211.81

Personnel = $29,157.81

A. Salaries and Wages: $19,400 total

1a. Senior Personnel: $7,500
   (1) Project coordinator
   Project coordinator will receive one 3 credit hour course release to: oversee day-to-day planning of the project, supervise of staff, coordination with experts in partnering states, and administration of the grant.
   $7,500 = ($60,000 x 12.5% effort x 1 project coordinator)

2b. Other personnel: $11,900
   (2) Undergraduate students
   Set and collect traps in the field, count insects on the traps, and record these in the database
   $2,900 = [(10 weeks @ 20 hours per week x $7.25 per hour) = $1,450 x 2 students]

   (1) Technician
   Oversees the undergraduate student, writes the educational fact sheet, posts it on the website, and performs laboratory functions necessary to the project.
   $9,000 = ($45,000 per year x 20% effort x 1 technician)

B. Fringe Benefits: $9,757.81 total

   (1) Project Coordinator, faculty member in the College of Science Engineering, and Education
   $3,935.25 = ($7,500 x 52.47%)

   (2) Undergraduate student FICA
   $221.86 = ($1,450 x 7.65% = $110.93 x 2 students)

   (1) Technician, Administrative staff in College of Science Engineering, and Education
   $5,600.70 = ($9,000 x 62.23%)

(Note: Contact the Office of Sponsored Projects and Research Administration for benefit rates for administrative and support staff.)
Non-Personnel Expenses = $7,255

A. Travel: $1,510 total

(10) Trips to field sites
$450 = (100 miles x 10 trips x .45/mile)

(5) Nights Lodging
$500 = (5 nights x $100 per night)

(5) Per Diem Days
$160 = (5 days x $32 per diem)

(1) Airfare ticket
$400 = (1 airline ticket x $400 per ticket)

B. Equipment, Supplies, and Materials: $12,350 total

B1. Equipment (Unit price > $5,000): $10,500

(2) Bugatron Processors
$10,500 = (2 Bugatron Processors x $5,225 per processor)

B2. Materials & Supplies: $1,400

(1000) bug traps
$1,200 = (1000 traps x $1.20 each)

Office supplies
$200 (copier paper, pens, and pencils)

B3. Publication Costs: $250

(500) Fact sheets for distribution at twilight meetings
$250 = (500 copies x $0.50 each)

B4. Communications: $200

(2) Multistate team member conference calls
$200 = (2 calls x $100 per call)

Other Direct Costs: $3,500

A. Contractual Fees: $1,500

External assessment consultant
$1,500 = (20 hrs x $75.00 per hour)

Sample Budget Justification

B. Sub-awards: $1,500

Sub-award to Indiana University $1,500

OSPRA – updated 02-06-14
C. Maintenance & Other Service Agreements: $500

Bugatron Equipment Maintenance agreement
$500 = (2 years maintenance x $250 a year)

Cost Share

1. USI Cost Share:
2. Other Source Matching:
3. Uncommitted Cost Share (cost share that is implied in the narrative but not explicit in the budget):

(Note: Cost share should only be included in proposal budget if made mandatory by the granting agency. Cost share that is not mandatory and included in the proposal narrative or budget will have to be removed.)

Indirect Costs: $9,894 total

Indirect base = senior personnel + other personnel ($11,900 + $7,500 = $19,400)
$9,894 = ($19,400 total salary & wages x 51%)

(Note: Indirect costs must be included in every proposal unless prohibited by the agency. Indirect costs are calculated as total salary & wages (exclusive of fringe benefits) x 51%)
Appendix B
Biographical Sketch example
[Type your name here]

[Type job title here]

[Type professional address here]

[Telephone here]

[E-mail and/or Web page here]

A. PROFESSIONAL PREPARATION

<table>
<thead>
<tr>
<th>College/University</th>
<th>Major</th>
<th>Degree &amp; Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>[Undergraduate institution(s)]</td>
<td>[Major]</td>
<td>[Degree], [Year]</td>
</tr>
<tr>
<td>[Graduate institution(s)]</td>
<td>[Major]</td>
<td>[Degree], [Year]</td>
</tr>
<tr>
<td>[Post-doctoral institution(s)]</td>
<td>[Area]</td>
<td>[Inclusive dates]</td>
</tr>
</tbody>
</table>

B. ACADEMIC/PROFESSIONAL APPOINTMENTS

[Most recent appointment]

[Previous appointment(s)]

[First appointment]

C. PUBLICATIONS

Publications Most Closely Related to Proposal
[Names of all authors. Title 1, Journal, vol. N°, page numbers, year, Web site address]

[Names of all authors. Title 2, Journal, vol. N°, page numbers, year, Web site address]

[Names of all authors. Title 3, Journal, vol. N°, page numbers, year, Web site address]

Other Significant Publications
[Names of all authors. Title 1, Journal, vol. N°, page numbers, year, Web site address]

[Names of all authors. Title 2, Journal, vol. N°, page numbers, year, Web site address]

[Names of all authors. Title 3, Journal, vol. N°, page numbers, year, Web site address]

D. SYNERGISTIC ACTIVITIES

Up to five examples that demonstrate broader impact of the individual’s professional and scholarly activities that focus on the integration and transfer of knowledge as well as its creation (ex: innovations in teaching and training,
contributions to the science of learning, development and/or refinement of research tools, computation methodologies and algorithms for problem solving, development of databases to support research and education, broadening the participation of groups underrepresented in science mathematics, engineering and technology, and service to the scientific and engineering community outside of the individual’s immediate organization).

[Example 1, example 2, example 3, ....]

**COLLABORATORS AND OTHER AFFILIATIONS**

**Collaborators Over The Last 48 Months:**

[Collaborator 1 (organizational affiliation) - project]

[Collaborator 2 (org. affiliation) - project]

[Collaborator 3 (org. affiliation) - project]

[Collaborator 4 (org. affiliation) - project]

**Graduate and Postdoctoral Advisors**

[Your graduate advisor(s) (current org. affiliation)]

[Your principal post-doctoral sponsor (current org. affiliation)]

**Thesis Advisor and Postgraduate Scholar Sponsors over the Last Five Years:**

Graduate Students: [Grad. student 1 (org. affiliation), Grad. student 2 (org. affiliation), ...]

Total Number of Graduate Students advised:

Postdoctoral Fellows: [postdoc. fellow 1 (org. affiliation), postdoc. fellow 2 (org. affiliation), ...]

Total Number of Postdoctoral Scholars Sponsored:
BIOGRAPHICAL SKETCH - National Institutes of Health Sample

Provide the following information for the Senior/key personnel and other significant contributors. Follow this format for each person. DO NOT EXCEED FOUR PAGES.

<table>
<thead>
<tr>
<th>NAME</th>
<th>Hunt, Morgan Casey</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSITION TITLE</td>
<td>Associate Professor of Psychology</td>
</tr>
<tr>
<td>eRA COMMONS USER NAME (credential, e.g., agency login)</td>
<td>huntmc</td>
</tr>
</tbody>
</table>

EDUCATION/TRAINING (Begin with baccalaureate or other initial professional education, such as nursing, include postdoctoral training and residency training if applicable.)

<table>
<thead>
<tr>
<th>INSTITUTION AND LOCATION</th>
<th>DEGREE (if applicable)</th>
<th>MM/YY</th>
<th>FIELD OF STUDY</th>
</tr>
</thead>
<tbody>
<tr>
<td>University of California, Berkeley</td>
<td>B.S.</td>
<td>05/90</td>
<td>Psychology</td>
</tr>
<tr>
<td>University of Vermont</td>
<td>Ph.D.</td>
<td>05/96</td>
<td>Experimental Psychology</td>
</tr>
<tr>
<td>University of California, Berkeley</td>
<td>Postdoctoral</td>
<td>08/98</td>
<td>Public Health and Epidemiology</td>
</tr>
</tbody>
</table>

A. Personal Statement

The goal of the proposed research is to investigate the interaction between drug abuse and normal aging processes. Specifically, we plan to measure changes in cognitive ability and mental and physical health across a five-year period in a group of older drug users and matched controls. I have the expertise, leadership and motivation necessary to successfully carry out the proposed work. I have a broad background in psychology, with specific training and expertise in key research areas for this application. As a postdoctoral fellow at Berkeley, I carried out ethnographic and survey research and secondary data analysis on psychological aspects of drug addiction. At the Division of Intramural Research at the National Institute on Drug Abuse (NIDA), I expanded my research to include neuropsychological changes associated with addiction. As PI or co-Investigator on several university- and NIH-funded grants, I laid the groundwork for the proposed research by developing effective measures of disability, depression, and other psychosocial factors relevant to the aging substance abuser, and by establishing strong ties with community providers that will make it possible to recruit and track participants over time. In addition, I successfully administered the projects (e.g. staffing, research protections, budget), collaborated with other researchers, and produced several peer-reviewed publications from each project. As a result of these previous experiences, I am aware of the importance of frequent communication among project members and of constructing a realistic research plan, timeline, and budget. The current application builds logically on my prior work, and I have chosen co-investigators (Drs. Gryczynski and Newlin) who provide additional expertise in cognition, gerontology and geriatrics. During 2005-2006 my career was disrupted due to family obligations. However, upon returning to the field I immediately resumed my research projects and collaborations and successfully competed for NIH support. In summary, I have a demonstrated record of accomplished and productive research projects in an area of high relevance for our aging population, and my expertise and experience have prepared me to lead the proposed project.
B. Positions and Honors

**Positions and Employment**
- **1998-2000** Fellow, Division of Intramural Research, National Institute of Drug Abuse, Bethesda, MD
- **2000-2002** Lecturer, Department of Psychology, Middlebury College, Middlebury, VT
- **2001-** Consultant, Coastal Psychological Services, San Francisco, CA
- **2002-2005** Assistant Professor, Department of Psychology, Washington University, St. Louis, MO
- **2007-** Associate Professor, Department of Psychology, Washington University, St. Louis, MO

**Other Experience and Professional Memberships**
- **1995-** Member, American Psychological Association
- **1998-** Member, Gerontological Society of America
- **1998-** Member, American Geriatrics Society
- **2000-** Associate Editor, Psychology and Aging
- **2003-05** Board of Advisors, Senior Services of Eastern Missouri
- **2003-05** NIH Peer Review Committee: Psychobiology of Aging, ad hoc reviewer
- **2007-11** NIH Risk, Adult Addictions Study Section, member

**Honors**
- **2003** Outstanding Young Faculty Award, Washington University, St. Louis, MO
- **2004** Excellence in Teaching, Washington University, St. Louis, MO
- **2009** Award for Best in Interdisciplinary Ethnography, International Ethnographic Society

C. Selected Peer-reviewed Publications (Selected from 42 peer-reviewed publications)

**Most relevant to the current application**

**Additional recent publications of importance to the field (in chronological order)**

D. Research Support
**Ongoing Research Support**

R01 DA942367-03 Hunt (PI) 09/01/08-08/31/13

**Health trajectories and behavioral interventions among older substance abusers**
The goal of this study is to compare the effects of two substance abuse interventions on health outcomes in an urban population of older opiate addicts.
Role: PI

Faculty Resources Grant, Washington University 08/15/09-08/14/11

**Opiate Addiction Database**
The goal of this project is to create an integrated database of demographic, social and biomedical information for homeless opiate abusers in two urban Missouri locations, using a number of state and local data sources.

**Completed Research Support**

K02 AG442898 Hunt (PI) 02/01/02-01/31/05

**Drug Abuse in the Elderly**
Independent Scientist Award: to develop a drug addiction research program with a focus on substance abuse among the elderly.
Role: PI

R21 AA998075 Hunt (PI) 01/01/02-12/31/04

**Community-based intervention for alcohol abuse**
The goal of this project was to assess a community-based strategy for reducing alcohol abuse among older individuals.
Role: PI
Appendix C
OSPRA Grant Application Pre-Notification form

OSPRA – updated 02-06-14
External Grant Application Pre-Notification Form

Office of Sponsored Projects and Research Administration (OSPRA)

To facilitate the processing of grant applications, OSPRA requires the submission of this form a **minimum of 15 business days** prior to the grant submission deadline. Please submit the form electronically to sponsored.projects@usi.edu

**Date:**

**Principle Investigator (PI) Information**
Name: **Phone:**
Email: **Department:**

**Funding Agency Information**
Name of Agency:  
Website:  
Specific Program Name:  

*Please provide the grant guidelines (attach or provide a link to their location on the web)*

**Grant Application Information**

**Submission Method**
☐ Electronic / Web form   ☐ Email   ☐ Hard copy via regular mail   ☐ Other Method - Describe

**Submission Deadline Date (date, time, and time zone):**

**Maximum award amount:** $

**Agency Specific Budget Form:**  ☐ Provided   ☐ Not Provided

**Award Availability (Is this a one-time funding opportunity or is this available on recurring basis ex. annually)**
☐ One-time funding opportunity   ☐ Recurring opportunity   ☐ Do not know

**Cost-Share**
☐ Required   ☐ Not required   ☐ Do not know

**Will international travel be a part of this proposal?**
☐ Yes   ☐ No   ☐ Undecided

If yes, list the destination city/country:

*Please note that it is the PI’s responsibility to contact Travel Services and Risk Management for updated international travel policy information. You may also visit the U.S. Department of State website on travel warnings: travel.state.gov*

**Names, roles and contact information of all key people involved in the proposal development (besides PI):**
A brief description of the project:

My signature below indicates that I have read and understand the USI OSPRA Grant Management Guide (available at: http://www.usi.edu/ospra/grant-management-guide) and agree to follow the terms set forth in the preparation, submission, and administration of this application.

Principle Investigator: _____________________________ Date: ________________________

Once this form is received, OSPRA will create an application package in Cayuse 424, USI’s grant proposal development software. PI’s will receive notification that they have access to the application package and may begin uploading documents into Cayuse 424. For more information on this process and using Cayuse, visit our website at usi.edu/ospra or contact your grant administrator:

Grant Administrator for:

- Academic Affairs
- College of Business
- College of Liberal Arts
- Outreach and Engagement

Rebecca Deeg: rdeeg@usi.edu, 228-5149

Grant Administrator for:

- College of Nursing and Health Professions
- Pott College of Science, Engineering, and Education
- Student Affairs

Emily Lynn: eslynn@usi.edu, 465-1126

OSPRA – updated 02-06-14
Appendix D
External Grant Proposal Review Cycle Policy
**External Grant Proposal Review and Submission Policy**  
*Office of Sponsored Projects and Research Administration (OSPRA) & the Controller’s Office*

The Office of Sponsored Projects and Research Administration (OSPRA) and the Controller’s Office are available to provide expertise and assistance to prepare competitive proposals for faculty and staff. The administrative review cycle is a critical portion of the submission process. The following parameters have been put into place to ensure that quality proposals are submitted.

All individuals who are planning to apply for an external grant of any size are required to notify the Office of Sponsored Projects and Research Administration (OSPRA) a minimum of 15 business days prior to the submission date. It is preferred that OSPRA is notified as soon as a decision is made to pursue a grant opportunity so that the office can provide guidance. Pre-Notice form is attached and also available at www.usi.edu/ospra.

Final draft version of the proposal and final budget (in the funding agency form/format) must be submitted 8 business days before the submission date for proper review and vetting by OSPRA and the Controller’s Office. Any proposal that does not meet the eight business day deadline will require the PI to submit a petition to the Provost to begin the review cycle. Exceptions will be rare and require that the proposal have very minor or no revisions, and meet all University, State, and Federal compliance regulations. OSPRA will determine if an expedited review and submission is possible.

It is expected that the ‘final draft version’ of the narrative has been thoroughly read and edited before it is submitted for the review cycle. Grant proposals (narratives and budgets) that have significant typos, misspellings, missing information, or clearly do not meet the guidelines of the grant application will be returned to the PI for revisions before it will be entered into the review cycle. The OSPRA staff is here to help faculty and staff with proposal development including budgets, and is more than willing to review and provide feedback on early drafts of the narrative and budget if provided in advance of the eight day grant proposal review cycle period.

*Note: Once the review cycle begins, the PI may make minor revisions (formatting, minor rewording, etc.) to the proposal narrative, but should not make any significant changes to the project plan that would affect the budget once the proposal is forwarded to the Controller’s Office (day 4 of the review cycle).*

**Eight Day External Grant Proposal Review Cycle Calendar**

| Day 1 & 2 | Review of narrative and budget by OSPRA.  
| Suggestions revisions to be returned to PI by end of day 2. |
| Day 3 | Revisions by PI to be made.  
| PI is to return revised narrative and/or budget to OSPRA. |
| Day 4 | 2nd review by OSPRA.  
| If proposal is acceptable it will be then forwarded to Controller’s Office. |
| Day 5 & 6 | Review of narrative and budget by Controller’s Office.  
| Suggestions revisions to be returned to OSPRA. |
| Day 7 | Controller’s Office revisions to be made by PI and OSPRA |
| Day 8 | Provost approval of grant proposal  
| Submission of grant proposal |
Appendix E
Effort Certification Policy and Report example
**University of Southern Indiana**

**Effort Certification Form**

Certification of the following payroll periods of performance:

- Payroll MO, AO, or SM = work performed from mm/dd/yy to mm/dd/yy
- Payroll BW = work performed from mm/dd/yy to mm/dd/yy
- Payroll ST = work performed from mm/dd/yy to mm/dd/yy

<table>
<thead>
<tr>
<th>ID</th>
<th>Name</th>
<th>Position</th>
<th>Payroll</th>
<th>Fund</th>
<th>Fund Title</th>
<th>Orgn</th>
<th>Orgn Title</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>000000000</td>
<td>Doe, Jane</td>
<td>123456</td>
<td>MO</td>
<td>10001</td>
<td>General Fund</td>
<td>01xxx</td>
<td>Department</td>
<td>50.0</td>
</tr>
<tr>
<td>000000000</td>
<td>Doe, Jane</td>
<td>234567</td>
<td>MO</td>
<td>2xxxx</td>
<td>Grant A</td>
<td>01xxx</td>
<td>Department</td>
<td>25.0</td>
</tr>
<tr>
<td>000000000</td>
<td>Doe, Jane</td>
<td>345678</td>
<td>MO</td>
<td>2yyyy</td>
<td>Grant B</td>
<td>01xxx</td>
<td>Department</td>
<td>25.0</td>
</tr>
</tbody>
</table>

**Doe, Jane Total**

100.0

I certify that the percentages for earnings and benefits as stated above are an accurate distribution of effort expended during the period covered by this report, except as noted.

Signature ____________________________    Date _________