

# **Sponsored Projects Handbook**

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## I. INTRODUCTION

Brown is one of the top 100 universities receiving support from the federal government for faculty research and scholarly activities. This level of support requires not only first rate faculty, graduate students, and research support staff but also a staff of administrators to assist faculty in seeking external sponsorship and to administer grants and contracts once awarded. This latter responsibility requires highly qualified professionals who are experienced at dealing with the federal agency requirements and knowledgeable about the many and varied areas of sponsored projects administration. This responsibility is vested in the Office of the Dean of Research, in general, and more specifically, in the Office of Research Administration (ORA). These offices are primarily responsible for maintaining "accountability" to both the University and to the sponsors of the University's programs. In addition, the University Research Council (URC), appointed by the President, is charged with considering and recommending to the president policies and procedures relating to sponsored program activities of Brown University. The operational aspects of proposal review and grant/contract administration are focused within ORA.

It is the intent of this Sponsored Projects Handbook to identify, clarify, explain, and basically, assist faculty investigators and department administrators so they are better informed and, therefore, better able to operate and maintain productive sponsored programs.

## II. PRE-AWARD ACTIVITIES

### FUNDING SOURCES

#### 1. Identifying Sources of Funds

Making the appropriate match between funding source and proposed project is an important step in the proposal process. The Office of Research Administration (ORA) has a variety of resources to assist faculty and staff in identifying funding sources:

SPIN (Sponsored Programs Information Network)

ORA Newsletter

publications and sponsor announcements

SPIN is a computerized database of funding opportunities designed to assist faculty (and to a limited extent, graduate students) in the identification of support for research, education, and various other projects. The database consists of federal and non-federal sponsors and is updated monthly to add new funding sources and incorporate changes to existing ones. A search can be directed toward a particular field of study or a particular need such as publication support, conference support, international travel or sabbatical support. Contact ORA to arrange for a pre-search interview.

"The ORA Newsletter" is a monthly publication available to the Brown community through the conferencing network (BRUNO) on the University computer system. The newsletter contains a description of various federal and private programs, including contact and deadline information

ORA receives many publications, including the Federal Register, that are reviewed for funding information. These publications are available for review in the ORA library, in addition to many sponsor announcements which outline areas of potential funding. Announcements may contain proposal submission guidelines and application forms. ORA can also assist in locating initial sponsor contact information, including telephone numbers and addresses.

Another University resource for identifying potential private sponsors is the Development Office/Office of Corporate and Foundation Relations. This office has the expertise and resources to assist an investigator in identifying sponsors in the private sector. The Office of Corporate and Foundation Relations must be notified of an investigator's intention to approach a private sponsor. This notification can be accomplished through ORA.

## 2. Initial Contact with Sponsor

Contact with a sponsor prior to the submission of a formal proposal can be beneficial. An investigator may initiate contact with a sponsor to confirm research interests by a telephone call, office visit, letter of intent (a brief outline of the project emphasizing the methodology, objectives, and importance of the project), or preliminary proposal. Initial contact can help an investigator determine a sponsor's funding interests.

A sponsor may request that a letter of intent or a preliminary proposal be submitted. These introductory submissions give the sponsor a description of the project and scope of work without making a formal University commitment. While not requiring official University approval, the submission should be discussed with the Department Chairperson and/or other appropriate University officials. An informational copy of any letter of intent or preliminary proposal should be sent to ORA.

### 3. Application Guidelines

Proposal format is often determined by a sponsor's guidelines. An investigator should request a copy of the application kit/guidelines from the sponsor. If no guidelines or application forms are available from the sponsor, the proposal format in the following section can be used as a guide. ORA maintains a limited supply of some applications and forms kits (e.g., PHS398, PHS2590, NSF Grant Proposal Guide). Check with your department administrator first since many departments maintain a supply of some application packages.

ORA offers PHS and NSF (and various other) application packages electronically through the Brown Office Building (BOB) Novell network server. For instructions on accessing this server and locating the applications/forms, call x2777.

### PROPOSAL COMPONENTS

The following section illustrates basic proposal components and may be used as a guide when sponsor requirements are not specific.

#### 1. Title or Cover Page

The title page includes the following information:

Title

Sponsor Name and Address

Duration of Project with Start and End Dates

Amount Requested

Submission Date

Signature of Principal Investigator

Departmental Approval (if applicable)

University Approval

## 2. Abstract or Project Summary

The abstract describes the objectives, methodology, and significance of the proposed research. The abstract should be able to stand alone and does not include references to other sections of the proposal.

## 3. Introduction

The introduction should be used to reinforce the connection between the applicant's interests and those of the sponsor. The introduction should be interesting and brief, offer statistics, statements, and/or endorsements to support credibility in the project area, lead logically into the problem statement, and emphasize anything unique or unusual about the project.

## 4. Description of Project

The project description explores the general background of the current or previous research. It also describes the approach to be used in the performance of the project, which should convince the reviewers at the funding agency that the procedure has been carefully worked out and that it will succeed. The inclusion of a realistic project timetable indicates careful planning.

## 5. Bibliography

A listing of references cited in the body of the proposal should appear at the end of the narrative.

## 6. Curriculum Vitae

Curriculum Vitae for all key personnel should be submitted with every proposal to indicate their background, professional interests, research capabilities, and publications.

## 7. Required Reviews

Timing is essential in proposal preparation. Federal regulations and University policies require certain proposed activities be approved by various University committees. Contact the appropriate office referenced below as soon as possible, if any of the following activities are involved:

**Human Subjects** - The use of human subjects in a research proposal, must be reviewed and approved by the Institutional Review Board (IRB). This is accomplished by submission of a human subjects protocol to the IRB.

Protocol approvals must be obtained either before the proposal is submitted or before a deadline set by the sponsor. An IRB information packet can be obtained from ORA, from the BOB Novell Server, and is included in Section VI, Policies and Procedures, IRB Information Packet.

University policy requires that the use of human subjects in research regardless of funding (University funds, gifts, federal, etc.) must receive IRB approval prior to the PI initiating the research.

**Animal Welfare** - Proposals which involve the use of live vertebrate animals, regardless of the funding source, must be reviewed and approved by the Institutional Animal Care and Use Committee (IACUC). Prior to proposal submission, an initial contact must be made with the Director of Animal Care.

**Bio-Safety** - Proposals and laboratory teaching activities which employ the use of recombinant DNA (which are not exempt from NIH guidelines), infectious agents, teratogens, mutagens, carcinogens, biohazards, hazardous waste, and radioactive material must be reviewed by the Bio-Safety Committee. For information concerning the activities of the committee, call the Bio-Safety Officer in the Office of Risk Management.

**Radiation Safety** - The rules and regulations for the procurement, use and disposal of radioactive material and other sources of ionizing radiation, are established by the

University's Broad Radioactive Materials License, as issued by the Rhode Island Radiation Control Agency. The Radiation Safety Committee, chaired by the Dean of the Graduate School and Research, serves as the University's official authorized body for implementing these rules and regulations. In addition, this committee oversees the use of lasers and other non-ionizing sources of radiation. For information concerning the activities of the committee, contact the Radiation Safety Officer in the Office of Risk Management.

## 8. Budget

The budget section of the proposal generally includes a budget and accompanying justification and should reflect a reasonable estimate of the expenses necessary to conduct the project. When preparing multiple year budgets, include realistic inflationary increases for recurring expenses in consecutive years with the exception of fringe benefits and indirect costs. For assistance in preparing budgets contact the departmental administrator within your department, if available, or ORA.

The following categories are generally included in the preparation of a proposal budget:

### (a) Direct Costs

#### (1) Salaries

This category is for University personnel only. For key personnel list project roles and names. If an individual is not employed by the University at the time of proposal submission, list the project role and TBN (to be named). To determine salaries requested, indicate the percentage of effort (not to exceed 100% total effort) that each person will work on the project and apply that percentage to their annual salary. For individuals with a nine- or ten-month appointment state whether the request is for academic year or summer salary. University employees cannot be compensated at an amount greater than their authorized University salary level. For appropriate salary ranges and levels contact Human Resources.

If it is necessary to name an individual in the salary section who is not yet a University employee, the item must be footnoted with the assurance that all appropriate EEO/AA procedures will be followed during the hiring procedure.

The inclusion of salaries for clerical/administrative support personnel must be in accordance with OMB Circular A-21. For further information regarding this budget line item, see Section VI, Policies and Procedures, memo dated May 2, 1994.

Graduate students are usually compensated in accordance with departmental policies. Undergraduate students are typically compensated on an hourly basis. Indicate whether the student is working during the academic or summer months. (Contact the Graduate School for more information on the methods of graduate student compensation.)

## (2) Fringe Benefits

Calculate fringe benefit amounts by multiplying the salary by the appropriate fringe benefit rate. Fringe benefit rates are determined annually by the University and vary according to employment category (e.g., faculty, administrative staff, and miscellaneous). Fringe benefits for students are based on summer wages only and are calculated using the minimum (miscellaneous) rate.

## (3) Consultants

List each consultant and indicate the nature of the service to be performed and rate of reimbursement. Costs may include fees, travel, accommodations, and other related expenses. Consultants are required to submit a letter of intent at the proposal stage to be included in the proposals.

## (4) Equipment

Identify separately each item of equipment with a useful life greater than one year and a unit acquisition cost of \$1,000 or more. Most sponsors will NOT fund the purchase of general purpose equipment (e.g., office equipment and furnishings, refrigerators, automatic data processing equipment, etc.) unless the reason for using such equipment is research specific. Check sponsor guidelines for the allowability of the purchase of general purpose equipment

## (5) Supplies

Any consumable item regardless of cost, any item having an acquisition unit cost of less than \$1,000, or any item having an anticipated life expectancy of less than one year is considered a supply item. Examples of such items include duplication materials, chemicals and glassware. A reasonable amount should be budgeted for these items; it is not necessary to breakdown the cost of each item, but general categories should be listed (e.g., glassware, chemicals).

#### (6) Travel Costs

Identify travel for University personnel only. Domestic and foreign travel should be separately identified. Indicate the travelers, destination, duration, and purpose of the trip. Include transportation (coach, or equivalent, class only), registration fees, hotel, and other related costs. If a personal automobile is to be used for travel, indicate the number of miles that will be traveled and calculate the anticipated cost using the current University mileage reimbursement rate. Contact the Controller's Office for the current University mileage rate.

#### (7) Subcontracts

If a portion of the work is to be completed by another institution or firm, identify the organization by name and indicate the total anticipated cost. In addition to a proposed budget, the subcontractor must provide a letter of intent (signed by an authorized representative indicating the willingness of the organization to enter into a subcontract with the University), workscope, and an indirect cost agreement if not already on file in ORA.

#### (8) Other Expenses

Identify any other expenses necessary for completion of the project, such as student tuition and health fees, long distance telephone charges, xeroxing, postage, publication costs, animal care costs, and any other project-related costs.

(b) Indirect Costs All proposal budgets should include indirect costs calculated at the current University negotiated rate. If a potential sponsor has a policy concerning the reimbursement of indirect costs, the budget should reflect that policy. To determine the appropriate amount of indirect costs to be budgeted, multiply the current indirect cost rate by the total direct costs, exclusive of student tuition and health fees, equipment, and subcontract costs in excess of \$25,000.

(c) Cost-Sharing and Matching Funds Sponsors sometimes require that a portion of the total project costs be contributed from other sources. Contributions may be in the form of cost-sharing and matching. Cost sharing funds are usually a University contribution, whereas matching funds generally come from external support. Cost-sharing funds provided by the University must be approved by the Office of the Dean of Research, the Department Chair, or other University officials as appropriate before the proposal is submitted to ORA for review. These funds must be contributed in conjunction with, and specifically for, the proposed project.

## 9. Miscellaneous Proposal Information

- (a) Active and Pending Support - Many funding agencies require the inclusion of a listing of the principal investigator's (PI's) current awards and all pending proposals.
- (b) Appendices - Follow sponsor policy on inclusion of appendices, if any.
- (c) Facilities and Equipment (or Resources and Environment) - Some sponsors may ask for a description of major and/or support facilities or equipment which is available on campus for the investigator's use. The University library, computer center, laboratory space, and equipment are resources which can be described in this category.

## PROPOSAL SUBMISSION

### 1. University Review and Approval

The PI must channel his/her proposal, with a completed Proposal Control Form (PCF - discussed later in this section), through the appropriate department and University officials, and ORA whose review and approval are required before the proposal is submitted to the sponsor. Proposals must be complete in content and format prior to submission to ORA. The review will focus on the following:

the substance of the proposal, including the academic appropriateness and desirability of the proposed research or other sponsored activity;

commitments of faculty and staff time, and their possible effects on the teaching and other obligations of the personnel involved (not to exceed 100% effort);

salary arrangements (e.g., provision for summer support or a distribution of effort supported during the academic year);

proper identification of proprietary information;

requirements for space and facilities;

the budget, especially a verification that all costs, including indirect costs, are provided for, that all needs are realistically estimated and stated, that items included are in compliance with the policies of the University and the sponsor, and that cost sharing funds are available when indicated in the proposal; and

the identification of special conditions requiring review, such as the use of human subjects, biohazards, radioactive materials, etc.

To process a proposal, the PI submits the proposal to the department head or designee for review and approval. Once approved within the department, the proposal and Proposal Control Form are submitted to ORA to assure compliance with University and sponsor policies for submission of proposals and for University endorsement.

A Proposal Control Form (PCF), an internal tracking document which is distributed to many senior University officials and is not submitted to the sponsor, **MUST** accompany each proposal. Copies of this preprinted form are available from ORA and are prepared by the PI. A supply may already be available within the department.

The PCF should be submitted with the original proposal and a complete copy of the proposal for ORA files. Note that when the proposed activity involves multiple departments, each department head/designee must sign the PCF.

NOTE: All proposals must follow the normal University process described above regardless of size or format.

## 2. Required Signatures and Authorizations

Proposals must be signed by the PI and by an official authorized to sign on behalf of the University.

The signature of the authorized official (Director, Office of Research Administration) is necessary to indicate University endorsement of, and commitment to, the project. In many cases (e.g., NSF and PHS grant applications) this authorization certifies compliance with federal regulations. In other cases the authorization represents pre-acceptance of terms and conditions of the award.

## 3. Required Copies of Proposal

The number of copies of a proposal required by sponsoring agencies varies. In addition to the original to be submitted to the sponsor, one copy is required for the official University file maintained by ORA. If in doubt, the PI should contact ORA to determine the number of copies required or call the sponsor directly if the guidelines do not give specific instructions.

Duplication and mailing of proposals is the responsibility of the department.

## 4. Deadlines

(a) On-Campus The Office of Research Administration requires a minimum of 48 hours for proposal review. Investigators are strongly advised to submit proposals to ORA well in advance of the sponsor deadline to allow time for any necessary modifications or corrections. When the review is completed, ORA will notify the PI or department administrator of the status of the proposal.

(b) Funding Agency To ensure timely proposal submission, the PI should be aware of what type of deadline the sponsor has indicated. -- A receipt deadline is the date by which the sponsor must receive the proposal.

-- A postmark deadline means that the proposal must be postmarked by that date, not necessarily received by the sponsor.

In most instances a proposal will not be considered if it misses the agency deadline. To meet a critical deadline, familiarity with the available express courier services will facilitate timely proposal submission.

## 5. Multiple Solicitations

A multiple solicitation is the submission of the same proposal to two or more sponsors. When submitting the same proposal to two or more sponsors, make this fact apparent in the text of the proposal. Each submission to an agency requires a separate PCF, University approval, and a separate copy of each proposal for ORA files.

## SPONSOR PROPOSAL REVIEW

### 1. Types of Review

Proposals not in compliance with recommended submission requirements (e.g., page limitations, desired format, or matching fund requirements, etc.) may not go beyond the initial screening of the sponsor.

Once a proposal is considered to be eligible for programmatic review, it will go through one of the following processes, depending upon the sponsor and/or nature of the program. Criteria for review vary and are published in the guidelines for the particular program or RFP (request for proposal).

Internal Review - usually limited to the program staff of a particular sponsor. Internal reviews are most common in the private sector (foundations, industry).

Peer Review - consisting of experts in the appropriate field (generally faculty members from other institutions). Proposals are either sent to the individuals for their review, or, as in the case of a large program, individuals may be brought together to form a panel to review all of the proposals at the same time.

Other Types of Review - such as site visits, fiscal, legal, or administrative reviews, are made in conjunction with regular programmatic reviews. Reviewers may include contracting officers, sponsor staff, and non-sponsor administrators.

ORA is available to assist an investigator in ascertaining the status of a proposal during the review process.

## 2. Obtaining Reviewers' Comments

In general, upon request, federal agencies will make available to the PI copies of the reviewers' comments. In the event that the sponsor has decided not to support the proposal, consideration of the criticisms of the reviewers may well indicate how the proposal could be rewritten and subsequently resubmitted.

Non-federal agencies generally do not provide reviewers' comments. An investigator may contact the sponsor for its policy regarding the release of reviewers' comments.

## NEGOTIATION AND ACCEPTANCE OF SPONSORED AGREEMENTS

"Negotiation" is the process of formal discussion between the sponsor and the recipient institution to resolve any conflicts in workscope, budget, or terms and conditions. If successful, this process leads to the preparation by the sponsor of a mutually acceptable award document (grant, contract, cooperative agreement).

A sponsor's program officer may contact the PI directly to discuss the proposed budget, investigator's level of effort, and the scope of work. Reductions in proposed budgets should be evaluated to determine whether there is a change in the scope of work. These discussions and evaluations should be relayed to ORA.

When the award document is received, ORA will review the terms and conditions of the award for conformity with University policies and procedures. Further negotiation between ORA (the principal investigator, as appropriate) and the sponsor may be necessary to eliminate or revise unnecessary or inappropriate terms and conditions.

Once the award document is acceptable to all parties, ORA will have the agreement signed by the authorized University representative (if necessary) and will return it to the sponsor. PI's are not authorized to sign award documents on behalf of the University. Upon receipt by ORA of a fully executed award document, an account will be created.

### III. POST-AWARD ACTIVITIES

#### AWARD ADMINISTRATION

##### 1. Introduction

The administration of sponsored projects requires a collaborative effort between ORA, the PI, and other department representatives. While ORA administers awards from the creation of accounts through submission of final reports, a PI and his/her department should ensure compliance with all University/sponsor policies/regulations, utilize administrative offices, and work with ORA to assure productive administration of all awards.

##### 2. Establishing an Account

Upon receipt of the award document, ORA will furnish the department with an account number and provide copies of any relevant documents and award conditions. Should the academic department receive notice of an award first, ORA must be notified and provided with original documentation, at which point an account will be created.

An account will be created on the Financial Record Plus System (FRP) for each new award. The account created will be used in a variety of ways, including: (1) the department will receive, from the Controller's Office, monthly reports of transactions (FBM091) and whole dollar summaries (FBM090) with which to track expenses and balance information throughout the life of the award; and (2) ORA will use account, budgetary, and balance information in its review of expenditures, management of cash, and financial reporting.

On rare occasions advance accounts may be created, but only after ORA receives sufficient evidence that an award is imminent, such as verbal confirmation and/or a letter of intent from the sponsor. An advance account form (available through Stores Operations) should be completed and forwarded to ORA for approval. ORA will then supply an advance account number to be used for necessary commitments. Should funding not materialize, all expenditures and commitments are at departmental risk.

### 3. Sponsored Project Budgets

The creation of an account for a new award (or receipt of additional funding under an existing award) requires that a budget be entered in FRP. For all awards received which equal the amount proposed, ORA will automatically enter the appropriate budget line items using University-approved subcodes. For any award received that is less or greater than the amount proposed, ORA will contact the department to develop a budget.

All budget and attribute (e.g., award number, department code, principal investigator) information appearing on subsequent ledger sheets should be verified by the department. Errors should be brought to the immediate attention of ORA.

### 4. Interpreting Accounting Information

(a) Account Number Basics The 6-digit sponsored project account number, more commonly referred to as a "5-ledger" account number, that is created when an award is received, is actually just a partial representation of a complete FRP account number. Added to this number are various 4-digit codes called subcodes to identify specific expenses, such as salaries, benefits, supplies, travel, etc.

The following illustration indicates the structure of the 10-digit account number for sponsored projects required for processing expenditures:

5-      23456-    1234

(1)    (2)    (3)

(1)    Ledger Number (for Sponsored Projects, this number is always '5')

(2)    5 digit account I.D. Number (unique to each award received)

(3)    4 digit subcode (type of expenditure)

For expenditure processing, the account number and subcode are always required. A complete listing of approved subcodes for expense types is available through the Controller's Office.

NOTE: A general ledger account number (0-23456) is established as the balance sheet for the above 5-23456 (subsidiary ledger) account number. It is updated by both transactions taking place in the 5-ledger account and receipts of cash deposited to fund project expenditures. Departments do not receive printouts of 0-ledger accounts for accompanying 5-ledger accounts. Receipt of cash is the responsibility of ORA. Depending on the requirements of the sponsor, invoices or cash drawdowns are handled by ORA.

(b) Monthly Accounting Reports There are two basic accounting reports (or "ledger sheets") generated monthly by FRP that provide the tools for monitoring the financial activity of an award. They are called the "Report of Transactions" and the "Account Statement in Whole Dollars."

The "Report of Transactions" (computer program FBSP090D) is exactly what it says. This report lists all transactions occurring on an account for the previous month. All transactions on the 5-ledger report are listed in subcode order and provide the reader with information necessary for tracking each month's expenditures. The "Account Statement in Whole Dollars" (computer program FBMR090) summarizes all transactions from the 5-ledger "Report of Transactions" in a 'budget vs. actual expenditure' format that is used to determine the balances available in each budget category. This report is helpful in determining the level of expenditure activity within the account so as to prevent overexpending any budget categories or the entire budgeted award.

The Report of Transactions displays account activity vertically in subcode order. At the end of activity for each subcode, totals are indicated (i.e., CM TOTAL SUPPLIES GEN which means Total Current Month General Supplies). If, at the end of activity for a subcode, the report displays TOTAL only, the subcode used was not one approved by the Controller's Office and, therefore, no description will print. The last total on the report, ACCOUNT TOTAL, is the sum of all activity for the month.

The following report characteristics are explained as they appear on the FBSP090D.

SUBCODE - the type of expense incurred;

DESCRIPTION - the brief (20 spaces) description of the transaction as entered from the source document;

DATE - the transaction date or payment date;

TC - the transaction code used to enter the transaction on FRP;

REF. - the "1st reference". For sponsored projects, this will normally be the purchase order number assigned or a mechanical (FRP generated) entry, such as charges for Indirect Costs;

2ND REF. - for payments, this second reference is the actual number of the check issued. For recording commitment activity, it is a system reference number;

J.E. Offset Account - the "other side" of a journal entry or Interdepartmental Invoice. This account number indicates where a charge or credit is coming from and is especially useful as a tool in tracking entries between sponsored project accounts or between Ledger-5 accounts and accounts in other ledgers;

BUDGET ENTRIES - all original and revised budget entries for the current month, only, will appear;

REV/EXP - for sponsored awards, only expense activity is posted for the current month;

TOTAL COMMITMENTS - this column shows all encumbrance activity detail, i.e. purchase orders, for the current month;

BATCH REF/DATE - the batch reference number and posting date; refer to this information when making inquiries of the Controller's Office or ORA about specific transactions.

Inquiries about transactions that appear on the Report of Transactions or questions regarding interpretation, accounting, or correction of data should be addressed to the ORA staff member who administers the account.

The Account Statement in Whole Dollars provides departments with a capsulized view of an account in a format that includes budget, expense, commitment, and balance information.

The following report characteristics are explained as they appear on the FBMR090.

BUDGETS - both the ORIGINAL BUDGET as entered when the award was received and the REVISED BUDGET, which reflects any increases or reductions, or rebudgeting actions are displayed.

ACTUAL EXPENSES- expenses are summarized by total for each subcode for the CURRENT MONTH, FISCAL YEAR (to date), and PROJECT YEAR (to date) (note: fiscal year means 7/1 - 6/30; project year means inception of award to date.);

OPEN COMMITMENTS - this column reflects any activities to encumber funds and/or payments processed against previously encumbered funds.

BALANCE AVAILABLE/PERC USED - the BALANCE AVAILABLE is arrived at by subtracting both PROJECT YEAR and COMMITMENTS from the REVISED BUDGET.

REF NO. - indicates the purchase order number or other reference of any outstanding commitments as of the close of the previous month;

DATE - the transaction date;

DESCRIPTION - the vendor name as it appears on the purchase order;

ORIGINAL AMOUNT - the total amount committed as of the date the funds were committed;

LIQUIDATING EXPENDITURES - payments made to the vendor named on the Purchase Order;

ADJUSTMENTS - any adjustments, i.e. change orders, required to correct an ORIGINAL AMOUNT or bring to a zero balance Purchase Orders that are over/underspent;

CURRENT AMOUNT - the balance of each open commitment as of the end of the month report date. A COMPLETED message will appear as each open commitment is fully liquidated. Closed commitments drop from the report in the subsequent month.

Questions regarding rebudgeting from one subcode to another should be addressed to ORA while inquiries about the status of commitments should be addressed to the Controller's Office at the telephone numbers indicated at the end of the account statement.

EXPENDITURE PROCESSING

Brown University utilizes a variety of approved procedures and forms to initiate expenditure transactions.

In addition to ORA several information resources are available at Brown to provide departments with answers to questions regarding expenditure processing. Some of these resources are:

Type of Expense

Office to Contact

Form(s) to Use

Personnel related

Human Resources

Student Services

Graduate School

Materials & Supplies

Purchasing

Internal Purchase Req.

Controller's Office

Purchasing Req.

Request for Check

Equipment

Purchasing

Purchase Requisition

Professional & Other Services

Purchasing

Purchase Requisition

Request for Check

Travel

Travel Accounting(in the Controller's office)

Travel Expense Report

Subcontract

Purchasing

Purchase Requisition

Cost Transfer

Controller's Office

Interdepartmental Inv.

Payroll Adjustment

Payroll Office

Salary Reallocation

When completing forms to process expenditures against an award, the following should be taken into consideration:

Account number - Is the account valid? Are sufficient funds available?

Subcode - Is the subcode a valid University subcode? Does it appropriately describe the charge?

Justification - Is the charge appropriate? Has sufficient justification been given?

Documentation - Are all original receipts or an invoice attached? If transferring a charge from one account to another, has the department maintained documentation for the original charge? In the absence of original documentation, has an explanation of the circumstances been provided?

These are just some of the important questions that should be answered before processing charges against a sponsored projects account. One of ORA's primary goals is to expedite the review and approval of expenditures. Delay in the approval process will occur when a form is not completed properly or sufficient information is not provided. All expenditures must be in compliance with, not only the sponsor's terms and conditions, but the University's policies and procedures as well.

## ADMINISTRATIVE PROCEDURES

### 1. Prior Approvals

During the course of a sponsored project, it may become necessary to modify certain aspects of the original award. Some federal agencies have granted the institution internal prior approval authority for many actions concerning grants and cooperative agreements such as awarding of pre-award costs up to 90 days (at department risk), rebudgeting of funds, and no-cost extensions. However, this authority has not been uniformly implemented by all federal agencies; and it is therefore suggested that each PI familiarize him/herself with the appropriate guidelines for their award, especially in areas such as equipment purchases, travel, and subcontracting.

Internal prior approval requests are made to the Director of the Office of Research Administration by use of the UPAS (University Prior Approval System) form. The request must include appropriate justification for, and explain all aspects of, the action. For example, a request for rebudgeting should state the amount of funds involved, the reasons for the change (demonstrate need) as well as why funds exist in the other budget

category(s) for such a transfer. All prior approval requests require the signature of the PI and department head or designee.

NOTE: The following actions will ALWAYS require prior sponsor approval, i.e. change in PI, a significant reduction in effort of key personnel, institution, or scope of work.

Questions regarding the appropriate prior approval procedure should be addressed to the department administrator or the Office of Research Administration.

## 2. Cost Transfers

During the life of most grants and contracts, it may become necessary to transfer costs. Such cost transfers can be effected using either a single or multiple Interdepartmental Invoice. Most salary transfers should be processed using a salary reallocation form.

Cost transfers should be prepared only to correct an error affecting the financial status of an award. When processing a cost transfer the following issues must be addressed:

**Justification** - a detailed explanation must be provided which justifies the need to transfer an expense which had been previously approved on another account.

**Documentation** - there must be an audit trail traceable to the original charge, including copies of the document used to process the expense (e.g., Request for Check) and copies of receipts which support the charge.

**Timeliness** - cost transfers must be prepared within 90 days from the date of the original charge.

Any questions regarding cost transfers to or from 5-ledger accounts should be addressed to the department administrator or the Office of Research Administration.

## 3. Time and Effort Reporting

Federal regulations require the certification of effort directly charged to a sponsored project, as well as the identification of effort devoted to activities included in the indirect cost calculation, i.e., departmental administration.

Effort Certification Reports are distributed semi-annually to all faculty members for certification of the effort directly charged to a grant or contract. Certification reports for exempt staff are generated semi-annually. All non-exempt employees directly charged to a grant or contract must certify their effort on a monthly basis.

These reports are reviewed regularly by the Federal auditors who may discuss indicated effort with individual faculty members.

## REPORTING REQUIREMENTS

### 1. Interim Program/Progress Reports

Although each sponsor's reporting requirements may vary, it is usually required that a PI prepare and submit interim programmatic reports to document the progress to date on a given project.

Once Brown has entered into an agreement with a sponsor, it is Brown's responsibility to comply with all reporting requirements of that agreement. It is the responsibility of the PI to complete programmatic reports. Evidence of required narrative and technical reports must be sent to ORA. Often continued funding and/or release of cash payments is related to the receipt of interim programmatic reports. Reporting requirement specifics can be found in the award terms and conditions which are forwarded to academic departments at the inception/continuation of awards. ORA should be consulted if questions arise regarding compliance with award terms and conditions.

### 2. Interim Financial Reports

Draft interim financial reports for grants and contracts are prepared by the Office of Research Administration and sent to the department administrator for the necessary corrections and approvals. Once the draft report is approved and returned to ORA, the final interim report is prepared, authorized on behalf of the University, and mailed to the sponsor.

### 3. Small Business Subcontracting Plan Reporting

Small business subcontracting, as required in the Federal Acquisition Regulation (FAR), is federal government oversight of procurement by its contractors with the intent of maximizing flow down of federal dollars to small and small disadvantaged businesses. A small business subcontracting plan must be developed and approved prior to the issuance of federal contracts \$500,000 or greater.

The two reports for use in reporting small business subcontracting results are the SF-294 Small Business Subcontracting Report for Individual Contracts and the SF-295 Summary Subcontracting Report. The SF-294 is completed by departments semi-annually for each federal contract having a small business subcontracting plan. The SF-295 is completed quarterly by ORA (with information provided by departments) for all federal contracts having a small business subcontracting plan and for all Department of Defense (Navy, Army, and Air Force) contracts, regardless of the amount of each contract or the existence of a small business subcontracting plan.

#### 4. Final Technical Reports

Sponsored programs usually require a final technical report from the PI. This report will include a detailed description of the work performed, progress made, suggestions for future areas of study or involvement, and any related publications that resulted from the sponsored activity. Most sponsoring agencies have specific guidelines for the preparation and submission of the final technical report. Failure to submit the final technical report in a timely manner may jeopardize subsequent funding and release of cash to the University.

#### 5. Final Financial Reports

The closing of awards begins six weeks after the expiration date. ORA will freeze the 5-ledger account, which prevents further expenses from being charged. The department administrator will be notified of the freeze and sent a Rough Draft Financial Report. The department administrator, in conjunction with the PI, should review this report and indicate any necessary adjustments to expenses. Adjustments should be supported by accompanying documentation. The rough draft financial report should be signed by the authorized departmental administrator and PI.

The signed rough draft is returned to ORA by the due date indicated so that the final financial report and/or invoice may be prepared and sent to the sponsor by the required date. Typically, the final invoices/financial reports are due 90 days after the award termination date. If a different time frame for the submission of the final invoice/financial report is indicated by the award notice, then the above process is adjusted accordingly.

#### IV. MISCELLANEOUS

## EQUIPMENT/PROPERTY MANAGEMENT

Equipment, as defined by the University, is any tangible item with a unit acquisition cost of \$1,000 or more and a useful life of one or more years. (Items purchased for the fabrication of, or incorporation into, other equipment are considered equipment regardless of dollar amount.)

In general the Federal government requires that all scientific equipment requests with a unit acquisition cost of \$1,000 or more and all research specific, general purpose equipment, such as personal computers, refrigerators, typewriters, etc., receive prior approval. This prior approval should be obtained through one of the following formats: (1) the sponsor funds in accordance with the proposed budget; (2) a written request to the sponsor to purchase unbudgeted equipment; (3) when appropriate through the expanded authorities, approval may be sought through the University's Prior Approval System.

Use of the latter two approval processes will depend on the individual sponsor regulations regarding the rebudgeting of funds.

Once approval has been obtained and the item of equipment is purchased and received at the University, the PI and his/her department assume the responsibility of the care and maintenance of the equipment. An inventory bar code tag will be issued to the responsible department to be immediately affixed to the equipment. ORA tracks each item of equipment and must be made aware of any changes which may occur in the use, condition, or location of the equipment.

Ownership of equipment is determined by the sponsor's requirements as stated in the award document. Frequently, the University receives title to the equipment but has certain restrictions on the use and disposition of the item extending for as much as a full year beyond termination or conclusion of the sponsored activity.

The Director of Purchasing is the University Officer charged with authority for the disposition of all University equipment. No item of equipment may be purchased, sold, transferred, or otherwise disposed of without the written approval of the Director of Purchasing.

## CONFLICT OF INTEREST

Brown University's policies as described in the Faculty Rules require that faculty members, and other employees of academic units, disclose to the Chairperson and/or designated Senior Officer those affiliations and relationships defined by the policies which may cause or appear to cause a conflict or duality of interest in the performance of

one's University duties and responsibilities. The President has designated the Provost as the Senior University Officer with primary responsibility for administering Brown's Policy on Conflict (Duality) of Interest (see Section VI - Policies and Procedures) as it applies to faculty members and other employees of academic units. The Provost's Office will work closely with, and/or delegate to, the Dean of Medicine and Biological Science (Bio-Medical Faculty), and the Dean of the Graduate School and Research (for potential conflicts in funded research) the determination that conflict exists, and the determination as to what conditions or restrictions, if any, should be imposed by Brown to manage, reduce, or eliminate such conflicts of interest.

## INTELLECTUAL PROPERTY

The goal, or mission, of a university is the gathering and dissemination of new knowledge and ideas. Achieving this goal requires the preservation of academic freedom. As the University enters into a sponsored agreement, it shall negotiate terms and conditions for the use and disposition of intellectual property (i.e. patents, inventions, copyrighted material, etc.). The specific details of the University's policies are stated in the following policy documents:

Policies and Procedures Relating to Copyrights

Brown University Patent and Invention Policy

It is the responsibility of each University employee participating in sponsored agreements to be familiar with, and comply with, these written University policies.

To ensure that the University honors its commitments to a sponsor, each individual contributing to the scope of work of an externally funded project must sign a Patent and Invention Agreement under External Contracts and Grants form and forward it to the Office of Research Administration. This procedure is only necessary for the first externally-funded award activity in which one takes part.

All inventions and copyrighted material developed in the performance of a sponsored project must be promptly disclosed to the appropriate University office or official. In the case of copyrighted material, that official will be the Chair or Director of the organizational unit to which the author(s) belong(s) or directly to the Associate Dean of Research if there is no appropriate organizational unit. If an invention is believed to have been made, the inventor(s) must promptly file an Invention Disclosure form with the Brown University Research Foundation.

All questions relating to the University's policies on intellectual property should be referred to the Office of Research Administration.

## INDIRECT COSTS

Indirect costs are those costs which cannot be specifically identified with a research project but are necessary to support the project, e.g. operation and maintenance costs, utilities, and various administrative costs.

Annually, Brown University negotiates an indirect cost rate with the Federal government through the Office of Naval Research (ONR). This negotiation is usually completed far enough in advance so as to be reflected in proposals with anticipated start dates within the subsequent fiscal year.

It is the policy of Brown University to be reimbursed for the total costs of doing research (direct and indirect). If a sponsor limits reimbursement of indirect costs, that restriction will be taken into consideration during the award acceptance process.

For information regarding Brown's prevailing rate or future rate, contact the Chair or Dean of your department or the Director of the Office of Research Administration.

## RECORD RETENTION

Brown University is responsible for documentation retention for all expenditures incurred on its accounting system, in accordance with Internal Revenue Service and other federal regulations. Multiple-year awards require that records for all years be retained until project completion and audit.

The University is required to maintain official records for a period of three years following final payment by the government, until the federal direct cost audit is completed for the fiscal year in which the project expires, or three years from submission of a technical report as stated in the NSF policy. Academic departments may be called upon to provide additional or missing supporting documentation requested by federal auditors. In this regard departmental records, while not official records, should be maintained until notification from ORA that an audit has been completed. In the absence of such notification, departments should contact ORA with specific questions related to sponsored project records.

## FEDERAL REGULATIONS

All federal awards are governed by federal regulations/guidelines. Regulations differ for grants and contracts. Departments receiving awards should be familiar with the appropriate guidelines governing the federal grant or contract. Copies of the following regulations/guidelines exist in the Office of Research Administration:

Office of Management and Budget (OMB) Circular A-21-- "Principles for Determining Costs Applicable to Grants, Contracts and Other Agreements with Educational Institutions"

Office of Management and Budget (OMB) Circular A-110 -- "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Nonprofit Organizations"

Federal Acquisition Regulations (FAR)

Other appropriate regulations available in ORA include: Office for the Prevention of Research Risks (human subjects), animal welfare, biosafety, recombinant DNA, and individual sponsor regulations. Contact ORA for copies of any referenced regulations.

## RESEARCH RESERVE

The Office of Research Administration is responsible for calculating the allocation of an incentive program called Research Reserve Fund. The calculation is based on a two-year average of total direct costs charged to grants/contracts. One percent of the average is returned to the department (with a carry forward ceiling of five percent calculated in the same fashion) to be used at the discretion of the department. Accounts will be set up in the 0-16xxx ledger. Allocations are completed in the fall of each fiscal year, contingent upon the availability of University funds.

## INDUSTRIAL CONTRACTING

The Office of Research Administration and the Associate Dean for Research provide the primary administrative support to the faculty in developing and negotiating the terms and conditions of industrial contracts; however, other University offices may also be involved depending on the particular industry and/or the nature of the contract, e.g. Brown

University Research Foundation, Development Office, Office of the General Counsel, Provost's Office. The following elements of a research contract are of major significance. Sample industrial contracts are available from ORA.

**Scope of Work** - The scope of work should provide sufficient detail to define the goals and objectives of the project. The University generally accepts contracts for performance on a best or reasonable efforts basis, which does not bind the University to a specific outcome or delivered product.

**Publications and Reports** - The PI should have the freedom to publish and report on the results of the research without censorship or revision by the sponsor.

**Intellectual Property** - Intellectual property refers to the data, reports, publications, patentable and unpatentable technology, know-how, etc., generated during performance of the agreement. The University retains ownership of all intellectual property and will negotiate an option for either an exclusive or non-exclusive license subject to agreeable terms.

**Independent Inquiry (also referred to as Technical Direction)** - The PI's authority must be preserved in all sponsored agreements. Cooperation and coordination with the sponsor is desired, providing that the two efforts can be distinctly identified.

**Confidential or Proprietary Information** - The general policy of the University prohibits the acceptance of confidential or proprietary information because of its inhibiting effect on the information dissemination process. Upon occasion, it may be necessary for the PI to be exposed to confidential or proprietary information that is essential to the performance of the workscope. In such instances, the PI may be asked to sign a separate non-disclosure agreement.

**Changes and Modifications** - In all changes to the scope of work, consideration should be given to the effect such changes will have on cost and period of performance. No contract should allow for unilateral modification by the sponsor. Changes should only be made upon mutual agreement of both parties.

## **BROWN UNIVERSITY RESEARCH FOUNDATION (BURF)**

BURF was formed to transfer University technology to industry and to the market place, expand research opportunities for Brown faculty members through the development of relationships with the private sector, and to further the support of research at Brown.

BURF's responsibilities include: (1) forming new companies based on exploitation of Brown patentable technology; (2) licensing of other patents to companies for fees and royalty arrangements; and (3) identifying areas of common research interests between

Brown faculty and industry which have resulted in research contracts at Brown through licensing efforts.

## V. CLOSING STATEMENT

The intent of this handbook is to provide a working tool for all individuals at Brown University who have any involvement with Sponsored Programs in either their creation or administration. This document will better assist if comments and/or suggestions are relayed to the director of the Office of Research Administration for possible incorporation as a future update.

In addition, as regulations, policies, and procedures change, so will this document. If you have received this document directly from ORA, you will be put on a mailing list to receive updates. However, should you receive this document through another source, you may want to contact ORA to have your name added to the update mailing list.

Once again, with the assistance of the community the quality of this document can only increase. ORA appreciates the contributions made by all individuals who have helped with this effort.

Alice A. Tangredi-Hannon, Director  
Office of Research Administration