Introduction to Sponsored Programs

Rebecca Trahan
Erica D'Spain

Office of Sponsored Programs

Training Session Overview

- Introduction
- OMB Circulars
- Proposal Submission Process
- Budget Preparation
- Award Process
- Post-Award Modifications
What is a Sponsored Project?

- Externally funded research, public service or instruction activity
- Funded by a grant, contract or cooperative agreement
- Usually requires a report or deliverable and fiscal accountability
- Funding is for a specific purpose and time period
- Not an unrestricted gift

Office of Sponsored Programs

What do we do?

- Handle all proposal activity for the University
- Negotiate and approve awards, including amendments
- Draft subawards
- Handle prior approval requests
- Provide current information, advice, and assistance to faculty and staff related to sponsored programs
- The OSP Executive Director is the Authorized Official for the University
OSP Statistics

- **Total Submitted Proposals**
  - FY12: 1259 proposals requesting $527M
  - FY13: 1182 proposals requesting $324M
  - FY14: 1256 proposals requesting $519M

- **Annual Awards**
  - FY12: $142.8M
  - FY13: $142.1M
  - FY14: $134.1M

Office of Management and Budget (OMB) Circulars

**Legacy Guidance**
- OMB Circular A-21, Cost Principles for Educational Institutions
- OMB Circular A-110, Uniform Administrative Requirements for Grant and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations

- Separate circulars for universities, state agencies, and hospitals. While similar in nature, there are some differences.
Uniform Guidance (UG)

New Guidance (effective for awards issued on or after 12/26/2014)

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)
- Combined 8 circulars into a Uniform guidance which will cover all types of entities. The uniform guidance includes sections on cost principles, audit and administration.
  - Also applies to for profit entities.
- LSU has a working group reviewing the uniform guidance to determine what changes are needed to LSU processes and procedures.

Establishes principles for determining costs applicable to grants, contracts, and other agreements

- Provides guidance on what types of costs are allowed to be charged to federal awards as direct costs or facilities and administrative (F&A) costs
- Gives instructions on how institutions should develop and apply their F&A cost rates.

* Replaces OMB Circular A-21
Establishes standards for obtaining consistency and uniformity among Federal agencies in the administration of grants and agreements.
- Pre-award requirements
- Post-award requirements
- Close-out procedures

* Replaces OMB Circular A-110

Establishes the standards for obtaining consistency and uniformity among Federal agencies for the audit of organizations expending federal awards.
- Ensures that federal funds are managed appropriately and financial reporting is accurate.

* Replaces OMB Circular A-133
A Principal Investigator (PI) is the individual who:
- holds primary responsibility for the technical conduct, administrative and budgetary management of project.
- is responsible for complying with all contractual obligations.

PI, Department Chair and Dean are collectively responsible for:
- the conduct of research with respect to sponsor and University policies and procedures.
- Unallowable charges are the responsibility of the PI’s department and/or college.
Who can be PI and Co-PI? (LSU Requirements)

- The principal investigator (PI) and co-principal investigator (Co-PI) must be an LSU employee unless the proposal involves one of the following:
  - Non-LSU employees will participate on the project as part of a proposed subcontract.
  - The sponsor requires the proposal to include non-LSU employees as Co-PIs (i.e. NSF GOALI proposals)
- Also need to be aware of and follow sponsors requirements on who can be PI/Co-PI, if any.

With department and college approvals:

- Full or part time faculty and staff
- Prospective hires who will be on the LSU payroll (i.e. in a paid status) at the time of the award
  - full or part time faculty and staff
  - visiting faculty
  - adjunct or gratis faculty
- Emeritus faculty
  - provided they can fulfill the technical and administrative responsibilities of the project as well as meet Sponsor’s approval
With department and college approvals:

- Anyone who can be named as a PI
- Graduate assistant
  - A faculty member or unit head must be listed as the PI
- Visiting faculty, adjunct or gratis faculty not on the University payroll (i.e. not in a paid status)

Funding Search

- Conduct funding searches using:
  - SPIN and Grants.gov are searchable databases
  - LASMARTS
  - LAGENIUS
- See “Funding Resources” section of Office of Research and Economic Development (ORED) Website for more information
Application Guidelines

- Review Request for Proposal (RFP), Funding Opportunity Announcement (FOA), or Broad Agency Announcement (BAA)
- Review agency proposal guidelines and electronic submission instructions
  - NSF Grant Proposal Guide
  - NIH Application Guides: SF424(R&R), PHS398, PHS2590
  - Grants.gov User Guides and Grants.gov sponsor specific user guides
- Review the OSP Guide

OSP Website Resources

- OSP Guide
- Budget Worksheets
  - LSU Generic Budget
  - NIH Modular Worksheet
  - NSF Budget
- Proposal Processing Checklist
- Grants.gov templates
- Useful information and University contacts
- Sample SF424 and SF424(R&R)
- Fringe, tuition remission and F&A rates
Proposal Preparation

- Typical proposal contents
  - Title Page
  - Table of Contents
  - Project Abstract
  - Project Narrative (Scope of Work)
  - Budget
  - Budget Justification
  - Personnel
  - Current and Pending Support
  - Other Financial Assistance
  - Facilities, Equipment and Other Resources

Budget Preparation

- Common Budget Categories/Major Cost Categories
  - Salaries and Wages
  - Fringe Benefits
  - Travel
  - Participant Support Costs
  - Materials and Supplies
  - Consulting and Professional Services
  - Subcontracts/Subawards
  - Operating Services
  - Other Direct Costs
  - Equipment
  - Tuition Remission
  - Facilities & Administrative Costs
Budget Preparation

- **Direct Costs**
  - Costs that can be identified specifically with a particular sponsored project and can be directly assigned to such activities relatively easily with a high degree of accuracy.

- **Indirect Costs/Facilities & Administrative Costs**
  - Costs that are incurred for common or joint objectives that cannot be identified readily and specifically with a particular sponsored project.

Allowable vs. Unallowable Direct Costs

**Allowable**
- Reasonable - an average person would have purchased this item and paid this price.
- Allocable - requires an expense directly benefit and be necessary for the performance of the project.
- Consistently treated - like costs must be treated the same in like circumstances, as either direct or F&A costs.

**Unallowable**
- Costs that do not meet the criteria for allowable costs.
- Costs that are not eligible for reimbursement by the federal government per Uniform Guidance, Subpart E.
- Costs that are not eligible for reimbursement by the sponsor per the RFP.
Unallowable Direct Costs

- Administrative and clerical services
- Advertising for position and moving costs - unless position is in budget and 100% appointment on agreement
- Alcoholic Beverages
- Alumni and development activities
- Automobile repairs
- Bad debt expense
- Commencement and convocation costs
- Copier rental/maintenance
- Entertainment
- Extra compensation for professorial or professional employees
- Fines and penalties
- Fund raising
- General purpose equipment
- Goods and services for personal use
- Lobbying costs
- Local telephone calls
- Maintenance and repair
- Memberships
- Monthly cell phone base charge
- Office furniture
- Office supplies
- Postage
- Proposal development costs
- Software (Windows, Microsoft Office, Adobe, etc.)
- Subcontracts without written approval
- Subscriptions
- Telephone rental and line charges
- Utilities

- These costs are normally unallowable on federally sponsored projects
- See FASOP: AS-21

Fringe Benefit Rates

Federally Negotiated Rates
Regular employees 40%
Contingent labor/transients (object code 1220/1250) 7.65%
Graduate Assistants 3%
Student Workers 0%
Nonstudent employees with “F” or “J” visa (object code 1100) 0%

- Fringe benefits are not charged to undergraduate students.
- Graduate Assistant fringe benefit rate does not apply to fellowship stipends.

- Fringe Benefit rates can change annually. See OSP website for current rates.
**Graduate Assistant Tuition Remission**

- Proposals submitted with graduate student salaries must include tuition remission.
  - 33% of Graduate Assistant Salary

- Tuition remission should not be included in the budget if the sponsor or solicitation does not allow tuition remission.

- Tuition Remission is exempt from F&A when an MTDC base is used.

  - Tuition Remission can change annually. See OSP website for current information.

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**Facilities & Administrative Rates**

**Federally Negotiated Rates**
- Research: 48%
- Instruction: 49%
- Public Service: 35%
- Off-campus projects: 26%

**State**
- ½ of Federally negotiated rate

- F&A rates can change annually. See OSP website for current rates.
To establish the F&A Rate to be used:

1) Determine project function
   - Research, Instruction, Public Service

2) On-campus vs. Off-campus
   - To use off-campus rate, 50% of direct costs (less subawards) must be off-campus. Justification must be uploaded to SPS.

3) Federal funds vs. State funds

Modified Total Direct Costs (MTDC): Total Direct Costs less
- Each Subaward in excess of $25,000
- Capital equipment
- Tuition remission
- Alterations and Renovations
- Scholarships and fellowships, prizes and awards
- Rental costs of off-site facilities
- Participant Support Costs

MTDC x F&A Rate = F&A Costs

LSU will allow the use of reduced F&A rates when sponsors have a published F&A policy.

Pursuant to PM-10, F&A is waived on projects with total project costs of $10,000 or less.

Otherwise, waivers and reductions in F&A must be approved by the Vice Chancellor for Research and Economic Development.
- Justification for waiver/reduction must be uploaded to SPS.
- Use ORED Cost Sharing or Indirect Cost Reductions and Waivers form which can be found on the ORED website under Policies and Compliance.
Cost Sharing

- Defined as that portion of sponsored project costs not borne by the project’s sponsor.
- The Uniform Guidance requires that all cost sharing and matching on sponsored projects be properly documented in the University’s accounting records.
- The Uniform Guidance requires that cost sharing must be included in the funding opportunity announcement.
- Cost Sharing must meet the same standards of allowability as funds requested from the sponsor.

Types of Cost Sharing
- Salary
- Non-salary
- Other sponsored agreement (with approval)
- Unrecovered F&A
- Industrial Match

Cost Sharing/Matching

FASOP: AS-06

- PIs should only commit cost sharing when required by the sponsor or by the competitive nature of the award.
- Commitments should only be made to the extent necessary to meet the specific requirements of the award. All cost sharing commitments must be included in the project proposal and must be approved by the University department/unit responsible for the funds.
- Voluntary committed cost sharing must be approved by the Vice Chancellor for Research and Economic Development and will be documented in the same manner as sponsor mandated cost sharing.
  - Use ORED Cost Sharing or Indirect Cost Reductions and Waivers form which can be found on the ORED website under Policies and Compliance.
- Cost sharing commitments are a condition of the award and subject to audit.
- Cost sharing expenditures must occur during the period of performance of the award.
Senior Personnel Effort

- OMB clarification M-01-06 requires that most Federally-funded research projects have some level of committed faculty or senior researcher effort.
- LSU’s policy requires all research proposal budgets (federal and non-federal) to include some level of effort by at least one senior researcher in each year of the project.
  - However, this does not apply to equipment, instrumentation, doctoral dissertation, student augmentation grants and small research projects ($50,000 or less).
  - Also, effort can be cost shared if the Sponsor requires cost sharing.
- See sponsor guidelines for additional restrictions on senior personnel effort.
  - NIH requires all senior personnel to devote measurable effort to the project.
  - As a general policy, NSF limits salary compensation for senior personnel to no more than two months of their regular salary in any one year for all NSF-funded grants.

Subcontracts/Subawards

- Used when a collaborator will be performing part of the proposed research:
  - as part of their institutional appointment, using institutional facilities or students
  - providing intellectual input
  - responsible for technical reporting and programmatic input
  - authoring or co-authoring papers describing research results
**Professional Services Contracts**

- Used when a collaborator will be providing a routine service or analysis (e.g. analyzing samples).
- Consultants are individuals/firms providing services and do not participate in programmatic decision-making.
- When consultants are affiliated with another academic institution, the services provided must be:
  - outside of their institutional time and commitments
  - without use of their institutional resources (including students and staff)
  - paid directly to the consultant as an individual
- LSU employees may not serve as consultants on sponsored projects awarded to LSU.
  - They should be budgeted under personnel.

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**Examples of Subcontracts vs. Professional Services**

- Professional Services Contract - A collaborator agrees to perform an analysis on your samples and provide the results.

- Subcontract Agreement - A collaborator agrees to supervise a post doctoral fellow and other personnel associated with the performance of specific aim 2 on your project. They will also assist the project PI with preparation of the progress reports and manuscripts resulting from the study.
Service Centers

- Service Centers are on-campus facilities that charge a fixed rate for usage.
  - Budgeted under Operating Services.
- In order to charge a fixed rate, the facility must be an approved Service Center.
  - Consult the Office of Budget and Planning website (http://www.bgtplan.lsu.edu/recharge.htm) to confirm that a facility is an approved Service Center.
  - On the budget justification, please use the name as it appears on the website.
- If a facility is not an approved service center, the costs to perform this task must be broken into the appropriate categories for resources needed to complete the task and budgeted accordingly (e.g. personnel, supplies, etc.)
- See Policy Statement 103 for more information.

### Budget Example - 12 Months

<table>
<thead>
<tr>
<th>Description</th>
<th>Requested</th>
<th>Cost Share</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Principal Investigator ($90,000 AY Salary)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 academic month</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>2 summer months</td>
<td>$20,000</td>
<td></td>
</tr>
<tr>
<td>Graduate Assistant 50%</td>
<td>$21,000</td>
<td></td>
</tr>
<tr>
<td>Student Workers @ $10/hr, 1,500 hrs</td>
<td>$15,000</td>
<td></td>
</tr>
<tr>
<td>Faculty/Staff Fringe Benefits @ 40%</td>
<td>$8,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>GA Fringe Benefits @ 3%</td>
<td>$630</td>
<td></td>
</tr>
<tr>
<td>Subcontract</td>
<td>$30,000</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Participant Support Costs</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Tuition Remission @ 33%</td>
<td>$6,930</td>
<td></td>
</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
<td>$122,560</td>
<td>$14,000</td>
</tr>
<tr>
<td><strong>F&amp;A Costs = Rate x MTDC</strong></td>
<td>$47,822</td>
<td>$6,720</td>
</tr>
<tr>
<td>$47,822 = 48% x $99,630</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td>$170,382</td>
<td>$20,720</td>
</tr>
</tbody>
</table>

* MTDC = TDC - Subawards over $25,000, Equipment, Participant Support and Tuition Remission
  - $99,630 = $122,560 - $5,000 (Subcontract Excess of $25K) - $10,000 (Equipment) - $1,000 (Participant Support) - $6,930 (Tuition Remission)
**Budget Justification**

- Provides additional details and support of the expenses requested in the budget.
- If figures are included, they need to match the budget.
- Should only include items in the budget.
  - Discussing expenses not in the budget can be construed as cost sharing.
- It is not necessary to provide more detail than what is required by the sponsor.

**Proposal Routing**

- All proposals must be routed electronically for OSP approval using LSU’s Sponsored Programs System (SPS) in myLSU
- Refer to Proposal Processing Checklist found on our website.
- Procedures When Sponsor Limits Number of Applications
Proposal Routing (continued)

- Lead Time for Processing:
  - 3 business days before mailing or electronic submission deadline
  - 5 business days for NIH Grants.gov submissions
  - 10 business days for expanded review of large proposals

Proposal Review

What is needed for a Streamlined Review:
- Proposal coversheet (if required)
- Budget & Budget Justification
- Sponsor forms which contain budgetary information or require institutional signature
- Subaward/Subcontract paperwork (if applicable)
- RFP (if applicable)
- If electronic submission by OSP, electronic proposal must be released in the sponsor system simultaneously.
- If Grants.gov submission, Grants.gov package (minus the proposal narrative) must be uploaded to SPS.
**Proposal Review**

What is needed for an Expanded Review:
- All information under Streamlined Review
- Final Complete Proposal
- Subaward/Subcontract scope of work (if applicable)

Expanded Review is conducted when:
1) Requested by PI and entire proposal is uploaded to SPS with proper lead time.
2) Proposals to industry sponsors when one of Industry Agreements is prepared.
3) Non-Competing Continuation Proposals (e.g. NIH RPPR);
4) Revised proposals are submitted in anticipation of an Award.
5) When sponsor requests additional information in order to issue an award

**Subaward/Subcontract Proposal Requirements**

- Scope of Work for expanded review
- Budget & Budget Justification
- Letter of Collaboration signed by Subrecipient’s Authorized Institutional Representative
- Copy of fringe benefit and F&A cost rate agreement when rates are included in budget (not required for universities)
  - Subrecipients will no rate agreement can include F&A of 10% on MTDC per the Uniform Guidance.
Proposals with Pennington (PBRC) and Ag Center

- The non-lead institution is treated like any other subaward
- When LSU is the lead, OSP will accept PBRC and Ag Center approval via their OSP routing sheet or email from their OSP office.
- When PBRC or Ag Center is lead, list PBRC or Ag Center as Sponsor in SPS.
- PBRC and Ag Center personnel should not be listed in SPS.

Proposals to Industry

OSP will usually draft one of our Industry Matrix Agreements to accompany proposals to Industry sponsors.

- **Express Research Agreement** - one page document that covers terms and conditions.
- **Sponsored Research Agreement** - LSU’s standard agreement with industry
- **Academic Research Services Agreement** - used when faculty will be measuring, testing or fabricating sponsor owned proprietary materials.
- **Clinical Study Agreement** - used when LSU will conduct clinical trial
Preproposals/Notices of intent

Must be routed in SPS if one of the following apply:
1) The program limits the number of applications that may be submitted by an institution.
   - approval from the Office of Research and Economic Development is required before OSP may approve.
2) A detailed budget is required
3) Authorized Representative signature, and/or Electronic Submission by OSP is required.

Preproposals/Notices of Intent which do not require Authorized Representative signature, and which provide only total cost estimates, rather than a detailed budget may be submitted directly to Sponsor.

Proposal Approvals

- PI, Co-PI, Department & College Approvals in SPS
- Special Approvals/Compliance in SPS
- Authorized LSU Signature provided by OSP
**Agency Submission**

- Regular Mail or FedEx (PI responsibility)
- Electronic Submission by OSP
  - NSF Fastlane
  - Grants.gov
  - BOR LOGAN
  - NIH eRA Commons (RPPR)
  - NASA NSPIRES
- Other Electronic Systems/Email Submission
  - PI Driven vs. OSP Driven

**Award Process**

1. Sponsor provides feedback (revise, decline, award)
2. If awarded, PI completes OSP-1 and sends to OSP
3. OSP negotiates award terms and conditions
4. OSP accepts award
5. OSP sends award to Sponsored Program Accounting for acct. set-up and processing
## Award Receipt

- **Types of Awards**
  - Grant
  - Cooperative Agreement
  - Contract

- **Fixed price vs. Cost Reimbursable**

## Award Negotiation & Acceptance

- **PI should:**
  - Review award
  - Attach OSP-1
  - Attach copy of complete proposal submitted to sponsor
  - Attach revised budget/scope if applicable
  - Provide any objections to award terms

- Awards are routed hard copy or via email, not through SPS
- OSP will coordinate with the PI and contact the Sponsor to negotiate a mutually acceptable agreement between the funding organization and the University.
- All special approvals are required before OSP will accept an award (i.e. IACUC, IRB)
Account Setup

- Once award is fully-executed, it is sent to Sponsored Program Accounting (SPA) for account set-up.
- SPA will handle the post award financial administration of the award.

Tentative Account Numbers

- Allows PI to begin spending prior to receiving the fully executed award
- The request form must be approved by the PI's department chair, who certifies that the department will be responsible for any unallowable charges, or for costs incurred should the project not be funded.
- The tentative number will be the account number
- Send completed Tentative Account Request form (AS494) to OSP
  - tentative accounts may not be established until all required Special Committee approvals are obtained (i.e. IACUC, IRB).
Subaward Processing

- PI submits OSP-3 form to OSP
- OSP drafts subaward and emails to PI
- PI/dept. load into PRO
- Purchasing obtains necessary signatures

- Subaward amendments are processed with OSP-4.
- Refer to Subaward Processing Checklist

Post-Award Modifications

- At any time during the life of a sponsored project, a variety of modifications may be necessary

- A request to modify any aspect of a sponsored project must be approved by OSP prior to submission to sponsor
Modification requests may be routed electronically through SPS or hard copy using Section A of the OSP-2 Form.

Examples of the type of prior approval requests:
- No-cost extension
- Transfer of Award
- Revised Budget
- Change in Scope/PI Effort
- Change in PI/Co-PI
- Termination of Award

Some federal agencies have granted Universities “Expanded Authorities” to internally approve certain actions on federal grants and cooperative agreements.

Special restrictions in the award document take precedence over expanded authorities.

Internal Prior Approval Requests may be routed electronically through SPS or hard copy using Section B of the OSP-2 Form.
Examples of the Expanded Authorities approvals include:
- Rebudgeting
- Additional compensation
- Pre-award costs
- First time no-cost extension (NCE) of up to 12 months
- Acquisition of special purpose equipment
- Acquisition of general purpose equipment when primary use is for technical activities of project.
- Alterations/Renovations
- Subcontracts not included in proposal

See Research Terms and Conditions Prior Approval Matrix for agency specific expanded authorities

Other Training Opportunities

- Sponsored Programs System (SPS) Training
- Grants.gov Training
- Sponsored Programs New Developments and Important Reminders
OSP Contact Information

Location: 202 Himes Hall  
Website: www.lsu.edu/osp  
Phone: 578-2760  
Fax: 578-2751  
Email: osp@lsu.edu

Sign up for ASP Listserv:  
http://uiswcmssweb.prod.lsu.edu/research/osp/Links/LSU%20Links/item59404.html

Erica D’Spain: edspain@lsu.edu  
Rebecca Trahan: rtrahan@lsu.edu