

Proposal Review 101: What You Need to Know to Be a
Pre-Award Research Administrator

Handouts and Exercises- January 2016
Ready, Set, Grant! at VCU

Grant Support Services Policy on Timeline Required for Proposal Processing

Effective: July 1, 2009

Background:

For a various reasons, the number of proposals submitted through Grant Support Services (GSS) is increasing. The proposal load has reached the point that a policy is needed which will ensure that there is sufficient lead time for the three-person GSS staff to process these proposals.

Purpose: The purpose of this administrative policy is to:

- 1) define the timeline for successful proposal submission through Grant Support Services (GSS) and
- 2) ensure that principal investigators submit proposals into the GSS queue with the highest chance of processing before the submission deadline.

Discussion: Preparing a strong, competitive grant proposal takes a great deal of time and effort from both the principal investigator (PI) and the GSS staff. When planning proposal submissions, appropriate time must be allocated for proposal processing. GSS review is mandated by the Office of Sponsored Programs, which has delegated authority to GSS for proposal submissions originating in CAFLS and PSA. For each proposal submitted, GSS must complete a comprehensive review to assure compliance with funding agency guidelines, coordinate the receipt of documentation and information from sub-awardees, and authorize the proposal for submission. Time required to review a proposal varies according to the complexity of the sponsor's requirements and the condition of the proposal. When proposals are submitted with inadequate time for review, overall proposal quality suffers, chances of audit findings are increased, and chances of an award being received are diminished. This policy has been developed to ensure submission of high-quality proposals in a timely manner, to the satisfaction of all parties involved.

Policy: Proposal submissions through GSS will be processed as follows:

1. Draft proposals and budgets, including all required components, must be submitted to GSS a minimum of four (4) business days before the sponsor's published deadline. GSS will work with the PI during this time to make final edits in the proposal narrative and appropriate budget adjustments. Some circumstances require additional processing time, as described in Attachment 1.
2. To be considered "in queue" for GSS review, a proposal must contain at minimum:
 - a proposal processing form (PPF)
 - a project narrative or scope of work
 - a budget and budget narrative
 - sub-award documentation, if applicable
 - sponsor guidelines for submission, if applicable

For tracking purposes, proposals are logged in by GSS staff when all of the above components are received, regardless of when we are notified that a proposal is being developed. GSS cannot begin to process a proposal until all of the above components are present.

Attachment 1: Proposal Processing Time Matrix

Condition	Add 1 Additional Business Day	Add 2 Additional Business Days	Reason
Sponsor requires hard copy submission via Fed Ex or UPS	√		Proposals submitted via Fed Ex or UPS must be shipped the day before the published deadline in order to arrive on time.
Sponsor requires hard copy submission via US Mail		√*	Proposals submitted via US Mail must be shipped several days before the published deadline in order to arrive on time.
Proposal budget includes Cost Share or Match		√	Cost Share or Match requires additional processing time for complex calculations and additional required approvals.
Proposal through grants.gov has more than 3 key personnel	√		Additional time is needed if GSS must fill out Key Personnel forms for multiple key personnel in grants.gov. File conversion and upload, as well as form completion is time consuming.
Proposal includes an F&A Waiver request		√*	Waiver requests must be signed personally by the Dean, Vice President for PSA, and/or the Vice President for Research & Economic Development. Additionally, if all parties do not approve, additional processing time is needed to adjust the proposal budget.
Clemson University is a sub-awardee to another lead institution		√	Most lead institutions require final sub-award documentation at least one full business day before the sponsor's published deadline.
Proposal includes sub-awardee institutions (with CU as lead institution)		√	Additional processing time is needed to incorporate sub-award information into the proposal, and for communication with sub-awardees in the event that all necessary documentation is not present.

* Items with "*" may require more than 2 business days' additional processing time.

University of Montana:

Lead Time	Example	Reasoning	Pre-Award Specialist
N/A	Letter of Intent – no institutional signature required	LOI typically focus on the scope of work and do not include budget details	Provide your departmentally-assigned pre-award specialist a copy of everything before sending to the sponsor.
N/A	Pre-Proposal (neither institutional signature nor budget required)	Proposal does NOT include a budget, cost share commitment, renovation expenses, or hiring new faculty/staff	Provide your departmentally-assigned pre-award specialist a copy of everything before sending to the sponsor.
Two (2) Working Days upon receipt of routed and approved E-Prop	Pre-Proposal (no budget required) submitted via an electronic platform Or Pre-proposal or LOI requiring an institutional signature	Proposal does NOT include a budget, cost share, renovation, or employee hiring; however, advance notice is necessary to accommodate multiple proposals with the same deadline, or in case of unanticipated technological challenges with electronic platforms	Provide your departmentally-assigned pre-award specialist a copy of everything before sending to the sponsor.
Five (5) Working Days upon receipt of routed and approved E-Prop	Standard Proposal Or Pre-Proposal (budget required)	Begin E-Prop and attach RFP, budget, budget narrative, scope of work/proposal, and all required supporting attachments. ORSP can access E-Prop documentation prior to the PI hitting the "Submit" button to begin the routing process.	Institutional approvals must be secured before ORSP reviews and submits.

Ten (10) or More Working Days upon receipt of routed and approved E-Prop	Complex Proposal	Center proposals, proposals with subcontracts, or those with a multitude of collaborators and budgets	Contact your departmentally-assigned pre-award specialist immediately when considering submission, even if long before a budget, budget narrative, or scope of work is drafted. Institutional approvals (possibly from all collaborators) must be secured before ORSP submits.
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2

List of Rules and Regulations

Federal

OMB Circulars: Office of Management and Budget (OMB)

2CFR200- Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), effective 12/26/14. This supersedes requirements from OMB Circulars A-21, A-87, A-110 and A-122 (which have been placed in 2 C.F.R. Parts 220, 225, 215 and 230); Circulars A-89, A-102 and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up.

- 2CFR220 Cost Principles for Educational Institutions (formerly OMB Circular A-21);
- 2CFR215 Uniform Administrative Requirements for Grans and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (formerly OMB Circular A-110);
- OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations.

Cost Accounting Standards

- CAS 9905.501 Consistency in Estimating, Accumulating, & Reporting Costs
- CAS 9905.502 Consistency in Allocating Costs Incurred for the Same Purpose
- CAS 9905.505 Accounting for Unallowable Costs
- CAS 9905.506 Cost Accounting Period

Human Subjects: **45 CFR 46 subparts A-D**. The first basic regulations governing the protection of human subjects in research supported by HHS were published as the 1974 National Research Act, which created the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. In 1978 the commission published the *Ethical Principles and Guidelines for the Protection of Human Subjects of Research*, also known as the **Belmont Report**. The Belmont Report identifies 3 fundamental ethical principles for all human subjects research respect for persons, beneficence, and justice. In 1991 14 other federal agencies adopted a uniform set of rules identical to subpart A of 45 CFR part 46. This became known as the *Common Rule*.

Animal Care and Use:

Health Research Extension Act of 1985: Public Law 99-158, enacted 11/20/1985. Provides the legislative mandate for the Public Health Service (PHS) Policy on Humane Care and Use of Laboratory Animals. This directs the Secretary of HHS to establish guidelines for the proper care and treatment of animals used in research, and for the organization and operation of animal care committees. This includes guidelines for

all aspects of testing (tranquilizers, anesthetics, paralytics, and euthanasia, and appropriate pre and post-surgical veterinary medicine and nursing care for the animals.)

Animal Welfare Act: signed into law in 1966 and is the only federal law in the US that regulates the treatment of animals in research, exhibition, transport, and by dealers. Other laws specify animal care and use, but all refer to the Animal Welfare Act as the minimum acceptable standard. This federal law and its associated regulations set the standards for humane care and treatment that must be provided for certain animals that are: exhibited to the public; bred for commercial sale; used in medical research; or transported commercially. This is enforced by the USDA, APHIS, Animal Care (US Department of Agriculture, Animal and Plant Health Inspection Service, Animal Care Unit.)

Animal Care: Office of Laboratory Welfare (OLAW) implements PHS Policy. Specific OLAW responsibilities include: implementation of PHS policy; interpretation of PHS Policy; negotiation of Animal Welfare Assurances; evaluation of compliance with PHS policy; and education of institutions and investigators receiving PHS support.

Bayh-Dole Act: (patent and Trademark law Amendments Act) legislation dealing with intellectual property and federal government-funded research. Permits an institution to elect to pursue ownership of an invention in preference to the government.

Federal Acquisition Regulations: the principal set of uniform policies and procedures for the purchasing processes for goods and services by the federal government.

Export Control: International Traffic in Arms Regulations (ITAR), Office of Foreign Assets Control (OFAC) and Export Administration Regulations (EAR) are export control regulations run by different departments of the US government designed to help ensure defense related technology does not get in the wrong hands. An export is any oral, written, electronic or visual disclosure, shipment, transfer or transmission of commodities, technology, information, technical data, assistance or software codes to 1. Any person or entity outside of the US (including a US citizen) 2. A non US individual wherever they are (deemed export) and/or 3. A foreign embassy or affiliate.

ITAR – US Department of State – transfer and export (including deemed exports) of inherently military technologies on the US Munitions List. (ex: electronic equipment, systems, or software designed for military, security, and intelligence applications. Firearms, ammunition, range finder, etc.)

EAR – Department of Commerce – transfer and export of “dual use” (commercial or military) equipment, materials and technologies on the Commerce Control List (CCL). (ex: global positioning systems, cameras, optics, etc.)

Office of Foreign Assets Control Regulations – OFAC – Department of Treasury – prohibits certain transactions with countries subject to boycotts, trade sanctions and embargoes to specific nations. (ex: prohibited activities in boycotted countries – engaging the services of persons to develop new

informational materials or support of research activities, surveys/interviews, marketing or business services.)

Deemed Export: The disclosure or transfer of export controlled software, technologies or technical data to a foreign entity or individual *inside* the US is “deemed” to be an export to the home country of the foreign entity or individual. (ex: lab tours, foreign national employees/students conducting research, work allowed for certain foreign national employees/students.)

3

CHS-OSP Guidelines for Proposal Review

The following procedure is suggested when reviewing College proposals for external funding.

1. Gather materials:
 - a. Fill out the Comment Log or “notes page” with PI and sponsor information, and other information as indicated. Print any pertinent information associated with the proposal that you may need for reference and clip to the Comment Log. You will use the Comment Log to make note of any issues that need to be addressed as you complete your review, as well as to record major events in the processing of the proposal. (NOTE: If you prefer to work electronically, you can fill the Comment Log out in Excel.)
 - b. Read the sponsor guidelines (FOA, RFP, RFA, etc), highlighting important information. Make notes as necessary on the Comment Log. Keep a lookout for:
 - i. Terms and conditions or contract language.
 - ii. Cost share requirements
 - iii. Eligibility requirements
 - iv. Deadline
 - v. Funding restrictions, particularly F&A costs
 - vi. Other budget restrictions

NOTE: in addition to the program announcement guidelines, for some sponsors, additional information is necessary. NSF, DHHS/NIH, USDA, and other sponsors have comprehensive guides for filling out their forms. Make sure that you have the latest version of these guidelines, and that you refer to them as you are reviewing and processing the proposal.

- c. Gather the parts of the proposal (sponsor forms, scope of work, cover page, budget, budget narrative, etc) as applicable.
 - d. Look up PI and all other VCU faculty and staff named in the proposal in the **Banner HR** system. This information will be used to determine the individual’s official salary and fringe rate for the proposal budget.
 - e. Look up the sponsor in VCUeRA/InfoEd. This is particularly helpful when working with sponsors who do not issue formal guidelines, and will give you some information about the sponsors, such as how they have handled F&A in the past, etc. if the proposal you are reviewing is a continuation of an existing project with the same sponsor, you always want to look up the previous proposal. This will save you lots of time and effort in the long run.
2. Read the proposal narrative and make notes as necessary on the notes page regarding issues such as:
 - Organizations and people named in the narrative as having substantial involvement in, approving of, endorsing, or committing time and/or resources to the proposed project. Each person or organization named will usually need to

submit a letter or email showing their intent to participate (if their contribution is substantial).

- Implied cost share (“Org X will be providing \$500,000 worth of volunteer labor in support of this project!” “VCU will be leveraging \$50,000 in funding for this project!”). Implied cost share will either need to be documented or removed.
 - Typos, incorrect grammar, etc.
 - Any point in which the proposal narrative strays from the format, tone, or focus suggested by the guidelines.
 - If the guidelines list specific sections to be included or questions to be answered, make sure each one is addressed, preferably in the order requested.
3. Complete a budget review. See below for detailed instructions for budget review.
 4. Fill out or request an Internal Approval Form (IAF). The latest PDF version of the IAF is available on the OSP website.
 5. If cost share is proposed or required, a Cost Share authorization form will be needed, and the proposal details will need to be logged on the Google spreadsheet for cost share tracking. The official VCU policy on Cost Share can be found here: <http://www.assurance.vcu.edu/Policy%20Library/Cost%20Sharing.pdf>.
 6. Request an Advance PT Number using OSP’s web form. You should receive the PT number via email within a day or two.
 7. Add the proposal to the CHS-OSP shared Google spreadsheet for proposal tracking (Initiate Proposal Processing).
 8. When you have completed your proposal review, write an email to the PI outlining the issues that need to be addressed. A numbered list is recommended, so that the PI can easily differentiate between issues and check them off as they are addressed. You may also need to copy a co-PI or administrative assistant on the notes email.

NOTE: When suggesting changes to a budget or budget narrative, it often saves time to make a copy of the electronic file and make the suggested changes yourself. You can then send the document to the PI for review rather than waiting for the PI to make the changes. This can greatly reduce the time required to make budget changes, as well as reducing the burden on the PI.

9. Make notes on Comment Log as you go, to keep track of where you are in the process.
10. When the PI responds to your email, work with the PI to correct the issues identified. Send a second email with additional notes, if necessary.
11. Use information from sponsored guidelines, IAF, scope, and budget to complete sponsor forms as required.

NOTE: CHS-OSP should ALWAYS fill out the grants.gov package that will be submitted to the sponsor. This is necessary because technical issues and file format requirements of grants.gov

12. Once all issues are resolved and the proposal is ready or nearly ready for submission, it is time to request signatures on the IAF. All PIs, Co-PIs and VCU collaborators need to sign the IAF.

13. Submit the proposal to OSP at dirospa@VCU.EDU and ospgold@vcu.edu. Include the IAF, proposal files, and sponsor guidelines.
14. Notify PI of submission via email, and make sure that the PI gets a complete PDF copy the proposal (this is usually sent out by OSP post-submission.)
15. Save your working files for the proposal from your computer to the Q drive, under the appropriate PI folder.

NOTE: Post-submission, proposal files should be complete and files saved to the shared drive within two (2) business days.

Proposal Review Checklist:

- PI Status
- COI
- How to submit: _____
- Due Date: _____
- Guidelines
- Processing forms
- Internal budget

Application Parts:

- Sponsor forms
- Proposal sections
 - Abstract/summary
 - Project narrative
 - Budget
 - Budget justification
 - Biosketches
 - Facilities and Resources
 - Equipment description
 - Current/Pending Support
 - Letters of Support/Collaboration
 - Other: _____
- Sub-Award
 - Letter of Collaboration
 - Scope of work
 - Budget
 - Budget narrative
 - Documentation from participants
- Compliance
 - Human Subjects
 - Vertebrate Animals
 - Recombinant DNA and Select Agents
 - Export Control

5

Procedure for Budget Review

Budget Categories

The following budget categories are used for sponsored program proposals at VCU. Though some sponsors clearly allow items that the University does not (for example, certain computer costs, administrative salaries, etc), this does not mean that we can include those items in our budgets. All budgeted items must meet the criteria for allowability found in the Cost Principles (OMB Circular A-21, or 2CFR200), conform to University policies, and be budgeted within one of these categories.

The following costs are generally allowable on University sponsored project budgets:

Salaries and Wages

Salaries and wages budgeted as direct costs are allowable, provided that they are reasonable, necessary to the project, and are allocable. Salary calculations must be based on actual salary amounts; a PI may not increase his or her salary beyond what is normal and reasonably anticipated (i.e. cost of living increases, etc are allowable).

Some types of salary are unallowable under our cost principles because they fall within the F&A or indirect cost category. These include administrative salaries, information technology, facilities, groundskeepers, research administrators, and others who work for common objectives rather than specifically for one project.

OSP requires a minimum of 1% effort for the PI on most research projects. If a sponsor does not allow faculty effort, then the PI's effort must be cost shared internally. Make sure you are familiar with VCU's official policy on Minimum Effort for Key Personnel

(<http://www.assurance.vcu.edu/Policy%20Library/Minimum%20Effort%20for%20Key%20Personnel%20on%20Sponsored%20Programs%20Policy.pdf>)

All salaries and wages budgeted must include corresponding Fringe Benefits at the appropriate rates as described below.

Fringe Benefits

Fringe benefits rates are negotiated by the University along with the Facilities & Administrative Cost rates, and are updated on an annual basis. Current rates are published by the Controller's office. The most recent fringe benefits rates can be found on OSP's website.

The approved, negotiated fringe rates must be included for all salaries budgeted on a proposal.

Travel

Common allowable travel charges include mileage, per diem, conference registrations, air travel, and lodging, among others. The most recent mileage and per diem rates can be found on the Procurement website.

Internally, the travel category should only be used for VCU employees. Travel expenses for other individuals should be budgeted under Other Costs.

When budgeting international travel as part of a sponsored project, principal investigators need to be aware that approval must be obtained from the University before the foreign travel actually begins.

Materials and Supplies

The materials and supplies category is used for materials, supplies, and parts necessary to carry out a sponsored project. Examples of allowable materials and supply costs include lab and/or field supplies necessary for the project, materials and curricula for project-related training conferences, or meetings, etc.

Certain materials and supplies are unallowable as direct costs according to our cost principles. These include general use office furniture, general use computers, office supplies (including toner cartridges), among others.

Purchasing Computers and Electronic Devices on Sponsored Program Budgets

To be considered a direct cost, the following conditions must apply for a computer or other electronic device (iPhone, iPad, etc) to be purchased with sponsored project funds:

- The computer or device must be necessary to fulfill the project's scope of work
- The computer or device must be fully described and justified in the proposed narrative and budget
- The computer or device must be specifically identified with the project (i.e. dedicated)
- The computer or device must be approved by the sponsor before a purchase is made.

If a computer or other electronic device is not specified in the original approved proposal budget, sponsor approval and a justification that meets the above conditions is required.

After a sponsored project has ended, the computer or device can then be used for general research purposes unless the sponsor requests ownership.

Equipment

Equipment is defined as an article of nonexpendable, tangible property having a useful life of more than one year and an acquisition cost which equals or exceeds \$5,000 per item. Items that do not meet this definition must be budgeted under another appropriate budget category.

Specific items of equipment should be listed in the project budget. If the equipment is not listed in the original proposal, sponsor approval will be required in order to purchase the equipment. Equipment quotes should be submitted to CHS-OSP during proposal processing if equipment items are requested in

the budget, even when the sponsor does not require them. This dramatically cuts down on the time and effort required to procure the items of equipment post-award.

At times, a sponsor may use a different definition for equipment than the University does. In these cases, items may be listed as equipment on the sponsor budget, and as supplies or other costs on the internal budget. In these cases, a note should always be made on the internal budget form to explain the difference in the two budgets.

Participant Support

Items of cost are internally budgeted as participant support costs when they directly benefit program participants in a sponsored conference, training, class, or workshop. A participant is an individual not employed by the University or paid by the sponsored project, who is taking part in a training, workshop, conference, meeting, or other educational function funded by the sponsored project. Participant support costs could include travel expenses for the external participants, registration fees for their participation in the program, supplies or kits given directly to the participants for their use as part of the conference, etc. **This does NOT include promotional items such as tee shirts, coffee mugs, bumper stickers, etc.**

Under the Uniform Guidance (2CFR200), Participant Support costs are exempt from F&A and excluded from MTDC.

Other Costs

Allowable items of cost that do not fit the definitions of the other budget categories are typically budgeted under Other Costs. Examples could include consultants and purchased services, rental fees, intangible property like software or data, tuition for graduate students, printing costs, postage, and long distance telephone charges. Some costs in this category will require additional documentation in order to be allowable.

If Consultant costs are included in the proposal, documentation in the form of a signed letter (on letterhead) explaining the scope of work to be completed by the consultant and including the exact dollar amount being budgeted to support their work must be present.

Including this documentation and naming the consultant at the proposal stage eases the procurement certification process post-award. If the consultant or organization providing the goods and services is not named and documented at the proposal stage, then the items or services must be procured through the competitive bid process.

Subcontracts and Subawards

A subaward is proposed when another University or organization is doing a substantial amount of the work on a sponsored project. Proposals should include separate detailed budgets for each subaward, as well as a detailed scope of work, and must be officially approved by the subawarding organization(s). Subawards are entered in the overall proposal budget as a single line item per subaward.

If VCU is to be a subawardee to another organization, we need to provide the same documentation to the lead institution that we expect from our subawardees. This includes

- A letter (signed by our AOR) on VCU letterhead, outlining our scope of work and the exact dollar amount requested (as well as the exact dollar amount cost shared, if the sponsor requires it). We have a template for this standard letter.
- A budget and budget narrative
- A subrecipient commitment form, if required. Our OSP has a form that is required of all subawardees. The form is available on the OSP website. Many other universities have similar requirements, so always check before sending a subaward proposal package to OSP for submission to a lead organization.
- Any other information required by the sponsor, including CVs, current and pending support forms, etc.

If the sponsor to which the lead institution is applying requires submission through grants.gov, you should download the applicable subaward budget package and fill it out before submitting it to the lead institution.

NOTE: If the originating sponsor allows full F&A recovery, then the full F&A rate should be used on the VCU subaward proposal. **As a general rule, subawarding institutions cannot restrict F&A recovery if the sponsor does not.**

Proposals in which VCU is a subawardee are processed by CHS-OSP the same way as other proposals are, and should follow all normal procedures for proposal processing.

Total Direct Costs

Total Direct Costs are the sum of all direct costs budgeted.

Facilities & Administrative (F&A) Costs, or Indirect Costs

These are costs that are incurred for common or joint objectives of the University and therefore cannot be identified readily and specifically to a particular sponsored project. This means that F&A costs are not allocable.

Facilities & Administrative (F&A) costs are determined using federally negotiated rates. The current rate agreement is available online from the Controller's office. A copy of the most recent F&A rate agreement is located on the OSP website and the Controller's office website. F&A costs must be budgeted or accounted for on all sponsored project proposals.

If a particular sponsor's policy states that they will not fund indirect costs, a copy of the written policy document (RFP, bylaws, etc) should be included in the proposal file. In these cases, the F&A costs may be cost shared (if required), but are not requested on the sponsor budget.

If a sponsor's policy states that they cap F&A costs at a rate lower than the University's negotiated rate, then the proposal budget must include F&A costs at the sponsor's allowed rate, and the unrecovered F&A amount may be cost shared (if required).

NOTE: If there is no written official sponsor policy, F&A costs must be budgeted for all proposals.

F&A is calculated as follows:

1. Calculate Total Direct Costs as above.
2. Calculate Modified Total Direct Costs (MTDC)

MTDC = Total Direct Costs – (Equipment + tuition + the amount of each subaward in excess of the initial \$25,000)

3. Multiply the MTDC by the applicable F&A rate.

Total Budget

The total budget is calculated by adding the Total Direct Costs and the F&A Costs.

F&A Waivers

In the past, the University from time to time granted F&A waivers when a sponsor did not have a written policy regarding F&A. There is a form available from OSP to request consideration for a waiver of F&A. However, this requires that the College and the department forfeit all F&A return for the project. **This is strongly discouraged for College proposals except under special circumstances.**

Unallowable Costs

The following costs are generally unallowable under the Cost Principles (OMB Circular A-21):

- Administrative and Supporting Salaries, including clerical support (unless there are special circumstances), IT personnel, groundskeepers, custodians, etc.
- General office supplies, including but not limited to paper, toner, pens, staplers, general use computers, office furniture, and photocopying.
- Entertainment
- Alcoholic beverages
- Food (except in special circumstances such as working lunches for sponsored trainings, conferences, or workshops, where breaking for lunch would interrupt the continuity of the program)
- Promotional items including but not limited to refrigerator magnets, tee shirts, coffee mugs, etc.
- Local telephone service and cell phone service (except in special circumstances)
- Costs that are considered indirect costs may not be budgeted as direct costs

Some costs normally considered unallowable may be allowed under certain special circumstances. These circumstances may include but are not limited to:

- Major Projects: When costs are outside the scope of regular University activities, and as a result the project requires dedicated resources. Such cases must be specially documented and justified.
- Food at sponsored workshops, trainings, and conferences where business lunches or refreshments are necessary for program continuity
- Advertising for hiring of project employees or for recruiting participants in a sponsored project or program.

Cost Share and Matching

Cost share, or match, is the portion of a project budget that is not reimbursed by the sponsor. Cost share represents a real commitment of resources by the University. It may be required by the sponsor as a condition of the award (mandatory) or it may be offered by the University in excess of mandatory cost sharing requirements (voluntary). It is important to realize that whether cost share or match is mandatory or voluntary, all cost sharing commitments represent binding obligations on the University. All cost share commitments must be documented with a Cost Share Authorization Form and appropriate approval signatures.

Cost sharing should be limited only to those situations where it is mandated by a sponsor, or the University has determined that such a contribution is necessary to ensure the success of a competitive award or proposal. PIs should refrain from making voluntary cost share commitments. In all situations, cost share should be kept to a reasonable level because of the burden that cost sharing places on University and departmental resources.

Voluntary cost sharing on College proposals is strongly discouraged.

Cost share usually comes from one or more of the following sources, depending on the sponsor's guidelines:

- University funds provided for the benefit of the specific project
- Waived (or non-funded) F&A costs
- Third party contributions (outside the University). Cost share or match provided by sources external to the University must be documented with a signed letter of commitment outlining the resources committed and the dollar value of said resources.

All cost share commitments must meet all of the following criteria:

- Costs are verifiable in the University's official records
- Costs are not used as cost sharing for any other sponsored project
- Costs are necessary and reasonable for proper and efficient accomplishment of the project objectives
- Costs are not paid by the federal government under another award, except where authorized (This applies to proposals for federal funding).
- Costs are itemized in the approved budget when required by the sponsor

- Costs are incurred during the effective dates of the sponsored project

Procedure for Budget Review

1. Gather all budget materials (sponsor guidelines, budget form or spreadsheet provided by the PI, and budget narrative).
2. Check all calculations. It may be helpful to lay out the entire budget on an Excel spreadsheet, so that you can check/change your numbers as needed without redoing all of the math, and also so that you can show the PI exactly what you are suggesting if changes need to be made. This is very helpful, especially if you are in a hurry. Budget Worksheet templates can be found on the OSP website.
3. Pay special attention to F&A calculations. Ensure that appropriate rates are used and items are removed during MTDC calculation if not applicable to F&A.
4. Check the calculations in the budget narrative and make sure that the budget form and budget narrative numbers match up. Budget narratives or justifications must contain the level of detail requested by the sponsor, and numbers and calculations must match those on the appropriate budget form. Budget narratives or justifications should address each requested budget category. In addition, cost share or match commitments must be clearly outlined and justified as well.
5. Make sure that all budget items requested are allowable under the Cost Principles (OMB Circular A-21/2CFR220). If the PI has included unallowable costs, do not include them in your budget worksheet. You will need to address this in your notes email.
6. Make sure that all requested costs are properly categorized as described above.
7. Make sure that Salary and Fringe Benefits are addressed separately in the budget, and that the correct fringe rates are used. Use the Banner HR information for each employee to determine the appropriate fringe rate. Current fringe rates can be found on the OSP website.
8. If salaries and wages are budgeted and hourly rates are given, the following language should be pasted into the budget narrative in the appropriate section: **“Federal cost principles require that Universities do not account for salaries in terms of hours, but rather in terms of percent effort. The hours and rates shown are reasonable estimates and are given for comparative purposes only.”**
9. If salary is requested for graduate student assistants, calculate the tuition cost and include it in the sponsor budget unless specifically restricted by the guidelines.
10. Make sure that required documentation is present for all Consultants and Subawards as described above.

6

Common Math "Problems" for Research Administrators

Backing out the Fringe (or F&A):

If you have a total dollar amount to work with, and you need to determine how much you have for salary and how much is fringe benefits (or how much is Direct and how much is Indirect Costs):

Total Amount: \$10,000

Fringe (or F&A) Rate: 28%

$\$10,000 / 1.28 = \text{Salary Amount } (\$7,812.50)$

To check your work:

Salary Amount $(\$7,812.50) \times 0.28 = \text{Fringe Benefits Amount } (\$2,187.50)$

Salary Amount $(\$7,812.50) + \text{Fringe Benefits Amount } (\$2,187.50) = \$10,000$

Calculating Modified Total Direct Costs:

MTDC = Total Direct Costs - (Equipment + Tuition + Patient Care + Participant Support + Capital Expenditures + Off-Site Rent + The amount of each subaward in excess of the initial \$25,000)

Total Direct Costs: \$500,000

Budget includes:

\$15,000 Equipment

\$10,605 in Tuition

Two subawards for \$70,000 each

F&A is applicable to only the first \$25,000 of each subaward, so first you need to determine how much of each subaward is in excess of that amount. Subtract \$25,000 from each subaward amount.

Exclusions are:

Subaward 1: \$45,000

Subaward 2: \$45,000

Equipment: \$15,000

Tuition: \$10,605

$MTDC = \$500,000 - (\$10,605 + \$15,000 + \$45,000 + \$45,000) = \$384,395$

Determining applicable F&A rate when the sponsor limits F&A to a percentage of Total Federal Funds rather than Total Direct Costs or MTDC:

Sponsor limits F&A to 25% of Total Federal Funds

If your Total Federal Funds are \$100,000, then the maximum you could get would be $\$100,000 \times 0.25 = \$25,000$

To determine the equivalent percentage of Total Direct Costs:

Total Federal Funds $(\$100,000) - \text{Maximum recovery } (\$25,000) = \$75,000 \text{ Direct Costs}$

Maximum Recovery $(\$25,000) / \text{Direct Costs } (\$75,000) = \text{Equivalent TDC Rate } (33.3333\%)$

To check your work:

Total Direct Costs $(\$75,000) \times \text{Equivalent TDC Rate } (33.3333\%) = \$25,000$

Calculating Summer Salary for Faculty with 9-Month Appointments:

Method 1:

Maximum Summer Salary = $(9\text{-Month Salary } (\$70,000) / 9 \text{ Months}) \times 3 \text{ Months} = \$23,333$

OR

Maximum Summer Salary = $9\text{-Month Salary} / 3 = \$23,333$

Method 2:

Maximum Summer Salary = $9\text{-Month Salary } (\$70,000) \times .3333 = \$23,331$

Calculating NIH Salary Cap Cost Share:

NIH Policy is that they will not pay any individual salaries that exceed the Executive Level II level (Currently \$183,300 annually).

Some 9-Month faculty do not meet the salary cap, but if they receive their maximum summer salary, they really do! (see below)

Basic Salary Cap Cost Share = Base Salary (\$200,000) - Salary Cap (\$183,300) = \$16,700
(But this is at 100% effort!)

If the individual is requesting 25% effort on the grant, then the maximum they could be paid from the grant = \$183,300 x .25 = \$45,825
Base Salary (\$200,000) x .25 = \$50,000

Salary Cap Cost Share at 25% Effort = 25% of Base Salary (\$50,000) - 25% of Salary Cap (\$45,825) = \$4,175

Calculating NIH Salary Cap Cost Share for 9-Month and 3-Month Appointments:

NIH Policy is that they will not pay any individual salaries that exceed the Executive Level II level (Currently \$183,300 annually).

Some 9-Month faculty do not meet the salary cap, but if they receive their maximum summer salary, they really do! (see below)

For 9-Month Appointments:

If the 9-month salary is \$175,000, then the Maximum Summer Salary would be \$58,333
Annual Salary = \$233,333 ... clearly over the cap!

To determine Salary Cap Cost Share on 9-month effort, you must convert the Salary Cap to 9-month and 3-month appointments.

Equivalent 9-Month Salary Cap = (\$183,300 / 12 Months) * 9 Months = \$137,475

OR

Equivalent 9-Month Salary Cap = \$183,300 x .75 = \$137,475

So, if the individual is requesting 25% during the 9-month appointment, then the maximum amount they could be paid from the grant =
\$137,475 x .25 = \$34,369

Base 9-Month Salary (\$175,000) x .25 = \$43,750

Salary Cap Cost Share at 25% Effort for the 9-Month period = 25% of Base Salary (\$43,750) - 25% of Salary Cap (\$34,369) = \$9,381

For 3-Month Appointments:

If the 9-month salary is \$175,000, then the Maximum Summer Salary would be \$58,333

Annual Salary = \$233,333 ... clearly over the cap!

To determine Salary Cap Cost Share on 3-month effort, you must convert the Salary Cap to 9-month and 3-month appointments.

Equivalent 3-Month Salary Cap = (\$183,300 / 12 Months) * 3 Months = \$45,825

OR

Equivalent 3-Month Salary Cap = \$183,300 x .25 = \$45,825

So, if the individual is requesting 25% during the 3-month appointment, then the maximum amount they could be paid from the grant =
\$45,825 x .25 = \$11,456

Base 3-Month Salary (\$58,333) x .25 = \$14,583

Salary Cap Cost Share at 25% Effort for the 3-Month period = 25% of Base Salary (\$14,583) - 25% of Salary Cap (\$11,456) = \$3,127

7

Sample Review Notes Email to PI

Dear Dr. Faculty member,

I have attached a revised budget spreadsheet to show the budgetary changes that were necessary following a complete review of both sets of guidelines (there are two). I'm also attaching your Internal Approval Form for review and signature. I will also send it to Dr. Coinvestigator for her signature as well.

I have completed my review of the grant materials so far and have the following notes:

- 1) The NIH salary cap applies to this program according to the guidelines, so I have updated PI effort accordingly and have completed the cost share authorization form as well (Ms. Departmental RA, please take a look at the second tab and let me know if you see any problems).
- 2) Given the communication from the Governor last week about the anticipated COLA increases, we've been advised to budget at those levels in our grant proposals. That means salary + 2% for staff, and salary + 4% for faculty. The attached budget reflects that change.
- 3) The guidelines limit participant incentives to a maximum of \$30 per person. I changed this in the attached budget from \$35 to \$30. This resulted in a reduction in total costs, but it now conforms to guidelines.
- 4) The guidelines limit food costs to \$2.50 per person. I left your overall numbers the same for the refreshments, but did some calculations to be able to determine how many people/how many meetings were possible for that amount.
- 5) This program also has some pretty strict guidelines for format on the budget narrative, so I will need to update this one in much the same way I did for our last grant proposal. At least they gave us a template this time! I may need your help with dividing up which costs belong to which activity (Direct Prevention Activities, HIV testing, hepatitis testing, data collection and performance assessment, environmental strategies, and infrastructure), because they want us to include a breakout of what % of the budget goes with each activity.
- 6) Here are the attachments we need:
 - Project Narrative
 - Table of Contents
 - 2-page CVs for all key personnel
 - Data collection instruments/interview protocols
 - Sample consent forms
 - Confidentiality and SAMHSA participant protection/human subjects
- 7) I'm missing the subrecipient commitment form for Subaward University. Is that still in the works? If not, we need to contact them to request it as soon as possible.

Please let me know if you have any questions about any of the above.

Thanks!

Proposal Reviewer