Introduction to Sponsored Projects Administration

Proposal and Award Management
Days 1 & 2

Presented by: Office of Sponsored Projects
Zoom Class Participation Guidelines

- Class participants are asked to have their video camera on for the entire session. Please enable your video to create a more personal and engaging class environment. Your on-camera presence is appreciated.

- Please keep your Zoom microphone on mute to silence all background noises
  - Unmute to speak, then Mute again.

- If you have a question, unmute and ask your question while the topic is being discussed.
  - If the moment doesn’t present itself, there is typically a pause right before moving to the next slide when you can jump in.
Topics Addressed in Class

Proposal and Award Management
- Research Administration
- The Basics
- Proposal Preparation and Submission
- Award Negotiation and Acceptance
- At-Risk Accounts
- Export Controls

Financial Management
- More Basics
- OSP Award Setup
- Preparing to Spend the Money
- Allowability of Costs
- Managing Awards
- Sponsor Reimbursement
- Reporting Obligations
- Award Closeout and Audit
- Website Resources
Intro to SPA Instructors

Proposal and Award Management: Days 1 & 2

The Office of Sponsored Projects (OSP):

- Amy Ellis, Director Proposals and Award Management
- Danielle O’Brien, Assistant Director, Proposal Management
- Kimberly Fiore, Award Manager

Financial Management: Days 3 & 4

Sponsored Project Financial Administration (SPFA):

- Nancy Kendrick, Director Financial Management
- Kenechia Clarke, Associate Director Financial Management
- Kathleen King, Manager Financial Reporting
- Margaret Conway, Invoicing and Accounts Receivable Manager
Research Administration
The Research Enterprise

Senior Associate Provost for Research Administration
Office of Research Administration (ORA)
- Strategic efforts
- Operations management and oversight
- Export Controls

Office of Environmental Health and Safety (OEHS)
- Environmental health & safety

Office of Research Enterprise Operations (OREO)
- Project management
- Data management
- Cross unit operational integration & efficiency

Office of Sponsored Projects (OSP)
Sponsored Projects Financial Administration (SPFA)
- Pre and Post-award administration of sponsored projects, MTAs, CTAs
- Training and education

Office of Human Research Protection Program (HRPP)
- Required review of research involving human subjects
  - HIC, HSC, IRB

Office of Animal Research Support (OARS)
- Required review of research involving animals
  - IACUC

Conflict of Interest (COI)
- Required review of conflict-of-interest disclosures

Office of Cooperative Research (OCR)
- Patenting & licensing activities, inventions, industry relations

Office of Deputy Provost for Research
What are the University revenue streams?

- Endowment, 1,438,078,000
- Medical Services, 1,090,055,000
- Contributions, 208,694,000
- Sponsored Projects, 836,597,000
- Investment, 97,662,000
- Other, 190,919,000
- Student Income, 384,925,000

How does the Research Enterprise fit in?

Yale University Revenue/Income
FY 2020 total $4.2 billion

Revised 06/22/2021
Yale University’s Research Enterprise

Yale Sponsored Award Expenses FY2020
Total $819,671,694

- Federal
  - $615,429,696
  - 75%
- Non Federal
  - $163,851,203
  - 20%
- Clinical Trials
  - $40,390,795
  - 5%

Revised 06/2021
Office of Sponsored Projects: FY2019 Metrics

- 1,998 Active Award Principal Investigators *
- 1,499 Active Unique Sponsors
- 4,873 New/Competing Proposal Submissions Totaling $3.1B
  - 990 Just In Times and No Cost Extensions
- $828M Grant Expenditures
  - Includes $209.5M in Facilities and Administrative Costs
- 5,705 Active Awards
  - 2,863 Federal, 1,854 Non-Federal, 988 Clinical Trials
- 1,059 Active Outgoing Subawards
- 2,591 Financial Status Reports

* Includes Multi-PI sponsor projects

Revised 03/2020
The Basics
Learning the Language

- Every profession has its own lingo
- Checkout this useful reference: The ABCs of Sponsored Projects
Learning the Language

▪ **Sponsored Project**

  • An activity funded by an external source (sponsor) supporting Yale’s mission of:
    
    - Research
    - Education
    - Clinical Care
    - Public Service
Life Cycle of a Sponsored Project

1. Start with an idea!
   Initiated by PI or Sponsor

2. Proposal developed and submitted to sponsor

3. Sponsor funding decision made and award issued

4. Work begins

5. PI reports to Sponsor on progress

6. Project completed and final reports submitted
The Integrated Research Enterprise System (IRES) provides faculty and supporting staff an integrated set of research administration tools that are web-based.

- **Proposal Development (PD)**
  used to create and submit proposals, as well as capture data for Proposal Tracking

- **Proposal Tracking (PT)**
  used to capture, store and manage pre-award and award information

- **Conflict of Interest (COI)**
  used to disclose financial relationships relative to sponsored research

- **Institutional Review Board (IRB)**
  used to submit and review protocols for human subject research studies

- **Managing Animal Protocols and Studies (MAPS)**
  used to submit and review protocols for animal research studies

- **Sponsored Program Information Network (SPIN)**
  a database of funding opportunities from government and private sources
Learning the Language

▪ Effort

  • Time spent on all Yale activities for which an individual is paid by Yale
    – The time (effort) can be expressed as a percentage of the individual’s total University effort
    OR
    – In person months as a measurement of a person's effort in academic, summer, and/or calendar months a year

Note: “Calendar Months” is a term used by most federal sponsors.
Learning the Language

- **Principal Investigator (PI) / Program Director (PD)**
  - Individual having the appropriate qualifications, level of authority and responsibility to direct a project or program to be supported by an award.

- **Multiple Principal Investigator (MPI)/ Multiple Program Director (MPD)**
  - Multiple PI/PD awards are an opportunity for multidisciplinary efforts and collaboration through a team of scientists under a single grant award. All MPI/MPD share equally in the authority and responsibility for leading and directing the project, intellectually and logistically, including the submission of all required reports. The presence of more than one PD/PI on an application or award does not diminish the responsibility nor the accountability of any individual PD/PI. MPI/MPD is equivalent to NSF’s Co-PI/Co-PD.
Learning the Language

▪ Senior/Key Personnel
  • All individuals who contribute in a substantive, measurable way to the scientific development or execution of a sponsored award, whether or not salaries are requested.
    – There must be some level of committed effort (time) indicated in the proposal
    – May or may not be a Yale employee

▪ Other Significant Contributor
  • Individuals identified in a National Institutes of Health (NIH)/Public Health Service (PHS) proposal who will contribute to the scientific development or execution of a project, but do not commit any specified measurable effort to a project.
Consultant (Professional Services)

- An individual or firm that provides professional advice or services for a fee when the skills required are not available or able to be provided by University faculty or staff.
  - Requires that an agreement must be in place prior to the commencement of the work with:
    - A description of the service to be performed (scope of work)
    - An estimate of time
    - A rate of compensation
    - Termination provisions

- Policy 3210: Professional Services and Consulting
Test Your Knowledge
Which of the following statement(s) is/are true regarding key personnel:

A. They must contribute some level of effort
B. They contribute in a substantial and measurable way to a project
C. They may be employed by another institution
D. All of the above
It’s time for a break...

We’ll start again in 10 minutes.
Proposal/Application

- A request for support of a project prepared in accordance with the sponsor’s instructions.
  - The proposal represents the PI’s ideas and methodology to a potential sponsor.
  - The submission of the proposal requires the approval of the University through the Office of Sponsored Projects’ (OSP) proposal team in order for the proposal to be represented as a Yale endorsed activity.
Learning the Language

▪ **Regulatory Form [Proposal Development (PD)]**
  - Electronic form used to collect information about and certification of a proposal. This form is routed through PD.

▪ **TranSum (Paper Form)** – not frequently used
  - Paper proposal information and approval form for non-PD submissions
  - Collects required information about and certification of a proposal.

![TranSum Form Example](image-url)
Learning the Language

- **Program Solicitations**
  - Funding Opportunity Announcements (FOA)
  - Program Announcement (PA)
  - Request for Application (RFA)
  - Request for Proposals (RFP)
  - Request for Quotes (RFO)
  - Broad Agency Announcement (BAA)
Learning the Language

- **Program Solicitations**
  - Outlines the purpose of a program
  - Provides eligibility criteria
    - PI and institution
    - May limit number of submissions by institution or PI
  - Identifies the proposal/application format
  - Specifies the process for submission and due date
  - Provides supplemental instructions
  - References policies, assurances and definitions
  - May contain terms and conditions that would apply if the proposal is awarded.
Learning the Language

- **Just-in-Time (JIT)**
  - The Department of Health and Human Services (DHHS) procedure that allows the submission of certain elements of a new or competing renewal application to be deferred until after the review of a proposal, but before award. (NIH is a part of DHHS)
    - Typical documents requested include other support pages, verification of compliance approvals such as human and animal subjects protocol approvals, and verification of human subjects education.

  **Note:** *Just-in-Time is a DHHS term that is used generically at Yale when sponsors request additional information prior to issuing an award.*

- **Revised Budget**
  - A revised budget is a modified version of the original budget proposed to the sponsor, based upon the sponsor’s request.
    - Example: the NSF Program Officer may suggest reducing or eliminating costs for specific budget items that are clearly unnecessary or unreasonable for the activities to be undertaken, especially when the review process supports such changes. When such discussions result in a reduction of 10% or more, a corresponding reduction should be made in the scope of work.
Learning the Language

- **Sponsored Award/Notice of Award (NoA)**
  - A legally binding agreement issued to Yale to support a Yale proposal
    - May be issued electronically, in letter format or on a sponsor specific form
    - Notifies Yale that an award has been made
    - Contains or references all terms and conditions of the award
    - Documents the obligation of funds
    - May or may not require a signature from an Award or Contract Manager

*Note: NoA is a PHS specific term; however, it is generally used at Yale for all sponsored awards*
An award can be in the form of a grant, contract or cooperative agreement

- **Grant**
  - An award of financial assistance, the primary purpose is to transfer money, property, services or other things of value to a grantee (Yale) when no substantial involvement is anticipated between the sponsor and Yale.
An award can be in the form of a grant, **contract** or cooperative agreement

**Contract**

- An agreement to provide specific research services/deliverables. A contract can be:
  - **Cost reimbursable:**
    Sponsor reimburses Yale for actual costs incurred on the project.
  - **Fixed price:**
    A price established to complete the work and is not subject to change. Actual costs are expected to be reasonably close to the amount of the agreement.
    - If the costs exceed the fixed price, Yale is not reimbursed
    - If the costs are less than the fixed price, Yale retains the money
An award can be in the form of a grant, contract or cooperative agreement

- **Cooperative Agreement**
  - A financial assistance agreement (grant) used when substantial sponsor involvement is anticipated during performance of the project.
Test Your Knowledge
Which of the following is false regarding a NoA:

A. Legally binds the University
B. Notifies the grantee that an award has been made
C. Contains or references all terms and conditions of the award
D. Never issued electronically
Subaward (also referred to as subcontract, subgrant, consortium agreement)

- A legal instrument used by an award recipient (usually called the prime recipient) to provide funds or property to another eligible institution (subrecipient or subawardee) to perform a substantive portion of an award’s scope of work.
  - Yale can be both a prime recipient or a subrecipient

- The terms and conditions of the prime award “flow down” to the subrecipient through the subaward.
Learning the Language

- **Authorized Organizational Representative (AOR) or Signing Official (SO)**
  
  Authorized by the institution to legally bind the institution by:
  
  - Signing sponsored project applications and required certifications and/or assurances necessary to fulfill the requirements of the application
  
  - Signing other award documents such as a grant or contract

**Note:** The Office of Sponsored Projects (OSP) is the AOR for Yale University. A PI is not an AOR (Authorized Organizational Representative).
Learning the Language

- **Grantee/Awardee: Yale University**

  - By signing/electronically submitting a proposal, or by signing a funding document (grant award, contract, etc.), Yale assumes legal and financial responsibility and accountability for the performance and financial aspects of the award.

**Note:** Certain awards, such as fellowships, may be awarded directly to the individual.
Test Your Knowledge
Here’s a scenario...

Dr. Barrow, a Yale faculty member reads a PA (Program Announcement) related to her area of research. She prepares a proposal and submits it directly to the sponsor.

Did Dr. Barrow forget something?

A. No
B. Yes
Learning the Language

- **Direct Costs**

  Costs that can be identified specifically with a particular sponsored project. Examples include but are not limited to:
  - Salaries and benefits
  - Equipment
  - Recruitment costs (including the cost of a Visa under certain conditions)
  - Research materials and supplies
  - Participant costs when appropriate
  - Travel
Learning the Language

- **Facilities and Administrative (F&A) Costs (also referred to as indirect costs (IDC) or overhead)**
  - Costs incurred that cannot be specifically identified with a sponsored award. Examples include but are not limited to:
    - Utilities
    - Network charges
    - Office supplies
    - Purchasing
    - Human Resources
    - Business Offices
    - OSP, ORC, OARS, HRPP

*Note: F&A costs are budgeted and charged as a percentage applied to the modified total direct costs of a project with certain exceptions.*
Learning the Language

- **Equipment**
  - An article of tangible nonexpendable personal property
  - Useful life of more than 1 year
  - Cost per unit that equals $5,000 or more

*Note: Some non-federal sponsors define equipment with different thresholds.*

*Policy 4209: Equipment*
Which of the following expense(s) would be considered an **F&A cost**? *Select all that apply*

A. Test tubes
B. Human Resources
C. The PI’s salary
D. Network charges
It’s time for a break...

We’ll start again in 10 minutes.
Cost Sharing

- Any portion of sponsored project costs not funded by the sponsor.

Mandatory Cost Sharing

- Yale’s contribution toward the sponsored project that is required as a condition of receiving the award.
  - Usually identified in the funding opportunity or federal statute and is included in the terms and conditions of the award.
Voluntary Committed Cost Sharing (VCCS)

Yale discourages VCCS

- Yale’s inclusion of proposed costs supporting the sponsored project and not required or funded by the sponsor but paid for by Yale. For example:
  - The purchase of equipment to support a sponsored project but NOT paid for by the sponsor.

- VCCS in Federal proposals is not expected and cannot be used as a factor in merit review, (2CFR 200.306).
  - Violates National Science Foundation’s (NSF) Cost Sharing Policy

- VCCS must be approved in advance of proposal submission.
Voluntary Uncommitted Cost Sharing (VUCS)

- A cost associated with a sponsored project, not committed to in the proposal, and therefore not funded by the sponsor.
  - Example: additional faculty effort on a sponsored project over and above the effort identified in the proposal or award and supported by a non-sponsored project (e.g., General Appropriation, gift)
Learning the Language

- **In-kind/Matching**
  - The requirement by some sponsors to match in some proportion with funds from another party, either from the University or another sponsor.
    - May be in the form of **cash**
      - Requires documentation supporting the use of the funds
    - May be the value of **non-cash** contributions
      - Requires supporting documentation of fair market value e.g., appraisal or quote
Internal and external policies and regulations support many of the principles that will be discussed today.

- Yale’s policies and procedures
  - Play an important role in the conduct of research and the management of a sponsored project.
  - Yale policies must be followed for the administration of sponsored awards when the sponsor's policies are not specific or are less restrictive than Yale.

- Federal and non-federal sponsor requirements, policies, and regulations as applicable.

Yale’s policies, procedures, guides and forms supporting Sponsored Projects Administration
### Policies and Regulations

- **2 CFR Part 200, Uniform Guidance**: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (*commonly referred to as the Uniform Guidance*)
  - Written for the federal agencies and codified by each agency and apply to grantees.
    Agencies will incorporate in their handbooks/guides. For example:
    - National Institutes of Health: Grants Policy Statement
    - National Science Foundation: Proposal and Award Policies and Procedures Guide
  - Defines the standards for an allowable cost
  - Identifies many but not all direct costs
  - Identifies many but not all unallowable costs
  - Describes the requirements of a payroll distribution system also referred to as effort reporting
  - Describes requirements for computing the F&A cost and fringe benefit rates
Continued...

2 CFR Part 200: Uniform Guidance describes requirements for:

- Financial reporting
- Progress/Technical reporting
- Equipment management
- Procurement Standards of Conduct

• Describes the requirements for conducting a “single” audit by an external auditing firm on behalf of the federal agencies
• Describes the requirements for subrecipient monitoring
Policies and Regulations

• Federal Acquisition Regulations (FAR)
  • Applies to federal sponsors issuing an award in the form of a contract
  • More restrictive than grants and cooperative agreements
Policies and Regulations

- Award terms and conditions
  - All federal awards are not alike, not even from the same agency
  - Some non-federal sponsors are more restrictive than federal sponsors
  - Program solicitations can contain program specific requirements
Compliance Hierarchy

Federal & State Legislation
(Federal & State laws)

Federal Regulations
(Uniform Guidance, FAR Clauses)

Agency Specific Policy
(Specific agency policy manual)

Institutional Policies
& Procedures*

Special Award Terms
& Conditions

* May be more restrictive than the sponsor’s requirements.
Policies and Regulations

- **Federal Demonstration Partnership (FDP)**
  - A cooperative initiative among 10 Federal Agencies and 155 institutions (Yale included) receiving Federal funding for research.
  - Its purpose is to conduct demonstrations to simplify and standardize Federal requirements and increase research productivity while reducing administrative burden and associated costs.
    - Participation in a demonstration may affect the terms and conditions of a federal award.

- **Council on Governmental Relations (COGR)**
  - An association of leading research universities, affiliated medical centers and independent research institutes.
  - The national authority on the financial and regulatory infrastructure, and the corresponding compliance requirements associated with managing federal research grants and contracts within research institutions.
Test Your Knowledge
Which of the following statements is/are false? *Select all that apply*

A. Policies and procedures may differ among different federal sponsors
B. Yale is an FDP institution
C. PIs must account for effort and mandatory cost sharing
D. Voluntary uncommitted cost sharing (VUCS) requires the prior approval of an appropriate University official.
Roles and Responsibilities

- Principal Investigator (PI) / Co-PI
- Department Business Administrator
- Office of Sponsored Projects
  - Pre and Post Award
The Principal Investigator (PI) / Program Director (PD)

- The PI has the appropriate level of authority and responsibility to direct the project supported by the award, such as a laboratory study or a clinical trial. There may be multiple PIs who share the authority and responsibility.
  - Leads and directs the project and is responsible for the submission of all required non-financial reports
  - Conducts the research as proposed
  - Ensures proper administration of their awards, including any subrecipients
  - Authorizes all direct cost expenditures of project funds
  - Approves all project expenditures and cost transfers
  - Ensures compliance with sponsor requirements and University policies
Roles and Responsibilities

- **Department Business Administrator**
  - Assists with proposal preparation
  - Monitors awards
  - Approves and executes transactions (e.g., Expense Reports, requisitions in Workday)
  - Stays current with University policy and sponsor requirements and keeps PI abreast of any changes
  - Develops departmental business processes for the administration of sponsored projects
  - Provides financial and administrative support and reports to the PI
Roles and Responsibilities

Office of Sponsored Projects

- Reviews proposals for compliance with University and sponsor requirements
- Approves and submits proposal applications
- Negotiates all awards (including incoming subawards) in collaboration with PI/BO
- Issues and monitors outgoing subawards
- Accepts awards on behalf of the University
- Sets up awards in IRES PT
- Serves as the point of contact for the sponsor
- Administers the non-financial requirements of the award, including prior approval requests submitted to OSP

Provides post-award financial support to departments and is responsible for:

- Set up of awards in the University’s accounting system, Workday
- Financial reporting to sponsors
- Receivables, billings and collections
- Effort reporting system and conducts related assessments
- Review and approval of cost transfers
- Award closeout
Test Your Knowledge
The PI is responsible for the following:

A. Conducting the research proposed in the project
B. Oversight of sponsored project expenditures
C. Ensuring the research has the appropriate approvals for humans/animals/laboratory safety issues, etc.
D. Monitoring the programmatic progress of subrecipients under the award
E. All of the above
Proposal
Preparation and Submission
Proposal Preparation

- **Getting started**

  - Get solicitation from your PI and read through carefully
  - Is PI eligible to submit sponsored research requests?
  - What is the deadline? What are the budgetary limitations?
  - Are compliance requirements met?
  - Plan ahead to ensure proposal is *submitted to OSP at least 5 days prior to the deadline date to provide adequate time for review, electronic submissions, and sponsor acceptance*
    - Create a project plan for tasks specific to the proposal
    - Build in a timeline and create a checklist to facilitate keeping PI and business office tasks on track

*Proposal Development Roles and Responsibilities Checklist*
In order for someone to be a PI, co-principal investigator/multi-PI or program director (PD), they must meet the following requirements:

- Be a full time employee of the University
- Hold the academic rank of professor, associate professor, assistant professor, senior research scientist/scholar, or research scientist/scholar
- Have the requisite training, skill, commitment and expertise

PI exceptions require the approval of the provost, or where appropriate, the dean of self-support units

- A request for an exception may be made for non full-time appointments, e.g., research scientist/scholar, lecturers, instructors, emeritus faculty, and may or may not be granted.
Proposal Preparation

- The PI/PD must complete:
  - Sponsored Projects Administration for Faculty (online training)
    - This PI/PD required training is accessed through the University’s Training Management System (TMS) under the course owner: Office of Research Administration
  - An External Interests Disclosure form
    - PHS-like/NSF proposals (and those sponsors who have adopted the PHS COI policy) cannot be submitted if current disclosures for the identified responsible personnel are not on file
  - The PI must have completed a PPAA (Patent Policy and Acknowledgement and Agreement)
    - The PPAA is accessed via the University’s Training Management System (TMS) and is administered by the Office of Cooperative Research

Note: All members of the University who are identified on a sponsored project proposal are required to complete the PPAA certification.
Proposal Preparation

Assisting the PI with preparing a proposal:

- Utilize the Proposal Development Roles and Responsibilities Checklist
  - This resource lists tasks and requirements and indicates who is responsible for each item

- Carefully read the eligibility and submission requirements of the program announcement

- Provide a copy of the program announcement to OSP
  - Include as part of the proposal record
Meet with the PI:

- Discuss submission requirements, budget limitations, and submission deadline
- Does the research require collaborators from other Yale departments?
- Does the research require collaborators outside of Yale? In a foreign country?
- Are there any potential export control concerns?
- Is cost sharing required?
- Does the sponsor have a sponsor-mandated salary rate cap?
  - Limits the salary that can be paid to an individual working on research project

- Will the project generate program income?
- What are the required elements of the proposal?
  - Budget
  - Budget justification page
  - Bio sketches
  - Research plan
  - Subrecipient documents
Meet with the PI: \textit{(continued)}

• Ask the PI to identify all personnel to be included in the proposal budget. Of this population, the PI:
  
  – Must identify those individuals responsible for the design, conduct and reporting of the proposed research to ensure they have a current COI disclosure on file for certain sponsors (e.g., PHS, NSF, PHS-like)
  
  – Each responsible individual must have a current \textit{External Interest Disclosure} form on file
At time of Proposal Submission, who is required to complete the Patent Policy Acknowledgment Agreement (PPAA)?:

A. The Principal Investigator
B. The Department Business Approver
C. All Yale personnel named in the application
D. All of the above
It's time for a break...

We'll start again in 10 minutes.
Preparing the Budget (continued)

- The budget and budget justification should reflect a reasonable estimate of the expenses necessary to conduct the project.

- Create a draft budget based on a discussion with the PI, sponsor requirements, and University policies.

- All proposed expenses must be justified, especially when proposing clerical and administrative support, office supplies, etc.

Note: Administrative and clerical support must be both essential and integral to the proposed work.

Policy 1403: Charging of Administrative & Clerical Salaries & Certain Other General Administrative Expenses to Federal Funds
Policy 1405: Charging of Facilities and Administrative Type Expenses to Non-Federal Sponsored Projects
Preparing the Budget: Personnel

- Determine availability of all necessary personnel
  - Do they have other commitments that could prevent them from devoting effort?

- If the budget includes salary for an individual from another department, a determination of availability and approval to devote effort to the project is required from the individual’s department business office.
Preparing the Budget: Personnel (continued)

- Salary and wages of personnel are based on an individual’s Institutional Base Salary (IBS) and commitment of effort.
  
  - The annual compensation paid by Yale for an employee’s appointment, whether the individual’s time is spent on research, teaching, patient care or other activities
    
    - IBS excludes: bonuses, one-time payments or incentive pay, and salary paid by other organizations such as the VA or Howard Hughes Medical Institute (HHMI)
    
    - Faculty with a Yale/VA joint appointment must have on file in OSP Pre-Award a current Memorandum of Understanding (MOU) by the time of proposal submission

Note: Charging extra compensation above the IBS on a federal award must have the prior approval of the sponsor.

Policy 1001: Compensation Above Salary
Policy 1311: Institutional Base Salary for Sponsored Projects
Preparing the Budget: Personnel (continued)

- Faculty are expected to propose some level of sponsor paid effort unless specifically exempted by the sponsor and Yale policy, e.g., conference and equipment grants.
Preparing the Budget: Personnel (continued)

- Key/senior personnel are committed to providing the proposed level of effort during the annual budget period of the award unless sponsor policies permit otherwise
  - Faculty with a 9-month appointment who request summer salary support from a sponsor must fulfill the effort commitment during the summer. If participating in the 9 over 9 program, the faculty member is permitted to charge academic year salary if devoting effort during the academic year.

- In most cases Yale policy is \( \% \text{ effort} = \$(\text{salary}) \)
  - Percent effort proposed translates to percent of IBS requested

*Note: For NIH grants, other significant contributors normally provide no effort nor request dollars.*
Preparing the Budget: Personnel  (continued)

- 9-Month Faculty

  - The following statement can be used to indicate the availability of time for research during the academic year, when no formal commitment of effort during the academic year is being proposed, but a formal commitment is made for the summer:

    “Yale fully supports the salary of its faculty holding a nine month appointment which they may use for research, instruction and administrative purposes.

    In accordance with these responsibilities, however, Yale makes no specific commitment of time or salary to this particular sponsored project during the academic year.

    This voluntary effort during the academic year is determined by the principal investigator and is not monitored by the University.”

    ORA Update: May 2007
Effort is expressed most often in the form of person months.

For example, 10% effort of a 12-month FTE appointment is 1.2 person months.

\[
1.2 \text{ person months} \times \text{monthly rate of pay} = \$ \text{ requested}
\]
Preparing the Budget: Fringe Benefits (FB)

- **Apply appropriate FB rate to budgeted salary**
  - There are separate rates for federal and non-federal awards.
  - Rates are also based on the classification of employee:
    - exempt vs. non-exempt
    - full-time vs. part-time
  - The [Controller’s Office Factsheet](#) includes financial and administrative information such as:
    - Expense guidelines, F&A rates, FB rates, NIH salary caps, and more...
Proposal Preparation

Preparing the Budget: Materials and Supplies

- PIs are expected to include the costs of materials and supplies necessary to conduct the project.

- Office supplies are allowable depending on the research being conducted.
  - These types of costs must be thoroughly justified.

Preparing the Budget: Equipment

- Is the equipment available elsewhere in the University?
- Observe University’s comparative bid requirement.

Policy 1403: Charging of Administrative & Clerical Salaries & Certain Other General Administrative Expenses to Federal Funds
Policy 1405: Charging of Facilities & Administrative Type Expenses to Non-Federal Sponsored Projects
Policy 3201: General Purchasing
Register for Training: Direct Charging of F&A Costs to Sponsored Awards and Financial Reporting and Closeout
Preparing the Budget: Travel Domestic and Foreign

- Include location and purpose of the trip
  - Include cost of lodging, meals, registration, transportation

- If federal funding is involved travelers **must** adhere to the Fly America Act or Open Skies Agreements

**Note:** Travel may require prior approval of sponsor even if in budget.

*Policy 3301: Travel on University Business*

*Training: Fly America Act & Opens Skies Agreements* (Charging International Air Travel to Federal Awards)
Preparing the Budget: Subawards

- Each subrecipient must provide a:
  - Budget (direct and F&A costs)
    - Yale is only permitted to request F&A costs on the first $25,000 of a subaward, if the sponsor is a federal agency.
    - For federal awards, subrecipients without a federally-negotiated rate agreement may budget F&A costs at a rate of 10% MTDC. Note: For NIH awards, foreign subrecipients without a federally-negotiated rate may budget F&A costs at a rate of 8% MTDC, less equipment.
  - Budget justification page
  - Statement/Scope of work
  - Completed 1304 FR.03A Subrecipient Information Compliance (SIC) form
Subawards – What you need to know

- All appropriate sponsor terms and conditions will flow down to the subrecipient
  - Yale, as the prime awardee, will enter into a formal written agreement with the subawardee institution that addresses the negotiated arrangements for meeting the scientific, administrative, financial, and reporting requirements of Yale’s prime award.
  - Also addressed in the agreement, will be those requirements to ensure compliance with applicable federal regulations and policies in order to facilitate an efficient collaborative venture. Such requirements include, but are not limited to:
    - Subaward proposal budgets should follow the same costing principles as Yale’s proposal budget and F&A costs must be assessed according to the subawardee’s applicable F&A rate agreement
    - IRB and IACUC approvals must be provided, if applicable
    - For PHS/NSF proposals, a COI policy must be in place before issuing a subaward
Preparing the Budget: Other Direct Costs

- Service Center Fees, e.g., animal care facility
- Tuition and fees (when appropriate)
- Stipends (when appropriate)
- Human subject fees (including travel reimbursement)
- Publication costs
- Equipment maintenance and repair
- Consultants
Preparing the Budget: F&A Costs

- The use of the appropriate F&A cost rate is determined by the type of sponsored activity (e.g., research vs. instruction proposals), start date, and location of the proposed project.

Note: OSP’s Frequently Needed Yale Facts includes Facilities & Administrative (F&A) Cost Rates.
# Proposal Preparation: F&A Cost Rates

<table>
<thead>
<tr>
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<tbody>
<tr>
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<td>On-Campus</td>
<td>66.5%</td>
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<td>26.0%</td>
<td>26.0%</td>
<td>26.0%</td>
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<tr>
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<td>CMHC</td>
<td>47.0%</td>
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<td>43.0%</td>
<td>43.0%</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Off-Campus</td>
<td>26.0%</td>
<td>26.0%</td>
<td>26.0%</td>
</tr>
<tr>
<td>Organized Research</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VA in West Haven</td>
<td>30.9%</td>
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<td>30.9%</td>
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<tr>
<td>On-Campus</td>
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<td>69.0%</td>
<td>69.0%</td>
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<tr>
<td>Instruction</td>
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<tr>
<td>Off-Campus</td>
<td>26.0%</td>
<td>26.0%</td>
<td>26.0%</td>
</tr>
</tbody>
</table>

*Note: Effective 7/1/2022 until amended provisional rates apply (use same rates as those cited for fiscal year ending 6/30/2022).*
Preparing the Budget: F&A Costs \textit{(continued)}

- The F&A cost rate is usually expressed as a \% of the direct cost (DC) budget. Yale’s F&A Rate Agreement does not permit the charging of F&A on certain budget items. This is referred to as a Modified Total Direct Cost (MTDC) base.

  - The MTDC base excludes:
    - Equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.
    - MTDC (DC less above exclusions) x F&A rate = the amount budgeted for F&A costs
Preparation the Budget: Applying the F&A Rate

- $250,000 Total direct costs
- 7,500 Equipment
- 40,000 Subaward total for year one
+ 25,000 Allowable subaward costs

$227,500 MTDC base for calculating F&A
x .675 Yale’s F&A rate is 67.5%

$153,563 F&A
+ 250,000 Direct costs

$403,563 Total funds requested
Proposal Preparation

Preparing the Budget: Cost Sharing Highly Discouraged

- Cost sharing must be approved by the appropriate cognizant Provost or Dean for self-support schools
  - Must submit an approved Cost Sharing Approval Request form when:
    - Requesting a reduction/waiver of F&A costs
    - Committing effort without salary support
Preparing the Budget: Cost Sharing

- Cannot match federal dollars with other federal dollars
- Cannot use the same dollars for two different projects
- Time period requirements
  - Must be within the period of performance
- Cost sharing dollars are subject to the same allowability rules as the award

Note: Cost sharing imposes record-keeping obligations. *Policy 1306: Cost Sharing on Sponsored Projects*
Proposal Preparation

Budget Justifications

- Each item in the categorical budget, including F&A costs, must be sufficiently justified
- Equipment must be itemized
- Budgeted increases for salaries and other budget categories (excluding fringe benefits & F&A rate) for the out years should be explained

Checklists can be accessed in the OSP Resources website.
Test Your Knowledge
The use of the appropriate F&A rate is determined by:

A. Type of work being performed
B. Start date
C. Location of proposed project
D. All of the above
It’s time for a break...

We’ll start again in 10 minutes.
Refer to Sample Proposal Budget Handout

### A. Senior/Key Person

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Base Salary ($)</th>
<th>Requested Salary ($)</th>
<th>Fringe Benefits ($)</th>
</tr>
</thead>
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<tr>
<td>John Doe</td>
<td>Doctor</td>
<td>50,000.00</td>
<td>50,000.00</td>
<td>7,500.00</td>
</tr>
<tr>
<td>Jane Smith</td>
<td>Professor</td>
<td>30,000.00</td>
<td>30,000.00</td>
<td>5,000.00</td>
</tr>
</tbody>
</table>

### B. Other Personnel

<table>
<thead>
<tr>
<th>Number of Personnel</th>
<th>Project Role</th>
<th>Number of Monthly Hours</th>
<th>Total Number Other Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Post Doctoral Associates</td>
<td>10.00</td>
<td>50,000.00</td>
</tr>
<tr>
<td>2</td>
<td>Graduate Students</td>
<td>8.00</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Undergraduate Students</td>
<td>6.00</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Secretarial/Administrative Support</td>
<td>4.00</td>
<td></td>
</tr>
</tbody>
</table>

Total Salary, Wages and Fringe Benefits (A+B) = 96,620.00
Proposal Preparation

- **Cover page**
  - Many sponsors will provide a cover page that requires information about the Principal Investigator and the Institution

- **Abstract**
  - Sponsors usually require a space-limited abstract written in layman’s terms

**Scope of Work**

- Following the sponsor’s specific requirements, the PI will provide:
  - Background and significance
  - Preliminary studies
  - Explanation of aims, objectives, methodology, and approach
Proposal Preparation

- **Bibliography**
  - A listing of references cited in the body of the proposal

- **CV/Biographical sketch**
  - Must be submitted for all senior and key personnel, indicating background, professional interests, research capabilities and publications
Facilities and Resources

- Describe equipment or other relevant resources that will be available to the project. Examples include but are not limited to:
  - laboratory and office space
  - library resources
  - animal facilities
  - computing services
  - equipment
Proposal Preparation

Current and Pending Support

- Information about active awards and pending proposals for all key personnel, specifically other projects requiring a portion of the PI and other key personnel time. The information should include:
  
  - Project Title
  - Sponsor
  - Period of performance
  - Effort in person months (usually)
  - Amount of award (or amount requested)

**Note:** Most NSF applications require current and pending support information at time of proposal. NIH requires current and pending at Just-in-Time. Other sponsor requirements may vary.
Proposal Preparation

- The proposal is complete – next steps

- In order to submit the proposal to OSP, the application must be certified for accuracy and completeness. Certification is required by the following individuals:
  - PI, Co/Multiple PI/PD
  - Administrator/Business Manager from the submitting department and other participating departments
  - Other departmental representatives (defer to departmental procedures)

- Yale utilizes the Regulatory Form (within IRES PD) or the TranSum to document this process and collect other key information about the proposal
Proposal Preparation

- The signature of the Authorized University official indicates the University’s endorsement of and commitment to the project
  - For some sponsors, the signature on a cover page indicates agreement with the terms and conditions of a potential award
  - OSP reserves the right to negotiate all terms and conditions of the award

*Note: Some non-federal sponsors allow electronic submission by the PI but prior review and approval of the proposals by OSP is required.*
Proposal Preparation

Yale Office of Sponsored Projects (OSP) is responsible for:

• Ensuring the accuracy of the administrative and fiscal information contained in the proposal

• As well as conforming with Yale’s policies and procedures and F&A rate requirements

Deliberate withholding, falsification or misrepresentation of information by Yale or the PI could result in:

• The withdrawal of a proposal

• Debarment

• Possible criminal penalties

Note: Proposals should be submitted to OSP at least 5 days prior to the deadline date to provide adequate time for review, electronic submissions, and sponsor acceptance.
### Electronic Submission

- All electronic submissions are not treated the same.
- Does the PI and/or Yale need to be registered users?
- All electronic application submissions must be approved by OSP prior to submitting to sponsor.
- Allow time for technical problems with the submission.
- A proposal will not usually be considered by the sponsor if it misses the deadline.
  Be sure to read the instructions.
Be Aware of...

The following compliance requirements that must be satisfied at the time of proposal submission:

- Financial Interests Disclosures (aka COI) must be current and the appropriate form completed for the sponsor
- Institutional Animal Care and Use Committee (IACUC) approval of animal research
- Institutional Review Board (IRB) approval of human subjects research
- Environmental Health and Safety (EHS) approvals of certain hazards
- Export control concerns with proposed research must be reviewed by OSP

Training: Research Compliance Principles for Administrators
Be aware that for NIH...

- Proposals must comply with the NIH Grants Policy Statement (GPS)
- Most proposals over $500,000 in direct costs must have documented prior approval from the NIH (check the program announcement)
- A salary rate cap may apply
- A strict type size requirement and page limitation exists
- Proposals requesting $250,000 in direct costs or less must be submitted as Modular Research Grant Applications
  - The PI must request funds in increments of $25,000
Be aware that for NSF...

- Proposals must comply with the requirements of NSF’s Proposal and Award Policies and Procedures Guide (PAPPG) and are strictly enforced unless prior approval to deviate is obtained.

- Cost sharing in proposals is not permitted unless required by the program announcement.

- For PI and senior personnel, not more than two person months of salary during Yale’s fiscal year. This limit includes salary compensation received from all NSF funded grants.
  
  - Any compensation anticipated in excess of 2 months must be disclosed in the proposal budget, justified, and specifically approved by the NSF.
  
  - During the performance of the award, effort can be increased with proper justification, even if it results in total NSF effort exceeding 2 months and does not require NSF prior approval.
Test Your Knowledge
Test Your Knowledge: Question 9

Which of the following individuals are required to approve proposals in PD for submission to OSP?

A. Principal Investigator
B. Department Business Office (DBO)
C. Department Chair
D. Principal Investigator and Department Business Office (DBO)
E. All of the above
Questions?
Award
Negotiation and Acceptance
Award Negotiation and Acceptance

- OSP is responsible for the review, negotiation, and acceptance of award terms and conditions
  - The award may include both standard and special terms and conditions as well as the approved budget.
    - Generally the award budget represents the financial expenditure plan approved by the sponsor.
  - During the review of the award or contract the Award/Contract Manager will contact the sponsor if necessary, to amicably negotiate problematic terms and conditions, such as reporting, publication, royalty sharing, intellectual property, confidentiality, governing law, etc.
  - Once both parties agree to acceptable terms and conditions, the agreement is fully executed and forwarded to the PI, business office and OSP award setup.
Award Negotiation and Acceptance

- **Budget reductions**
  - If the award is not made at the funding level initially proposed, the sponsor may require the submission of a revised budget, reduction in effort and/or scope or work.
  - OSP, the PI, and Business Office should review all awarded reductions prior to award acceptance to determine if the work can still be accomplished.
At-Risk Accounts
What is an At-Risk Account?

- An account requested by the PI and reviewed by OSP prior to receipt of an award if one of two situations exists:
  - **Pre-award:** Some sponsors permit pre-award costs up to 90 days prior to the start date of the award.
  - **Late Award:** The charging of expenses to a sponsored project prior to the execution of an award but incurred during the period of performance of the sponsored award.
At-Risk Accounts

- **Why request an At-Risk Account?**
  - Enables the faculty member to begin the research (e.g., ordering equipment requiring long lead time)
  - Eliminates cost transfers *(the reassignment of an expense to or from a sponsored project after the expense was initially charged to another sponsored project or non-sponsored project).*
At-Risk Accounts

- **At-Risk Expectations**
  - Department must document reasonable expectation of funding being awarded
  - IRB and/or IACUC approval, if appropriate, must be in place
  - COI Disclosures for responsible personnel must be current and the appropriate form completed
  - Costs incurred are at the department’s risk
At-Risk Accounts

How is an At-Risk account requested?

- An At-Risk Request form must be completed.
- The form must be signed by the PI, business manager, and department chair acknowledging the department’s responsibility for any expenses not subsequently funded by the sponsor.
- When submitting a request to OSP for an At-Risk Account there must be evidence that:
  - An award is forthcoming and the start date is confirmed
  - Supports why it is necessary to incur costs prior to the start date of an award and whether or not the sponsor permits pre-award costs

Note: Incomplete forms will be returned to the Department Business Office.

Form 1304 FR.01: At-Risk Account Request form and instructions
Pre-award Costs and At-Risk Account Requests
Export Controls
An export is defined as:
- A shipment of U.S. controlled articles or items outside of the U.S.
- The release, transmission, or disclosure of information (software, technology, or data) to any foreign entity in the U.S. or outside the U.S. ("deemed export").

What are Export Control laws?
- Laws and regulations which prohibit the unlicensed "export" of certain technologies (information, software, and items) to foreign entities.

Fundamental Research Exclusion (FRE): all research at Yale is FRE
- Defined as research at an accredited institution of higher learning in the U.S. where the resulting information is ordinarily published and shared in the scientific community.

U.S. Commerce Dept Export Administration Regulations (EAR) covers:
- Goods, software, and technology such as computers, biological pathogens, software, lasers,...

U.S. Treasury Dept Office of Foreign Assets Control (OFAC) Embargoes and Sanctions
- Enforces economic embargo and trade sanctions based on foreign policy and national security goals
- Nearly all activities with sanctioned countries, (Cuba, Iran, Syria, N. Korea, Ukraine-Crimea) will be prohibited without a license.
Questions?
Thank you for coming!
Test Your Knowledge

Answers to Class Questions
Which of the following statement(s) is/are true regarding key personnel:

A. They must contribute some level of effort
B. They contribute in a substantial and measurable way to a project
C. They may be employed by another institution
D. All of the above

The correct answer is D: All of the above
Which of the following is false regarding a NoA:

A. Legally binds the University
B. Notifies the grantee that an award has been made
C. Contains or references all terms and conditions of the award
D. Never issued electronically

The correct answer is D: Never issued electronically.
Here’s a scenario...

Dr. Barrow, a Yale faculty member reads a PA (Program Announcement) related to her area of research. She prepares a proposal and submits it directly to the sponsor.

Did Dr. Barrow forget something?

A. No

B. Yes

The correct answer is **B: Yes. The submission of the proposal requires the approval of the University Office of Sponsored Projects in order for it to be represented as a Yale endorsed activity**
Which of the following expense(s) would be considered an F&A cost? *Select all that apply*

A. Test tubes
B. Human Resources
C. The PI’s salary
D. Network charges

The correct answers are:  
**B: Human Resources** and **D: Network charges**
Which of the following statements is/are false? Select all that apply

A. Policies and procedures may differ among different federal sponsors
B. Yale is an FDP institution
C. PIs must account for effort and mandatory cost sharing
D. Voluntary uncommitted cost sharing (VUCS) requires the prior approval of an appropriate University official.

The correct answers is:

D: Voluntary uncommitted cost sharing (VUCS) does not require the prior approval of an appropriate University official.
The PI is responsible for the following:

A. Conducting the research proposed in the project
B. Oversight of sponsored project expenditures
C. Ensuring the research has the appropriate approvals for humans/animals/laboratory safety issues, etc.
D. Monitoring the programmatic progress of subrecipients under the award

E. All of the above

The correct answer is: **E: All of the above.**
At time of Proposal Submission, who is required to complete the Patent Policy Acknowledgment Agreement (PPAA)?:

A. The Principal Investigator
B. The Department Business Approver
C. All Yale personnel named in the application
D. All of the above

The correct answers is: **C: ALL named Yale personnel identified in an application, regardless if they have effort or not, must have a completed PPAA on file**
The use of the appropriate F&A rate is determined by:

A. Type of work being performed
B. Start date
C. Location of proposed project
D. All of the above

The correct answer is: D. All of the above
Test Your Knowledge: Answer 9

Which of the following individuals are required to approve proposals in PD for submission to OSP?

A. Principal Investigator
B. Department Business Office (DBO)
C. Department Chair
D. Principal Investigator and Department Business Office (DBO)
E. All of the above

The correct answer is: D: The Principal Investigator and DBO