

OFFICE OF  
SPONSORED  
GRANTS  
ACCOUNTING

GRANT MANAGER'S  
HANDBOOK

DECEMBER 13, 2013

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## ***Introduction***

This grant manager's handbook is provided as an additional resource for anyone who intends to write a proposal for funding by any external agency and anyone who has received a grant. *(Please refer to the Office of Sponsored Grants Accounting webpage for key information and resources: <http://www.fairmontstate.edu/admin/research/default.asp>.)*

The goal of the Office of Sponsored Grants Accounting for Fairmont State University (FSU) and Pierpont Community & Technical College (Pierpont) is to facilitate the "Pre-award" process by assisting with proposal and budget review, ensuring that the internal approval process is followed, submitting the proposal in specific instances, and negotiating contracts/awards. We assist with "Post-award" processes by establishing the grant budget, invoicing the awarding agency for all expenditures, monitoring compliance matters, allocating buyout and indirect monies when applicable, providing financial reports, and closing the grant.

Our office is here to serve the needs of grant managers while guaranteeing that FSU and Pierpont remains in good standing with our granting agency partners and in compliance with relevant federal regulations and laws.

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# **Grant Writer/Grant Manager**

## ***Quick Reference List***

### **Pre-Award**

- The current FSU federally determined **Facilities and Administrative Costs Rate (F&A – formerly known as Indirects)** is **51%** of all salary/compensation and fringe benefits for sponsored programs conducted whole or in-part on campus and 16% of all salary/compensation and fringe benefits for sponsored programs conducted entirely off campus. If a rate change occurs, it will be posted on the Office of Sponsored Grants Accounting (OSGA) webpage.
- Benefits include 6% of base salary for TIAA-CREF, 7.65% for FICA, 0.0025% for Workers' Compensation, PEIA Basic Life @\$5.37/month (proportionally calculated based on percent reassignment to grant) and PEIA Medical (Family) @ \$778/month (proportionally calculated based upon percent reassignment to grant). (If rate changes occur, it will be posted on the OSGA webpage.)
- The F&A rate must be included in all grant proposal budgets except where prohibited by the granting agency.
- A signed, completed **Grant Proposal Pre-Certification Form** must be completed and submitted to the OSGA once you determine that you are going to respond to a Request for Proposal (RFP) from a granting agency whether it is federal, state, or private foundation.
- A signed, completed **Final Grant Proposal Certification Form**, along with a final proposal and budget, must be submitted to the OSGA at least **TEN BUSINESS DAYS** before the proposal deadline.
- Failure to adhere to this timeline may result in the proposal **NOT** being submitted to the granting agency.
- The proposal and budget will be reviewed. You will be notified if changes are necessary or if you are authorized to submit the proposal as written.

### **Post-Award**

- Only the Vice President for Administrative and Fiscal Affairs is authorized to officially accept a grant award on behalf of the University and the Vice President for Finance & Continuing Education is authorized to officially accept a grant award on behalf of Pierpont Community & Technical College. The only exception is if the award is made directly to the FSU Foundation. The grant writer (PI), Dean, Chair, Department Director, or staff member is never authorized to accept an award and/or award payment.
- Send the official notice of a grant award and/or award payment to the OSGA so it can be processed, acknowledged, and placed in a grant file.
- Send any original contract/agreement form to the OSGA. **Do not sign** and return to the granting agency yourself. The Vice President is the only person authorized to sign.
- Send any award check(s) received to the OSGA for processing. **Do not deposit** the check yourself or have your staff person deposit it into any account.
- Complete a **Grant Budget Creation Form** and submit to Sandy Shriver in the OSGA. You will be notified when the budget is complete.
- No expenditures are permitted until an official grant budget is set-up in Banner.
- Submit all required progress reports and final reports directly to the granting agency. The OSGA will assist with required financial reports. Submit a copy of all submitted reports to the OSGA.
- Send invoice/financial reporting forms to the OSGA for processing. **Do not complete** and submit these to the granting agency yourself.
- Adhere to compliance regulations and processing procedures (FSU/Pierpont/State/Federal) for expenditures, budget/expenditure transfers, grant close-outs, and end of grant period surpluses/overages.

# **Office of Sponsored Grants Accounting**

## ***Grant/Contract Guidelines***

### **I. Pre-Award Procedures/Responsibilities**

#### **A. Principle Investigator's (PI) Responsibilities**

- Locate viable external funding sources (foundation, federal or state government). Refer to Office of Sponsored Grants Accounting (OSGA) webpage for resources.
- Complete and sign **Grant Proposal Pre-Certification Form** and submit to the OSGA for review and approval. (Refer to webpage for form.)
- Write the proposal according to agency's **Request for Proposal (RFP)** guidelines; build an initial budget.
- Have colleagues review drafts to strengthen the proposal and ask for appropriate OSGA assistance.
- Have discussion with the OSGA regarding the submission requirements, especially for federal agencies. Some are easy; some are more challenging.
- If you are preparing a proposal to a private foundation, you must work with the FSU Foundation and the OSGA who will collaborate on the submission and award if received.
- A **MINIMUM OF TEN BUSINESS DAYS** prior to the proposal deadline, complete and sign a **Final Grant Proposal Certification/Submission Form** and submit to the OSGA with a near-final or final draft of your proposal, including budget, for review and approval. (Refer to webpage for form.)
- Upon receiving notice of approval from the OSGA, submit the final proposal according to granting agency's requirements.

#### **B. Office of Sponsored Grants Accounting Responsibilities**

- Review **Grant Proposal Pre-Certification Form** to ensure completeness and address any potential obstacles prior to PI investment of time in proposal preparation.
- Review **Final Grant Proposal Certification/Submission Form** with PI no later than **Three Business Days** prior to final submission deadline. This would include suitability of University/Pierpont matching monies, if any, review of grant budget, and appropriate application of **Facilities and Administrative Cost Rate** (Indirects).

## II. Post-Award Procedures/Responsibilities

### A. Principle Investigator's Responsibilities

- Provide the OSGA with the original, official grant award notice from external agency if the notice is sent directly to the PI. Retain a copy of the award for your files.
- Agree to abide by all terms and conditions of the award.
- Complete and submit a **Grant Budget Creation Form** (available on the webpage) in order to ensure that the grant budget is established according to the original proposal budget submitted. This is an important operational document that helps you, the PI, expend your grant funds as planned.
- Expenditures **CANNOT** be made until the grant period officially begins and the grant budget is established in the Banner Finance System. You will be notified when the budget is built and you may then begin expending. Expenditures **CANNOT** be charged to a departmental budget and then transferred to the grant when it is received.
- Notify the Granting Agency and get written approval of any personnel budget changes that deviate from the original approved grant budget.
- Complete and process all necessary personnel actions, including full-time/part-time grant-funded employees and the **Temporary Appointment Form** if the grant provides for reassignment of workload for the PI or other faculty, the employment of student researchers, or compensation for institutional employees. Contact the OSGA if you have questions about personnel action issues or procedures.
- Contact the OSGA as soon as possible when changes in personnel or employment status are forthcoming. Provide substantial notice to ensure necessary steps can be completed to take appropriate action and finalize the change.
- Work with the designated office staff member in your academic/department unit to ensure that expenditures are processed and posted timely and accurately. Ensure that budget records are monitored for accuracy and are cross-checked with Banner postings. Correct errors immediately when they occur to ensure budget remains accurate and up-to-date.
- Manage the daily operations of your budget, including purchasing supplies/equipment, travel expenses/reimbursements, student employees, and other authorized expenditures.
- Ensure expenditures are appropriate, reasonable, and allowable according to the award regulations.
- Ensure expenditures do not exceed the available budget in the account line or overall balance of the award.
- Both the PI and his/her designated departmental staff member will be able to access, review, and monitor the grant budget using Banner WebFors via the Enrollment Center (FELiX) or Native Banner Finance. It is vitally important that the PI assume this responsibility in order to ensure proper use of the grant monies.
- Initiate requests for re-budgeting and cost transfers and ensure appropriate forms are completed and procedures are followed.
- If there is a legitimate need to transfer grant funds from one budget account line to another, the PI must receive documented approval from the granting agency when required, and provide evidence of this approval to the OSGA along with a completed **Transfer of Funds Request Form** (available on the OSGA webpage).
- All requests for transfers of expenditures from any other budget to a grant budget require **prior approval** by the OSGA. These include transfer requests for p-card purchases, travel account settlements, purchase orders, agreements, salary/benefits, etc.
- Complete and submit any required progress and final reports to the granting agency and provide a copy to the OSGA.
- Abide by the Period of Performance for the award; it is especially important to adhere to the End-Date of the award and close-out procedures.

- All expenditures, including purchases and personnel (salary/fringes) costs must be completed and posted in Banner by the end date of the grant. Allow enough time for arrears-paid employees to ensure payments are posted by the end-date of the award.
- Cost-sharing/matching funds must be documented and reported as required by the agency.
- If a no-cost extension is required to extend the period of performance to complete a project, written approval from the granting agency is required well in advance of the original end-date for the award. Contact the granting agency at least 2 months in advance because it often takes time to get an approval processed and to receive approval documentation. Send a copy of the approval documentation to the OSGA. Expenditures cannot be processed or posted after the original end-date if approval has not been received. If expenditures are posted after the end-date and approval is denied, they will be transferred to a departmental budget.
- Ensure that a separate, complete, and accurate file is retained in the department for each award for a period of five years after the end-date of the award or the designated time period required by the granting agency (whichever is longest). Ensure that this file is easily accessible in case it is needed by auditors.

## **B. Office of Sponsored Grants Accounting Responsibilities**

- The Vice President for Administrative & Fiscal Affairs for the University or the Vice President for Finance and Continuing Education for Pierpont Community & Technical College, being the authorized person to accept external grants, will determine acceptance of the award and sign all contracts or agreements and the OSGA will submit them to the appropriate external granting agency.
- Negotiate contract/agreement terms and conditions relating to the University/Pierpont, if required.
- Ensure that the original contract/agreement, signed by all parties, has been submitted and a budget form has been received.
- Establish all grant/contract budgets within the Banner system according to the information provided by the PI on the **Grant Budget Creation Form**; and notify the PI and appropriate academic unit office staff member when expenditures can begin.
- Monitor project and budget activity to ensure compliance with federal, state, and institutional policies/practices/procedures.
- In the event a concern of compliance issue is questioned or unknown, our office will require written approval from the granting agency to resolve the issue.
- Work closely with the PI and the designated office staff member on an as-needed basis to ensure that the grant budget is kept up-to-date, accurately reflects all expenditures, and is not over-expended.
- Review and approve any requested budgetary changes.
- Process budgetary changes and work with appropriate faculty, staff, and departments to ensure accuracy of personnel action requests and that processing is complete.
- Maintain accurate records on each grant award in order to ensure compliance with the granting agency's regulations and expectations as well as all relevant institutional, state, and federal policies.
- Invoice the granting agency on a regular basis (monthly invoicing is standard if permitted by the agency) for reimbursement of cost-basis awards for expenditures posted during the specified time period.
- Draw funds on federal Letters of Credit and reconcile accounts as required for the award.
- Oversee the distribution of the F&A monies generated by grant expenditures during the designated fiscal year. The departmental distribution will be allocated to the appropriate Dean's Indirect Funds budget. Detail will be provided for the customary interdepartmental distribution to the Dean, Chair, and PI. The standard percentage rate and/or distribution procedure for Indirect Costs is subject to change and is dependent upon approval by the appropriate institutional President and/or Vice President.
- Work with the PI to properly close-out a grant and provide final accounting reports as required.

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- Transfer expenditures to departmental budgets if overages or unallowable expenditures occur in a grant budget.
- Create and submit institutional, state, and federal reports as requested or required.

# **Office of Sponsored Grants Accounting**

## ***Dean/Department Chair Responsibilities*** **Grants & Contracts**

### **I. Pre-Award Procedures/Responsibilities**

- Review and approve **Grant Proposal Pre-Certification Form**. Your approval implies only that you are aware of the proposal, support its concept, and agree to any obligations for the faculty's time, staff support, and/or cost-share/matching funds commitment.
- Review and approve the **Final Grant Proposal Certification Form** a minimum of **ten business days** prior to the proposal deadline. Your approval means that you will provide indicated reassignment time if applicable, ensure that the PI will meet all obligations of the proposal, agree to and will provide any required matching funds and staff support, and agree to provide departmental funding for overages or unallowable expenditures posted to grant budgets.

### **II. Post-Award Procedures/Responsibilities**

- Work with the principal investigator to guarantee that any required reassignment of time is implemented according to the grant timeline.
- Support the departmental office staff member who has responsibilities for purchases for a grant budget to ensure that all expenditures are allowable, processed timely, and follow institutional purchasing guidelines as well as granting agency, state, and/or federal regulations.
- Manage the expenditures of the Dean's Indirect Fund budget that will include interdepartmental allocations. **Currently, all IDC revenue must be expended within the fiscal year in which they are allocated.**
- Support the OSGA in ensuring that the Principle Investigator (Grant Manager) adheres to all expenditure restrictions; completes budget change requests, travel reimbursements, service contracts, and personnel expenditures/actions in a timely manner and fulfills all budgetary, compliance, and reporting responsibilities.

# Conflict of Interest

## What is Conflict of Interest?

A potential *conflict of interest* occurs when an Investigator's private interests compete with his/her professional obligations to Fairmont State University or Pierpont Community & Technical College to a degree that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. This regulation is to address such conflicts when a significant financial interest reasonably appears to affect or bias the design, conduct or reporting of research or educational activities funded or proposed for all externally funded projects.

## Who is an Investigator?

*Investigator* means the principal investigator/project director, co-principal investigator, and any other person affiliated with Fairmont State University or Pierpont Community & Technical College who has authority and responsibility for the design, conduct, or reporting of research or educational activities funded or proposed for funding to sponsoring agencies. In this context, "Investigator" also includes the investigator's spouse and dependent children.

## What is a potential conflict of interest?

A potential conflict of interest, as defined by West Virginia Code 6B1-6 and Title 133 Procedural Rule, West Virginia Higher Education Policy Commission, Series 31: Ethics, exists when an Investigator's financial interests in business enterprises or entities meet the following conditions:

1. An equity interest that when aggregated for the Investigator and the Investigator's spouse and dependent children, meets both of the following tests: exceeds \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and represents more than a five percent ownership interest in any single entity; or
2. Salary, royalties or other payments that, when aggregated for the Investigator and the Investigator's spouse and dependent children over the next 12 months, are expected to exceed \$10,000.

## Conflict of interest does not include:

1. Salary, royalties or other remuneration from Fairmont State University or Pierpont Community & Technical College;
2. Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
3. Income from service on advisory committees or review panels for public or nonprofit entities.

## Exactly what must I do?

1. Disclosure of Financial Interests

For each proposal, if a potential conflict of interest does exist, investigators are required to disclose the required information about any entity that could be affected by the sponsored research or educational activities. All

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investigators applying for research and/or educational grants from external sponsors must complete a Significant Financial Interest Certification Form (available on the OSGA webpage).

If the investigator certifies that he/she may have a significant financial interest, then the investigator must also complete the Significant Financial Interest Disclosure Form (available on the OSGA webpage) with any supporting documentation.

## 2. Review of Disclosure

a. Upon notification of an approved award, the OSGA will forward all pertinent information to the Dean of the appropriate College/School, who will conduct an initial review of all financial disclosures and make a recommendation to the OSGA.

b. If Dean's recommendation indicates there may be a potential conflict of interest, the investigator will be notified and with his/her department head will develop a Resolution Plan which will be forwarded to the OSGA.

### **Examples of Situations that Might Entail or Create a Conflict of Interest in Sponsored Programs**

The examples are by no means exhaustive and are provided only as samples of some commonly encountered situations.

- Entering into consulting agreements that purport to transfer to a private entity intellectual property that belongs to the University/Pierpont. (See the institution's Policy on Patents and Copyrights for further detail.)
- Undertaking basic or clinical research when the investigator or the investigator's immediate family has financial, managerial, or ownership interest in the sponsoring company or in the company producing the drug/device under evaluation
- Accepting gratuities or special favors from sponsors
- Entering into a consultantship arrangement with an organization or individual having an economic interest in related research
- Using students or employees of the University/Pierpont to perform services for a company in which an employee has an ownership interest or from which he/she receives any type of remuneration
- Using students or employees of the University/Pierpont to perform personal, non-work-related services for the employee or any associate of the employee during the work hours for which the student/employee receives remuneration from the University/Pierpont.
- Unreimbursed or unauthorized use of University/Pierpont resources, such as equipment, supplies, and facilities, for personal research or to support the research activities of an independent entity in which an investigator holds a financial or other interest
- Unauthorized use of privileged information acquired in connection with one's professional responsibilities
- Accepting support for basic or clinical research under terms and conditions that the results be held confidential, unpublished, or significantly delayed in publication
- Providing privileged access to information, developed with University/Pierpont resources or supported by independent sponsors, to an entity in which the employee has a financial interest
- Purchasing equipment, instruments, or supplies for research or teaching from a firm in which the employee has a financial or other interest
- Providing consulting services to a federal agency when one is conducting federally-sponsored research (the federal conflict of interest statutes 18 U.S.C. 202-209 should be consulted)

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## Facilities and Administrative (F&A) Costs

F&A Costs are costs incurred for a common or joint activity of the university/college that cannot be easily or specifically identified with a particular project.

- F&A Costs are actual costs that are not readily identified with a specific sponsored project.

### F&A Cost Rates

- F&A Cost Rates are negotiated with the federal cognizant agency, the U.S. Department of Health and Human Services (DHHS).
- **Current rates for Fairmont State University: 50 percent of all Salary and Fringe Benefits for on-campus programs; 15 percent for off-campus programs.**

### What does the F&A Cost Rate include?

- General administrative costs such as the President's office, Provost office, accounting office, procurement office, and human resources office
- Departmental administrative costs such as clerical/secretarial/purchasing assistance, office supplies, postage, printing, and copying
- Building and general purpose equipment use (including computer software/hardware)
- Physical plant operations and maintenance (utilities)
- Information Technology resources and services

### Guidelines to be observed in establishing agreement terms for recovery of F&A costs

(1) Agreements with federal agencies will provide for F&A cost recovery at the rates negotiated by Fairmont State University/Pierpont Community & Technical College with the DHHS, except: (a) where the F&A cost reimbursable by a federal agency on a particular project is fixed by statute or regulation, or (b) where other circumstances dictate the necessity for accepting a lesser F&A cost rate.

(2) Agreements with West Virginia state agencies and political subdivisions, at the option of the Fairmont State University/Pierpont Community & Technical College, except where the agreement is funded with federal flow-through funds, may provide for cost sharing of F&A costs with full justification in the sponsored agreement for such cost sharing.

(3) Agreements with private business organizations will provide for F&A cost recovery at the rates negotiated by Fairmont State University/Pierpont Community & Technical College with the DHHS, unless there is suitable compensation made for the difference between the F&A recovery and the negotiated F&A rate.

(4) Agreements with private foundations will provide for F&A cost recovery at the rates negotiated by Fairmont State University/Pierpont Community & Technical College with the DHHS, except where precluded by regulations of the Foundation.

**The following costs are normally considered F&A. They may be charged directly only under special circumstances approved by the OSGA and the granting agency. Examples of special circumstances may include postage for a mass mailing required by a sponsored agreement or the local telephone costs associated with a hot-line required by a sponsored agreement.**

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- office supplies
- postage
- telephone costs
- copying/duplicating
- computers, printers and software
- memberships

**Costs normally considered F&A costs may be directly charged only if they meet all of the following requirements:**

- the project meets the definition of a “major project” as described in OMB Circular A-21;
- the project has a special need for the item or service that is beyond the level of services normally provided;
- the costs can be specifically identified to the work conducted under the project and are appropriately documented;
- costs are specified in the proposed budget of the sponsored agreement and the special circumstances requiring direct charging are justified in the proposal; and
- the sponsoring agency accepts the cost as part of the project's direct cost budget (i.e., the agency does not specifically disallow the cost in the award or other notification to the institution)

If the cost meets the conditions above, but was not included in the approved budget of the sponsored agreement, it may be charged directly to the agreement when Fairmont State University/Pierpont Community & Technical College has re-budgeting authority under federal regulations or the terms of the sponsored agreement, and the charge is justified and approved by the OSGA.

The justification for the specific cost must be in writing and provide the same information that would have been provided to the sponsoring agency in the proposed budget, and must explain why the cost was not in the original budget. Approval of these requests will be given where the OSGA is satisfied that the sponsoring agency would have approved the cost had it been in the original budget.

**Costs that are normally treated as F&A, such as administrative and clerical salaries of any type, may be charged directly to non-federal sponsored agreements only if it meets allow ability as defined in OMB Circular A-21, if permitted by the sponsor's policies, and is approved by the OSGA.**