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## Chapter 1

### **Standards for Business Conduct at Purdue University**

It is Purdue policy to encourage research and scholarly activities essential to the training of students, the advancement of knowledge, and the intellectual growth of faculty.

Purdue has developed a set of guiding principles and policies that are applicable to research and scholarly activity.

#### **1.1 Purdue University Policies**

Each member of Purdue University is expected to adhere to the University's Policies in dealings inside and outside of the University. These principles are designed to serve as a distillation of well-established precepts, policies, and procedures and to reinforce the importance of adhering to them in all business dealings.

Purdue University Policies: <http://www.purdue.edu/policies/index.html>

#### **1.2 Research Misconduct**

The University believes that the academic community must do everything within its power to guard against research misconduct and as part of that responsibility has in place detailed and well-established procedures for dealing with allegations of research misconduct in a timely and fair manner.

Policies and Procedures for Dealing with Allegations of Research Misconduct at Purdue University: <http://www.purdue.edu/policies/ethics/iiia2.html>

#### **1.3 Principal Investigator Eligibility**

All faculty (tenured, tenure-track, research, and clinical) members are eligible to be Principal Investigators. Others requesting to submit proposals as the principal investigator for the first time must obtain special approval. The request must be communicated to Sponsored Program Services early in the proposal stage. This will allow time to review the situation for the appropriate approval.

Authorization for Non-Faculty PI Status and Current list of Non-Faculty Approved for PI Status:

[http://www.purdue.edu/business/sps/preaward/menu/1.gettingstarted/pi\\_eligible/pi.html](http://www.purdue.edu/business/sps/preaward/menu/1.gettingstarted/pi_eligible/pi.html)

##### **1.3.1 Research Faculty Implementation Guidelines**

The following document describes the establishment of the employment classification of Research Faculty at Purdue University.

<https://www.purdue.edu/policies/human-resources/vif8.html>

#### **1.4 Statement of Integrity**

At Purdue, integrity is indispensable to our mission. A statement of Purdue's integrity is located at the following link.

[http://www.purdue.edu/purdue/about/integrity\\_statement.html](http://www.purdue.edu/purdue/about/integrity_statement.html)

#### **1.5 Sexual Harassment**

Sexual harassment is antithetical to academic values and to a work environment free

from the fact or appearance of coercion. It is a violation of University policy and may result in serious disciplinary action. Harassment is defined as any conduct that unreasonably interferes with another person's status or performance by creating an intimidating, hostile, or offensive environment.

Purdue's Anti-Harassment Policy: <http://www.purdue.edu/policies/ethics/iic1.html>

## **1.6 Equal Opportunity**

Purdue University prohibits discrimination against any member of the University community on the basis of race, religion, color, sex, age, national origin or ancestry, marital status, parental status, sexual orientation, disability, or status as a veteran. The University will conduct its programs, services and activities consistent with applicable federal, state and local laws, regulations and orders and in conformance with the procedures and limitations as set forth in Purdue's [Equal Opportunity, Equal Access and Affirmative Action](#) policy, which provides specific contractual rights and remedies.

Additionally, the University promotes the full realization of equal employment opportunity for women, minorities, persons with disabilities and veterans through its affirmative action program.

Purdue's Policy on Equal Employment Opportunity, Equal Access and Affirmative Action: <http://www.purdue.edu/policies/ethics/iic2.html>

Nondiscrimination Policy Statement:  
[http://www.purdue.edu/purdue/ea\\_eou\\_statement.html](http://www.purdue.edu/purdue/ea_eou_statement.html)

## **1.7 Disclosure of Financial Interests/Conflict of Interest**

Purdue acknowledges that University employees, and their families and dependents, have the right to acquire, retain, and accumulate personal financial assets, and to establish financial relationships with outside private entities. However, each University employee also has the responsibility to manage his or her financial affairs and relationships in a manner that does not interfere with, or improperly influence the performance of, his or her duties and responsibilities as a University employee. Under certain circumstances, financial interests of employees, their spouses and/or their dependent children, must be disclosed to the University to satisfy the requirements of Indiana state statute, to preserve the objectivity of Purdue's discovery, learning, and engagement missions, and/or to ensure the integrity of Purdue's business practices.

- As part of fulfilling his or her responsibilities, and to assist the University in avoiding or managing Financial Conflicts of Interest, each Employee and Investigator must disclose any known Financial Interests that he, she or a Dependent has in any of the following: Any University purchase or procurement of goods or services (whether or not pursuant to a formal contract) or in any investment or loan made by the University.
- Proposals that are submitted to external sponsors for funding, or, in the case of proposals to PHS agencies, in his or her Institutional Responsibilities.
- Protocols for research that are submitted for review and approval by a Regulatory Committee (or to a subcommittee).
- Any agreement relating to University technology or other intellectual property that is or will be subject to negotiations between OTC and any third person or entity.

- A donor that contributes a monetary gift or gift-in-kind designated to be in support of the Employee's scholarly activities.
- For an Employee who is a member of a Regulatory Committee, any Financial Interest that he or she has in any research protocol submitted to that Regulatory Committee (with the Employee also recusing himself or herself from the review process regarding such protocol).
- For an Employee who is an Investigator, any Significant Financial Interest that he or she has not already disclosed as a Financial Interest.

Such disclosures must be made annually and within 30 days of discovering or acquiring a new Financial Interest.

**Resources:**

Conflict of Interest: Policies and Management:

<http://www.purdue.edu/research/regulatory-affairs/conflict-of-interest/how-add.php>

Disclosure of Significant Financial Interests for Investigators Submitting Proposals to PHS/NIH and NSF:

<http://www.purdue.edu/research/regulatory-affairs/conflict-of-interest/>

University Policy on Individual Financial Conflicts of Interest (III.B.2):

<http://www.purdue.edu/policies/ethics/iib2.html>

University Policy on Conflicts of Commitment and Reportable Outside Activities

(III.B.1): <http://www.purdue.edu/policies/ethics/iib1.html>

**1.8 Disclosure of Relationships with Outside Organizations**

The University encourages its faculty to participate in activities that benefit not only the individual faculty member, but also the University and society. However, no outside interest will be permitted to compromise the integrity of teaching, research and scholarship at Purdue nor will such interests be permitted if they detract from fulfillment of essential obligations to the University. Faculty ownership or management of private enterprise requires disclosure.

Disclosure Requirements for Conflicts of Interest and Outside Interests:

<https://www.purdue.edu/ethics/resources/faqs/coi-faqs.php>

Form 35 – Disclosure of Relationships with Outside Organizations:

<http://www.purdue.edu/ethics/documents/ConflictofInterestDisclosureStatement.pdf>

**1.9 Use of University Name**

The University does not permit the use of its name in advertising or promotional material related to the results of sponsored projects without the prior written approval of an officer of the University.

Policies on Use of Purdue University Trademarks (See Section III):

[http://www.purdue.edu/trademarks/licensing/licensing\\_policy/usage.html](http://www.purdue.edu/trademarks/licensing/licensing_policy/usage.html)

### **1.10 Openness in Research/Freedom of Inquiry**

Purdue University does not restrict or limit the topic of inquiry or scope of research or scholarship by University faculty as long as that research conforms with all applicable laws, regulations, and policies of the University, State of Indiana, and United States of America; is consistent with all contractual obligations to the project's sponsor; and satisfies the highest ethical standards for designing, proposing, conducting, and reporting of research and scholarship.

In those exceptional cases in which investigators want to engage in research classified by the federal government, the investigator must get approval from the Facility Security Officer ([fso@purdue.edu](mailto:fso@purdue.edu)), in the Office of the EVPRP, before submitting a proposal or accepting an award. At a minimum, the Principal Investigator must be willing and able to secure and maintain personal clearance and comply with all security requirements. All costs associated with the security requirements necessary to secure classified material should be included in the specific project budget.

### **1.11 Intellectual Property**

Policy on Intellectual Property:

<http://www.purdue.edu/policies/academic-research-affairs/ia1.html>

### **1.12 Patents, Licensing and Copyrights**

Policy on Intellectual Property:

<http://www.purdue.edu/policies/academic-research-affairs/ia1.html>

### **1.13 Records Retention**

Because Purdue University is a state institution, it is subject to the Indiana Access to Public Records Act. This policy details the procedures for handling requests for access and subpoenas by third parties.

Disclosure of University Records in Connection with the "Access to Public Records" Act and in Response to Third-Party Subpoenas (VIII.A.3):

[http://www.purdue.edu/business/records/Public\\_Records/index.html](http://www.purdue.edu/business/records/Public_Records/index.html)

Assignment of Authority and Responsibility for the Retention and Disposal of University Records (VI.4.2):

[http://www.purdue.edu/business/records/Records\\_Retention/index.html](http://www.purdue.edu/business/records/Records_Retention/index.html)

Record Retention Guide:

[http://www.purdue.edu/business/records/Records\\_Retention/](http://www.purdue.edu/business/records/Records_Retention/)

#### **1.13.1 Freedom of Information (FOIA) Requirements**

Anyone receiving a request for sponsored program data under the Freedom of Information Act should refer the request immediately to the Senior Director of Sponsored Programs Services and the Legal Services Coordinator. The SPS Director of the area in which the request was received will coordinate the response with the PI. The Legal Services Coordinator will submit the official university response to the requestor.



## Chapter 2

### **General Guidance on the Administration of Sponsored Projects**

The Sponsored Program Services (SPS) staff is organized into cross-functional teams with responsibility for: Proposals, Award Management, Contract and License Negotiation, Data Access and Support Services, Research Administration, Regulatory Compliance, and Agricultural and International Programs.

<http://www.purdue.edu/business/sps/general/allspstaff.html>

#### **2.1 What is a Sponsored Project?**

Sponsored projects are established when funds are awarded to the University by external sources in support of research, instruction, training, service, or other scholarly activities under an agreement where one of the following conditions applies:

- The award instrument requires endorsement (i.e., a formal signature or other method of acceptance), and binds the University to a set of terms and conditions.
- The agreement obligates the PI to a line of scholarly or scientific inquiry that typically follows a plan, provides for orderly testing or evaluation, or seeks to meet stated performance goals.
- The agreement establishes an understanding of how funds will be used or includes a line item budget that identifies expenses by activity, function, or project period.
- The agreement requires fiscal accountability as evidenced by the submission of financial reports to the sponsor, an audit provision, or the return of unexpended funds at the conclusion of the project.
- The agreement obligates the PI to report project results or convey rights to tangible or intangible properties resulting from the project. Examples of tangible properties include equipment, records, technical reports, theses, or dissertations. Intangible properties include rights in data, copyrights or inventions.
- The agreement requires considerations such as indemnification or imposes other terms of legal accountability.
- The agreement prohibits or inhibits the University or the PI from carrying out any activities normal to an academic setting

##### **2.1.1 SPS's Mission**

SPS assists Purdue's faculty, staff, and students in securing and managing sponsored program support, and in delivering maximum public benefit from sponsored projects.

##### **2.1.2 SPS's Vision**

SPS is creative, committed, and knowledgeable. SPS utilizes state-of-the-art technology to enhance the competitiveness and societal impact of Purdue's programs by providing seamless, customer-centered, value-added services to assist faculty, staff and students in securing and managing sponsored program support.

#### **2.2 Gifts**

A gift is any item of value given to the University by a donor who expects nothing

significant of value in return other than recognition and disposition of the gift in accordance with the donor's wishes. Although a donor may place some restrictions on the use or disposition of a gift and may require a report that demonstrates that the donor's wishes have been met, these terms do not make the gift a sponsored award. Such "restricted gifts" essentially create a fiduciary responsibility in which the University, by accepting the gift, is obligated to carry out the wishes of the donor.

Fund Classification Decision Guide: <http://www.purdue.edu/sps/pdf/fundguide.pdf>

Gift Acceptance:

<http://www.purdue.edu/policies/business-finance/iib2.html>

Solicitation of Gifts: <http://www.purdue.edu/policies/business-finance/iib2.html>

Stewardship of Gifts: <http://www.purdue.edu/policies/business-finance/iib2.html>

### **2.3 Who Can Submit a Proposal for Externally Sponsored Activity?**

[See Section 1.3](#)

### **2.4 Administrative Offices in Support of Research**

Sponsored projects administration is a collaboration between the Treasurer/Chief Financial Officer and Executive Vice President for Research and Partnerships.

#### **2.4.1 Corporate Responsibilities**

Extramurally sponsored projects are made to the University in its corporate name, Purdue University. Therefore, awards of funds for sponsored projects are awards to the University and commitments under agreements are commitments of the University. Any work performed by a faculty member of the University under such a project must be considered as work performed for the University.

#### **2.4.2 Executive Vice President for Research and Partnership**

The mission of the Office of the Executive Vice President for Research and Partnership (EVPRP) is to support faculty members in developing strong research programs and producing the most competitive research proposals possible. Whether locating funding opportunities, providing ready access to important policies, or assisting in proposal preparation, our goal is to offer effective strategies, responsive information, and tangible assistance to the Purdue research community.

<http://www.purdue.edu/Research/vpr/>

### **2.5 Sponsors**

SPS works with many different sponsors. The Post Award area of SPS is organized by sponsor. The sponsor of a grant will guide you on who to contact in SPS with questions. A listing of personnel based on sponsors can be found at the following link: <http://www.purdue.edu/business/sps/postaward/sponsors/index.html>

Sponsor Guidelines:

<http://www.purdue.edu/business/sps/postaward/bs/priorapproval.html>

#### **2.5.1 Federal**

Some of the Federal sponsors Purdue works with are listed below:

**Department of Defense**

<http://www.purdue.edu/business/sps/postaward/sponsors/dod.html>

**Department of Energy**

<http://www.purdue.edu/business/sps/postaward/sponsors/dae.html>

**Department of Health and Human Services**

<http://www.purdue.edu/business/sps/postaward/sponsors/dhhs/index.html>

**Department of Transportation**

<http://www.purdue.edu/business/sps/postaward/sponsors/dot.html>

**National Aeronautics and Space Administration**

<http://www.purdue.edu/business/sps/postaward/sponsors/nasa.html>

**National Science Foundation**

<http://www.purdue.edu/business/sps/postaward/sponsors/nsf/index.html>

**US Department of Agriculture**

<http://www.purdue.edu/business/sps/postaward/sponsors/usda/index.html>

**Department of Education**

<http://www.purdue.edu/business/sps/postaward/sponsors/de.html>

**Department of Interior**

<http://www.purdue.edu/business/sps/postaward/sponsors/doi.html>

**Environmental Protection Agency**

<http://www.purdue.edu/business/sps/postaward/sponsors/epa.html>

**USAID – US Agency for International Development**

<http://www.purdue.edu/business/sps/postaward/sponsors/usaid.html>

**Other Federal Governments**

<http://www.purdue.edu/business/sps/postaward/sponsors/og.html>

**2.5.2 State of Indiana**

Grants through the State of Indiana have different guidelines and policies than Federal grants. For a listing of State sponsors and helpful links, please follow the link below.

<http://www.purdue.edu/business/sps/postaward/sponsors/jtrp.html>

**2.5.3 Industrial and Foundation**

The guidelines for sponsored programs from Industrial and Foundation organizations are also different from Federal sponsors. For more information, follow the links below.

**Industrials**

<http://www.purdue.edu/business/sps/postaward/sponsors/industry.html>

## Chapter 3

### Required Assurances for Proposal Submission

While preparing a proposal, it is important to keep in mind that certain special reviews and approvals may be necessary to ensure compliance with University and sponsor requirements. The review and approval procedures listed below are mandated by federal statute and/or regulations. Violations can lead to loss of federal and nonfederal support. University policy requires these reviews for all projects, sponsored or non-sponsored. It is the responsibility of the principal investigator and his/her co-PIs to document any regulated research that may occur during the course of the project. However, Sponsored Program Services may come across research statements or award terms that should trigger a regulatory review.

#### 3.1 Regulatory Approval Processes

Regulatory Committees are required for review of particular aspects of research as outlined below. It is the responsibility of the researchers to prepare applications and complete training as outlined by the committee's standards. Once the committee or appropriate office has approved the particular activity (e.g. research with human subjects, animals, rDNA, etc), the award documents and protocol documents are verified side-by-side for congruency. This is a requirement of most federal sponsors and is applied to all funded research at Purdue. The Research Regulatory Compliance group within the Office of the Executive Vice President for Research and Partnerships is charged with this responsibility. The Research Regulatory Compliance staff within EVPRP serves as the primary contact for regulatory issues for Sponsored Program Services.

#### 3.2 Human Subjects Research

Purdue University is committed to safeguarding the rights and welfare individuals who participate as subjects in research. When an investigator pursues any activity related to creation of generalizable knowledge derived from human subjects, the research must be reviewed and approved by the Purdue Institutional Review Board (IRB).

The IRB office works with PIs and research staff to ensure compliance with federal guidelines required for ethical and Executive Memorandum B-45:  
<http://www.purdue.edu/policies/academic-research-affairs/b-45.html>.

Human Research Protection Program (HRPP): [www.irb.purdue.edu](http://www.irb.purdue.edu)

#### 3.3 Conflict of Interest

Purdue acknowledges that University employees, and their families and dependents, have the right to acquire, retain, and accumulate personal financial assets, and to establish financial relationships with outside private entities. However, each University employee also has the responsibility to manage his or her financial affairs and relationships in a manner that does not interfere with, or improperly influence the performance of, his or her duties and responsibilities as a University employee. Under certain circumstances, financial interests of employees, their spouses and/or their dependent children, must be disclosed to the University to satisfy the requirements of Indiana state statute, to preserve the objectivity of Purdue's discovery, learning, and engagement missions, and/or to ensure the integrity of Purdue's business practices.

<http://www.purdue.edu/research/regulatory-affairs/conflict-of-interest/how-add.php>

#### 3.4 Animal Care and Use

The Purdue Animal Care and Use Committee (PACUC) and the Laboratory Animal

Program (LAP) perform distinct and complementary roles to ensure animal well-being in research, testing, and teaching.

### **PACUC**

- Reviews animal care and use protocols.
- Assures that animal care and use is performed in accordance with protocols.
- PACUC provides training for maintaining and documenting regulatory compliance.
- PACUC identifies facility deficiencies.
- Reports of "areas of concerns" are made to PACUC.

Further Information and Resources can be found at:

<https://www.purdue.edu/research/regulatory-affairs/animal-research/qualification-training.php>

### **3.5 Biohazards and rDNA - Institutional Biosafety Committee**

Recombinant DNA (rDNA) activities conducted by Purdue University investigators or by others at Purdue University facilities are subject to the National Institutes of Health (NIH) "Guidelines for Research Involving Recombinant DNA Molecules" regardless of the source of funds that support the activities.

The Purdue University Institutional Biosafety Committee (IBC) is the campus-based committee that has the responsibility for reviewing and approving all proposals, activities, and experiments involving an organism or product of an organism that presents a risk to humans. This includes, but is not limited to, work with potential pathogens, work with human clinical samples and primary cell lines and work with DNA from pathogenic organisms.

SPS staff must be aware of potential concerns relating to rDNA and biohazardous agents. Investigators are responsible for disclosure of these items on the proposal worksheet. SPS staff are to route files for review by Research Regulatory Compliance in EVPRP should these items be identified.

Further Information and Resources can be found at:

<https://www.purdue.edu/ehps/rem/laboratory/HazMat/Biological%20Materials.html>

### **3.6 Radiation or Lasers**

SPS staff must know to direct information about radiation and lasers to the campus area responsible for these items. Regulations involving radiation or lasers are administered through the Office of Radiological and Environmental Management (REM) at Purdue University. <http://www.purdue.edu/rem/>

### **3.7 Export Regulations**

The federal Export Administration Regulations (EAR) and International Traffic In Arms Regulations (ITAR) control the export of certain commodities, software, technical data and certain other information to foreign countries. The EAR and the ITAR can restrict the furnishing of information, technical data and software to foreign persons, whether this takes place abroad or in the United States. In the university context, these regulations can prohibit foreign persons from participating in research projects or having access to information resulting from research under some circumstances unless an export license has been obtained in advance. While most university activities are not governed by the EAR or the ITAR, where these rules do apply they must be followed. Punishment for violations can be severe.

SPS staff must be educated and trained on items that trigger export control concerns. In general, most projects where publication is in no way restricted by an approval process, and where participation is not restricted by citizenship are considered fundamental research. SPS staff should be aware that any terms contrary to these items or labelled with export controlled/confidentiality markings must be reviewed by the export control office within the EVPRP.

Please refer to the [Export Control](#) website or contact [exportcontrols@purdue.edu](mailto:exportcontrols@purdue.edu) for additional information.

### **3.8 Purchasing Restricted Commodities**

Restricted commodities require special approval at Purdue University. For a list of restricted commodities please follow the link below. The list also contains the Approvers that must be dynamically added to the Ariba shopping cart approval flow for the corresponding restricted commodity. In Ariba these approvers must be added by name or alias rather than by role. Only one person from the list of corresponding approvers needs to be added to the approval flow.

<http://www.purdue.edu/business/procurement/howtobuy/goodsandservices/restrictedcommodities.html>

### **3.9 EmergencyResponse**

#### **Campus Emergency Preparedness and Planning Office**

The Campus Emergency Preparedness and Planning Office is new to Purdue University. However, the concept of emergency preparedness has long been ingrained into the Purdue environment. This office is a part of Environmental Health and Public Safety, which includes Purdue Police, Purdue Fire, and Radiological and Environmental Management. This office strives to:

- Ensure the "Purdue family" is prepared for emergencies.
- Provide strong and dedicated leadership to all areas of emergency preparedness.
- Establish communication channels that promote emergency preparedness.
- Establish an environment of continuous improvement.

More information can be found at the following link:

[http://www.purdue.edu/emergency\\_preparedness/](http://www.purdue.edu/emergency_preparedness/)

Emergency Procedures Handbook:

<https://www.chem.purdue.edu/chemsafety/docs/EmergencyProceduresHandbook.pdf>

### **3.10 Environmental Health and Safety**

Biological Safety Manual: <https://www.purdue.edu/ehps/rem/documents/programs/bioman.pdf>

## Chapter 4

### Sources of Project Support

#### 4.1 Funding Opportunities

For those looking for opportunities for funding from internal sources (Purdue Research Foundation and Purdue University) or from external sources (including federal, foundation, and industry opportunities), please visit the link below. In addition to providing information about internal and external funding opportunities, this site provides links to funding search tools, as well as sites to register to receive e-mail funding alerts (such as Pivot).

<https://www.purdue.edu/research/funding-and-grant-writing/funding/prf-international-travel-grant.php>

#### 4.2 Internal Funding Opportunities

The Office of the Executive Vice President for Research and Partnerships administers the six programs listed below. The programs are funded from university resources and the Purdue Research Foundation (PRF).

Eligibility, application procedures, schedules and contact information for each award can be found at the links below.

PRF International Travel Grants: <https://www.purdue.edu/research/funding-and-grant-writing/funding/prf-international-travel-grant.php>

PRF Summer Faculty Grants: <http://www.purdue.edu/research/funding-and-grant-writing/funding/prf-summer-faculty-grant.php>

PRF Research Grants: <http://www.purdue.edu/research/funding-and-grant-writing/funding/prf-research-grant.php>

Kinley Trust: <http://www.purdue.edu/research/funding-and-grant-writing/funding/kinley.php>

Showalter Trust: <http://www.purdue.edu/research/funding-and-grant-writing/funding/showalter.php>

McCoy Award: <https://www.purdue.edu/research/awards/herbert-newby-mccoy-award/>

#### 4.3 External Funding Opportunities

Information and resources for external funding opportunities can be found at the links below.

External Funding Sources and Funding Search Tools:

<https://www.purdue.edu/research/funding-and-grant-writing/docs/EVPRP2016Guide2GrantsProcess.pdf>

Limited Submissions:

<https://www.purdue.edu/research/funding-and-grant-writing/limited-submissions.php>

#### 4.4 Email Alerts

<http://www.purdue.edu/research/funding-and-grant-writing/funding/overview.php>

##### 4.4.1 Pivot

This is the primary source for funding information at Purdue.

[https://pivot.proquest.com/funding\\_main](https://pivot.proquest.com/funding_main)

**4.4.2 EPA**

<https://www.epa.gov/newsroom/email-subscriptions>

**4.4.3 Department of Education**

<http://ies.ed.gov/newsflash/>

**4.4.4 DOE**

<http://energy.gov/sign-email-updates>

**4.4.5 NSF**

<https://service.govdelivery.com/accounts/USNSF/subscriber/new>

**4.4.6 NIH Guide**

<http://grants.nih.gov/grants/guide/listserv.htm>

**4.4.7 NASA**

<http://nspires.nasaprs.com/external/>

**4.4.8 Science.gov**

<http://www.science.gov/scigov/login.html;jsessionid=5BFC72582408B4F0ECDF625392BA3861>

**4.5 Search Tools**

<http://www.purdue.edu/research/funding-and-grant-writing/funding/overview.php>

**4.5.1 Pivot**

[https://pivot.proquest.com/funding\\_main](https://pivot.proquest.com/funding_main)

**4.5.2 FedBizOpps**

<http://www.fbo.gov>

**4.5.3 GrantsNet**

<http://sciencecareers.sciencemag.org/funding>

**4.5.4 Federal Register**

<https://www.federalregister.gov/>

**4.5.5 Foundations**

<http://foundationcenter.org/findfunders/>

**4.5.6 Indiana CTSI**

<https://www.indianactsi.org/>

**4.5.7 Grants.gov**

<http://www.grants.gov/>

**Chapter 5****Proposal Development**

A proposal is a document used to apply for sponsored program funds. Most agencies have specific requirements for proposals being submitted for funding. Program announcements for specific programs often include detailed requirements. Although there is no such thing as a standard proposal, a number of major components do recur throughout most proposals. These major elements are found at the following link:

[http://www.purdue.edu/business/sps/preaward/menu/2.proposalprepare/basic\\_elem](http://www.purdue.edu/business/sps/preaward/menu/2.proposalprepare/basic_elem)



[ents/index.html](#)

The University has proposal processing information and guidelines to assure timely and accurate processing of proposals.

Research Handbook: A Guide to the Grants Process at Purdue University:

<http://www.purdue.edu/research/funding-and-grant-writing/docs/EVPRP2016Guide2GrantsProcess.pdf>

### **5.1 Types of Proposals**

There are a variety of proposal types that can be used when creating a proposal in Coeus. The following link provides a complete list of those options with descriptions.

<https://www.purdue.edu/business/coeus/Proposals/index.html>

### **5.2 Initial Contact with the Sponsor**

A key element of successful proposal writing is establishing a relationship with the potential sponsor early on in the process. The purpose of this initial contact is to confirm the common areas of interest of the sponsor and the Principal Investigator (PI). Having a contact at the funding agency can greatly facilitate writing the full proposal as well as serve as a resource for answering questions. A PI may initiate contact with a sponsor to confirm research interests by a telephone call, office visit, letter of intent or a preliminary proposal. While prior approval or clearance is not needed when contacting a government agency for potential funding, all approaches to foundations and corporations should be cleared by SPS and/or Corporate and Foundation Relations before contact is made. Because there are multiple opportunities for smaller funding agencies to be approached by the University, a coordinated effort maximizes the University's ability to successfully compete for limited funding.

### **5.3 Proposal Preparation**

The format or presentation of a particular proposal will depend on the requirements of the sponsor. Most sponsors have developed policies and procedures for the submission of proposals and may require the use of specific application forms or electronic web-based systems. Other sponsors may have less stringent format requirements. In any case, PIs should obtain the most recent version of the sponsor's application guidelines and should follow the required proposal format. Guidelines or RFPs should be forwarded to the appropriate Pre-Award Center for review well in advance of the due date of the proposal to facilitate timely development, internal review, and processing in SPS. SPS reserves the right to withdraw the application if the terms of the grantor do not meet Purdue standards.

It is a good idea to start the writing process months in advance of any expected due date. Estimates of the total time devoted to producing a new application may range from two to three months or longer. Revised applications and renewals usually take less time, but are still a major effort and should not be underestimated.

#### **5.3.1 Proposal Notification**

Clear communication is one of the most critical aspects of proposal processing. At the West Lafayette campus, the PI should notify the appropriate Pre-Award Center as soon as he or she decides to submit a proposal or complete the proposal worksheet and submit it to Pre-Award via the Proposal Information Portal.

Proposal Information Portal (PIP): <https://www.purdue.edu/sps/proposalworksheet/>

Pre-Award Centers: <https://www.purdue.edu/business/sps/preaward/index.html>

At the regional campuses, the appropriate staff must complete the Proposal Notification Form as soon as they receive the information that a PI is intending to submit a proposal. This will inform SPS Pre-Award of proposals that will require review and submission. Early notification aids in balancing workload and ensuring staff availability for the submission.

Proposal Notification Form - Online Submission Form:

<https://www.purdue.edu/business/sps/preaward/menu/1.gettingstarted/notification.html>

### **5.3.2 Interdisciplinary Proposal Information**

To make the task of preparing large interdisciplinary proposals a little less demanding, Sponsored Program Services provides a special level of support in the preparation of these proposals. Some examples of the assistance you can expect are:

- Developing reasonable timelines for all input and approvals
- Reviewing sponsor guidelines and identifying any unique requirements for the proposal
- Preparing the budget
- Following-up with subcontractors to obtain institutionally approved work statements and budgets
- Assistance with securing approvals for cost sharing commitments
- Securing approvals for a new center or institute (if necessary)

To initiate this assistance, simply contact the appropriate Pre-Award Center as soon as it is known that you will be preparing a proposal.

<http://www.purdue.edu/business/sps/preaward/contact/index.html>

## **5.4 Roles and Responsibilities in Proposal Development Process**

Completion of a successful proposal involves the cooperation and interaction of numerous University staff. It is critical that staff keep one another informed and involved in proposal processing. These roles and responsibilities will vary between academic departments and campuses. It is imperative that SPS be notified as soon as the PI becomes aware of the opportunity.

### **5.4.1 Principal Investigators**

- Prepares the technical proposal, works with Pre-Award to develop the budget and related materials and confirms that the entire proposal meets requirements outlined in the sponsor's program guidelines
- Identifies sub recipients and consultants
- Requests cost sharing dollars, if required
- Satisfies regulatory research requirements (i.e. use of human subjects, animals, etc.)
- Assures the final proposal is properly endorsed and communicates to Pre-Award staff to obtain appropriate approvals prior to submission

### **5.4.2 Department Head**

- Reviews text to make sure research is within Purdue's missions, scientifically valid, etc.
- Reviews and agrees on release time
- Reviews to ensure the project staffing plan is consistent with needs and departmental policies
- Reviews and agrees on cost share commitment

- Reviews to ensure space is available for the proposed work
- Reviews for potential conflict of interest
- Approves the proposal in Coeus to indicate approval of proposal for submission to sponsor

#### **5.4.3 Dean**

- Reviews and agrees on school cost sharing commitment
- Reviews any space commitment
- Approves the proposal in Coeus to indicate approval of proposal for submission to sponsor

#### **5.4.4 SPS Pre-Award Center**

- Reviews sponsor guidelines and identifies key issues
- Facilitates meetings with PI, business office, and other appropriate individuals
- Collaborates with EVPRP staff, as appropriate, during the proposal process
- Develops timeline for all input and approvals
- Secures subcontract information
- Involves SPS Contracting, if needed
- Completes all Coeus Proposal Development data entries in collaboration with the PI and/or proposal team
- Reviews cost sharing commitments and prepares necessary cost share forms
- Reviews proposal format requirements, # of pages, etc., if time permit
- Assures appropriate academic signatures are obtained
- Assures the proposal is compliant with all sponsor and university guidelines and provides Institutional approval and submission
- Assists with sponsor requests for re-budgets, Just in Time information, etc.

### **5.5 Coeus**

Coeus is the program Purdue uses to create the Proposal Submission Form and Budget. The budget application of Coeus will be discussed in chapter 6 of this handbook. In addition, Coeus is the electronic filing system that maintains all proposal data and documentation. It is used to electronically route proposals for academic approvals.

Coeus User's Guide: [http://www.purdue.edu/coeus/Administrative\\_Portal/index.html](http://www.purdue.edu/coeus/Administrative_Portal/index.html)

Proposal Development:

[http://www.purdue.edu/business/coeus/Display\\_Only/index.html](http://www.purdue.edu/business/coeus/Display_Only/index.html)

### **5.6 Helpful Resources**

There is a large amount of information available on the SPS website regarding the development of proposals and the processes for submission.

#### **SPS Proposals Home Page**

Contains links to assist faculty and staff in the proposal development process.

<http://www.purdue.edu/business/sps/preaward/index.html>

## **Chapter 6**

### **Budget Development**

The budget in support of a sponsored project should follow a sponsor's requirements but will most often require line item detail.

## 6.1 OMB Uniform Guidance for Sponsored Project Support

The majority of externally sponsored funding at Purdue is provided by the federal government. Cost accounting principles for higher education grantees are established by the federal Office of Management and Budget (OMB). The OMB 2 C.F.R. 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) contain Federal grant policies applicable to universities. The Uniform Guidance is effective 12/26/14. Prior to this date, Federal award management was governed by OMB Circulars A-21, A-110, and A-133.

**Subpart E- Cost Principles:** This regulation establishes principles for determining the allowable costs of work performed by the University under Federal Awards.

<http://www.ecfr.gov/cgi-bin/text-idx?SID=9d0ecbb5f517960ce93a33503c99fc80&node=pt2.1.200&rgn=div5>

**Subpart E notes that costs may be charged directly to sponsored projects if expenses meet the following criteria:**

**6.1.1 Reasonableness:** The nature of the expenditure and the amount reflects an action that a prudent person would take under the circumstances.

**6.1.2 Allocability:** The expenditure provides a direct benefit to the project (i.e., the cost of a piece of equipment that is required to accomplish the work of two projects may be proportionately shared by those projects).

**6.1.3 Consistency:** Costs incurred for the same purpose in similar circumstances are treated consistently as direct or indirect (F&A) costs across the institution.

**6.1.4 Allowability:** Costs conform to any limitations or exclusions as set forth in the OMB Uniform Guidance. Examples of unallowable costs under federal sponsorship include alcoholic beverages, entertainment costs and memberships. Costs that do not meet all of the above criteria may NOT be charged to federal grants. Non-governmental sponsors may apply different cost principles. Investigators should read the sponsor instructions carefully and consult with SPS offices for further advice.

## 6.2 Developing a Proposal Budget

The proposal budget should delineate the entire cost of a project and accurately reflect costs that are necessary to complete the work. The budget should reflect the methodology described within the proposal narrative. Reviewers should be able to determine if sufficient funds are being requested to successfully complete the project, and that those requests are reasonable given the scope of work. Accuracy and detail are essential in this section. PIs are encouraged to follow a sponsor's guidelines exactly and provide information in the format as specified in the proposal guidelines. SPS Pre-Award staff are available to assist investigators in developing budgets that are consistent with university policy and agency requirements.

Coeus Budgets:

[http://www.purdue.edu/business/coeus/Display\\_Only/open\\_budgets.html](http://www.purdue.edu/business/coeus/Display_Only/open_budgets.html)

Proposal Budgeting:

[http://www.purdue.edu/business/sps/preaward/menu/2.proposalprepare/basic\\_elements/budget.html](http://www.purdue.edu/business/sps/preaward/menu/2.proposalprepare/basic_elements/budget.html)

Cost Allocation Guidelines for Charges to Sponsored Programs:

[https://www.purdue.edu/business/mas/costing/CAS\\_Guidelines/Cost%20Allocation%20Guidelines.html](https://www.purdue.edu/business/mas/costing/CAS_Guidelines/Cost%20Allocation%20Guidelines.html)

CAS Budget Guidelines:

[http://www.purdue.edu/business/mas/costing/CAS\\_Guidelines/](http://www.purdue.edu/business/mas/costing/CAS_Guidelines/)

### **6.2.1 Proposal Budget and Justification**

The Proposal Budget should be completed in Coeus. Once the Coeus budget is finalized the appropriate sponsor budget forms should be completed. A justification of budget items is required by most sponsors. The justification should explain why items budgeted are necessary to complete the work being proposed. Usually this consists of explaining salaries, supply and expense charges, graduate fee remissions, and other utilized budget categories. The level of detail varies by sponsoring agency. The Coeus budget, sponsor budget pages, and budget justification will be reviewed by SPS to ensure that all federal, sponsor, and university budgeting guidelines have been followed.

Common Budget Justification Mistakes:

- Not explaining all sections of the budget
- Including office supplies as supply & expense
- Budgeting clerical/administrative salary without involvement integral to the project
- Including items which have not been requested in the sponsor budget

### **6.3 NIH Modular Budgets**

The National Institutes of Health (NIH) has instituted a budgeting guideline for many of its applications. Under these guidelines for applications under \$250,000, no detailed budgets are provided to NIH, although details on personnel and subcontracts are provided in a budget justification. Amounts requested per year cannot (currently) exceed \$250,000 in direct costs and funding must be requested in \$25,000 increments. PIs should remember to budget for future year inflationary increases. A detailed budget must still be prepared by SPS Pre-Award for each proposal submitted. This detailed budget is used for internal planning and review purposes only, such as verifying that items have been categorized appropriately and that F&A calculations are correct.

NIH Modular Grants: <http://grants.nih.gov/grants/funding/modular/modular.htm>

### **6.4 Major Budget Categories for Non Modular Budgets**

Most other sponsors require line item budgeting. The major budget categories include:

#### **6.4.1 Direct Costs**

Direct costs are those costs that can be directly attributed to carrying out the work of the proposed project. Direct costs may include the following:

**6.4.1.1 Personnel Costs** should include only Purdue personnel. Collaborators at other institutions should be included either as consultants or within a subcontract budget. Proposed salaries should be in accordance with approved salary scales and position grades, and the budget should reflect the actual % effort that is anticipated. In developing multi-year project budgets, salary increases should be considered and will automatically be calculated in the Coeus program. Some sponsors have limitations on the amount of salary that may be charged to a grant ("salary caps"). Check with SPS for current limitations.

**6.4.1.2 Fringe Benefits** include such items as health insurance, retirement benefits, and Social Security and Medicare. The rate must be charged to the grant in relationship to the salaries and percentage of effort committed to the grant. Fringe benefit rates are entered in the Coeus system and will automatically generate the fringe benefit cost based on the position type and % effort. Purdue does not have a negotiated fringe benefit rate with the federal government. Instead, average rates for personnel categories are established and approved for use in sponsored programs budgeting.

Established Fringe Benefit Rates:

<http://www.purdue.edu/business/sps/pdf/Fringebenefits.pdf>

**6.4.1.3 Consultants** provide specific technical expertise that is not available at Purdue. Consultants are not considered employees of the University and should be accounted for separately in the budget. Some sponsors limit the rate at which consultants can be paid. Consultants should be budgeted only for tasks where on-campus expertise does not exist or is not readily available. Normally, consultants are paid a fee plus travel and other expenses. Some sponsors do not permit payments to consultants and some restrict or limit such payments. If in doubt as to the allowability of or rates paid to consultants, check the sponsor's program literature or contact SPS.

Checklist for Determining Worker Classification:

<http://www.purdue.edu/taxes/doc/ChecklistWorkerClassification.doc>

Forms for Payments to Consultants:

[http://www.purdue.edu/business/payroll/taxes/Consultant\\_Payments/index.html](http://www.purdue.edu/business/payroll/taxes/Consultant_Payments/index.html)

#### **6.4.1.4 Graduate Students**

Fringe Benefits are budgeted as a percent of salary based on anticipated benefit selections. Fringe benefits should be budgeted at the default rates that are in Coeus. Tuition fee remission charges for graduate students should be included unless sponsor guidelines indicate that they are unallowable. These are allowable charges for all graduate students that have a salaried appointment at the University. Graduate student fee remissions are excluded from the Modified Total Direct Cost (MTDC) F&A base. There is a specific budget line item in Coeus for "Graduate Fee Remissions."

Current Rates for Budgeting Graduate Fee Remits and Insurance:

<http://www.purdue.edu/business/sps/xls/Fee%20Remits%20Table.xls>

SPS Memo – Budgeting Graduate Student Fee Remissions:

[https://www.purdue.edu/business/sps/pdf/grad\\_fee\\_remissions.pdf](https://www.purdue.edu/business/sps/pdf/grad_fee_remissions.pdf)

Clarification of Graduate Fee Remission Vs Tuition and Fees:

<http://www.purdue.edu/business/sps/preaward/menu/5.faq/frvstf.html>

**6.4.1.5 Equipment - Capitalized** needs should be itemized and justified. Most sponsors rely on the University's definition of "capital equipment" to differentiate between equipment and supply categories. Whenever possible, estimated costs should be based on catalogue prices or written quotations, copies of which should be included with the proposals. Purdue University's threshold for classifying an equipment item as capital equipment is \$5,000 (for a single item).

<http://www.purdue.edu/business/mas/property/Policy.html>

- **Computers - Capitalized**

Computer(s) that meet the University's capitalization threshold should be included within the capital equipment budget and justification section. See the "Computer Purchase Review on Federal and Federal Pass Through Funds" quick reference sheet (QRS) for additional guidance. Computer purchases less than the University's capitalization threshold should be itemized and justified within the Material and Supplies budget section.

**6.4.1.5 Materials and Supplies** includes all consumable materials including the purchase cost of animals as well as small items of equipment that do not meet the threshold for "capital equipment." Each item or group of items should be listed and carefully justified. Federal sponsors do not allow general office supplies or equipment unless their use can be specifically justified such as being integral to the project. General office supplies are typically not allowed because the costs of those items are recouped in the Facility and Administration charges.

**6.4.1.6 Computers**

Computer(s) less than the University's capitalization threshold should be included within the Materials and Supplies budget and justification section. See the "Computer Purchase Review on Federal and Federal Pass through Funds" quick reference sheet (QRS) for additional guidance. If the computer(s) meet the University's capitalization they should be included within the capital equipment budget and justification section. [Please see Computer Purchase Quick Reference Sheet.](#)

**6.4.1.7 Travel** must be justified on the basis of its benefit to the project being proposed. Travel expenses may include trips to professional meetings, fieldwork and meetings required by sponsors. Allowable costs include meals, lodging, airfare, and ground transportation. Local travel related to subject recruitment and interviews is also allowable. Some sponsors limit per diem reimbursement rates, modes of travel, foreign travel, etc. For travel on State grants, the State per diem and mileage rates must be used. This includes Federal grants that flow through a state agency.

**6.4.1.8 Patient Care Costs**, inpatient or outpatient, for participants in a research study are allowable. Expenses directly attributable to research (i.e., research nursing, assays, etc.) are not considered patient care costs and should be included in other appropriate budget categories.

**6.4.1.9 Alterations, Renovations and Construction Costs** are rarely allowable on research grant proposals. Any exceptions must be fully justified and it is strongly recommended that specific needs be discussed in advance with SPS and the sponsor.

**6.4.1.10 Other Direct Costs** may be used for other project expenses that do not fit into the above classifications. Examples include human subject participation fees, repair and maintenance of equipment, rent and utility expenses, animal housing, machine shop charges, communication costs, tuition and some types of telephone service (i.e. long distance, toll charges.) There are specific line item categories for most of these items in Coeus.

**6.4.1.11 Subcontracts/Subawards** are agreements by which some scientific or programmatic aspects of a grant made to Purdue are contracted out to another organization. The subcontractor is expected to work with great autonomy and take full responsibility for its portion of the work. This level of independence and participation in the development and execution of the project distinguishes a subcontractor from the provider of a purchased service (vendor). The primary proposal submitted to the

sponsor must include evidence of commitment from the subcontractor, if the subcontractor has been identified, as well as a statement of work and proposed budget. SPS will require evidence of the agreement of the subcontractor institution before approving a proposal submission. Sponsor guidelines may vary; consult SPS for a discussion of typical requirements.

**6.4.1.12 Costs of Special Audits** If sponsor requires the conduct of an audit not subject to federal OMB 2 C.F.R. 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance), the cost of that audit report must be requested in the budget.

#### **6.4.2 Facilities and Administrative Costs (F&A)**

Facilities and Administrative (F&A) costs are costs that are not readily identifiable with individual projects. Also called "overhead" or "indirect costs" they include such categories as library operations, utility costs, depreciation of buildings and equipment, operations and maintenance costs, grant and contract administration and accounting, and general administrative expenses for central offices such as the President, Provost, Human Resources, and Purchasing. The rates to be applied will be consistent with the rates negotiated with the federal government by the University.

Purdue University F&A Rate Agreements:

<http://www.purdue.edu/business/sps/preaward/menu/5.faq/fa.html>

The F&A rate depends on the proposal classification. There are four current categories of proposals:

- Organized Research
- Instruction and Departmental Research (Formerly Instruction)
- Student Aid - Fellowships (Formerly Fellowships)
- Extension and Public Service (Formerly Other Sponsored Programs)

For help in determining the appropriate classification to use on a proposal, please contact the Pre-Award area.

#### **6.4.2.1 Administrative and Clerical Costs**

When the following situations exist, administrative and clerical costs that are normally considered part of facilities and administrative costs may be charged as direct costs to federal projects:

- Administrative or clerical services are integral to a project or activity
- Individuals involved can be specifically identified with the project or activity
- Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency
- The costs are not also recovered as indirect costs

#### **6.4.2.2 Indiana State Agencies**

The State of Indiana does not usually allow F&A on grants that are awarded to Purdue University. F&A can be included on a proposal if proper documentation can be supported to allow the F&A. If you have any questions about F&A on proposals through the State of Indiana, please contact Pre-Award or on awarded grants through the State of Indiana, please contact the Non Federal Post Award area.

Many state agencies have line item restrictions; therefore, budget preparation at the proposal stage is critical.



### **6.4.2.3 Not-for-Profit Organizations**

Some not-for-profit organizations do not allow Purdue to include F&A in their proposals. This is allowable as long the organization is not for profit and it is specifically documented that no F&A is allowed. If you have any questions regarding F&A for not-for-profit organizations, please contact the Non Federal Post Award area.

F&A Policy for For-Profit Companies, Foundations and Not-for-Profits

<https://www.purdue.edu/business/sps/preaward/menu/2.proposalprepare/foundationproposals.html>

### **6.4.2.4 For-Profit**

F&A MUST be included on all proposal to for-profit organizations. If you have any questions regarding F&A for for-profit organizations, please contact the Non Federal Research Administration Manager.

## **6.5 Cost-Sharing and Matching Funds**

The portion of the total sponsored project costs not funded by a sponsor is considered to be "cost sharing". University policy discourages voluntary committed cost sharing when submitting proposals to an external sponsor and expects that all proposal submissions only include the minimum amount of cost sharing necessary to meet the sponsor's requirements. For most sponsors, cost sharing is not a requirement in order to receive the award. There are two types of cost sharing: mandatory and voluntary.

### **6.5.1 Mandatory Cost Sharing**

Mandatory cost sharing is the commitment to participate in the cost of the project required either by Statute or by Administrative regulation. The requirement for such cost participation will be explicitly set forth in project announcements or guidelines issued by the sponsor, will be a requirement for eligibility to participate in the project, and will be specifically identified within the University's proposal. Mandatory cost sharing also includes any commitment by the University to participate in the cost of the project that is not required by Statute or administrative regulation, but is a part of the University's proposal to the sponsor.

### **6.5.2 In-kind/Matching**

The requirement by some sponsors that grant funds be matched in some proportion with funds from another party, either from the University or another sponsor. Matching may be in the form of actual cash expenditure of funds or may be an "in-kind" match, which is the value of non-cash contributions to the project. In-kind or matching contributions made by a party other than Purdue require documentation from that third party supporting the use of the funds as in-kind/matching and may require a certification of fair market value.

Memo Match Expectations: <http://www.purdue.edu/sps/pdf/memomatch.pdf>

### **6.5.3 Voluntary Cost Sharing**

Voluntary cost sharing is the University's participation in the cost of a project when there was no commitment within the University's proposal to share in the cost of the project or when the University's actual participation in the cost of the project exceeds the cost sharing commitment made as a part of the University's proposal.

### **6.5.4 Voluntary Committed Cost Sharing**

Voluntary committed cost sharing is a cost associated with a sponsored project, which was identified in a proposal, but was not required or funded by the sponsor. The University does not typically cost share on a voluntary basis, consistent with its objectives of receiving fair compensation from sponsors for research and scholarly

activity conducted at the University. The Uniform Guidance indicates that under Federal research proposals, voluntary committed cost share is not expected. A voluntary commitment of sponsor-uncompensated effort and/or other types of commitment should be made only where the competitive circumstances or perceived institutional benefit of receiving the award are deemed to be sufficiently strong to warrant the commitment.

## **6.6 Criteria for the Acceptability of Cost Sharing**

The obligation for cost sharing is predominately associated with Federal grants and cooperative agreements. In accordance with OMB Uniform Guidance, cost sharing must meet all of the following criteria:

- The cost sharing must be verifiable and auditable within the University's accounting system.
- The cost sharing must not be included as contributions for any other Federally assisted project or program.
- The cost sharing is necessary and reasonable to accomplish project or program objectives.
- The cost sharing is allowable in accordance with the applicable cost principles (OMB Uniform Guidance Subpart E- Cost Principles), the terms of the agreement and Purdue University costing policies.
- The cost sharing must be funded from non-Federal sources, unless authorized by Federal statute.
- The cost sharing is provided for in the approved budget when required by the Federal awarding agency.
- The cost must be incurred during the term of the agreement.

## **6.7 Cost Sharing and the Proposal**

Any University commitment to share in the cost of a project should be identified early in the proposal process. The Sponsored Program Services staff and the Principal Investigator share responsibility for ensuring that the following has occurred prior to the submission of the proposal:

- The University commitment and the cost associated with the commitment are in accordance with University policy.
- The University commitment complies, in all ways, with the Criteria for the Acceptability of Cost Sharing.
- The funding source(s) for the University commitment have been identified and authorized utilizing a Form 32.

Sponsored Program Services personnel authorized to submit proposals will ensure that the preceding has occurred prior to approving the proposal for submission to the sponsor.

Proposal Cost Sharing:

[http://www.purdue.edu/business/sps/preaward/menu/2.proposalprepare/basic\\_elements/costsharing.html](http://www.purdue.edu/business/sps/preaward/menu/2.proposalprepare/basic_elements/costsharing.html)

## **6.8 Funding University Cost Sharing Commitments**

University cost sharing commitments must be funded from non-Federal sources. These sources include University general funds, gift funds, PRF funds and non-Federal sponsored program funds. In general, the responsibility for funding the University cost sharing commitment lies with the department/school. The exceptions are as follows:

- Funding to meet special or unusual cost sharing needs has been budgeted by

the President and the Executive Vice President for Research and Partnerships. Requests to utilize any of these cost sharing funds must be discussed with the Special Assistant to the Executive Vice President for Research and Partnerships. The formal request to utilize any of these funds for cost sharing commitments must be forwarded to the Special Assistant to the Executive Vice President for Research and Partnerships not less than two weeks prior to the date of proposal submission.

- The Facilities & Administrative costs applicable to mandatory cost sharing funded by department/school general funds will be funded from central sources. If mandatory cost sharing is funded by a fund source that is chargeable for Facilities and Administrative costs, then that fund source will be responsible for the Facilities and Administrative costs associated with the cost sharing.

EVPRP Proposal Cost Sharing Process: [https://www.purdue.edu/research/funding-and-grant-writing/docs/CostShareGuidelinProcess\\_2\\_29\\_16.pdf](https://www.purdue.edu/research/funding-and-grant-writing/docs/CostShareGuidelinProcess_2_29_16.pdf)

### **6.9 Documentation of Cost Sharing**

The University has the following obligations regarding the documentation of cost sharing:

- Proposal commitments to cost share, when accepted, become a condition of the agreement relationship established by the University and the sponsor.
- If no effort for the Principal Investigator is included in the budget to the sponsor, then voluntary cost sharing should be noted so the faculty effort is appropriately classified for purposes of the University's facilities and administrative cost proposal.
- All cost sharing must be verifiable and auditable within the University's accounting system.

Consistent with these obligations, University cost sharing will be documented as follows:

- Mandatory cost sharing will be documented by utilizing the University's single account cost sharing procedures.
- Mandatory cost sharing funded by non-federal restricted funds will be documented annually and at closing by memorandum cost sharing procedures. The memorandum documenting the cost sharing will be prepared and certified by the Principal Investigator within thirty days of the completion of each annual budget period and within sixty days of the completion of the entire project period. The memo will be maintained in the Sponsored Program Services project file for audit purposes.
- Cost sharing involving donated items or volunteer services will be valued and documented in accordance with the guidance provided by the OMB Uniform Guidance.

### **6.10 Cost Share Documents**

Form 32: [https://www.purdue.edu/business/sps/xls/Cost\\_Share\\_Budget\\_Template.xlsm](https://www.purdue.edu/business/sps/xls/Cost_Share_Budget_Template.xlsm)

### **6.11 Helpful Cost Sharing Links**

Cost Sharing Guide: [https://www.purdue.edu/business/sps/pdf/Cost\\_Sharing\\_Guide.pdf](https://www.purdue.edu/business/sps/pdf/Cost_Sharing_Guide.pdf)

Memo Match Expectations: <http://www.purdue.edu/sps/pdf/memomatch.pdf>

## **6.12 Representations and Certifications**

For some proposals, special representations, certifications and acknowledgments may be required. SPS will complete these forms.

# **Chapter 7**

## **Proposal Review, Approval, and Processing**

### **7.1 Required Review and Signatures**

No application may be submitted to any external sponsor without the prior approval of the University. The signature of the Institution's authorized official is necessary to indicate University compliance with sponsor and government regulations, acceptance of responsibility for the administration of the sponsored project, including the provision of adequate facilities and services, and for compliance with applicable University policies and procedures. Authorization may also represent pre-acceptance of terms and conditions of an award. The appropriate staff member in SPS Pre-Award will provide institutional approval for proposals.

### **7.2 Procedures for the Submission of Proposals**

Sufficient time should be allowed for administrative review, final administrative review, and transmittal prior to any sponsor deadline.

All proposals submitted to SPS for review and submission to a sponsor, regardless of method, must be accompanied by the following items (if applicable):

- Proposal – Final Form: narrative, budget, budget justification, etc.
- Electronic Files- preferable in editable formats
- Other Sponsor Requirements
- Letters of Support

The proposal must be approved via Coeus by all applicable parties: the PI and their Department Head and Dean as well as any Co-PI and their Department Head.

The PI and Pre-Award Center should note the submission method, number of copies of the proposal required by the sponsor (if applicable) and the deadline for submission of proposals. Normally SPS will be responsible for electronically submitting or mailing all proposals and applications.

#### **7.2.1 Guidelines for Submitting Industrial Proposals**

Sponsored Program Services (SPS) has developed these guidelines to assist University faculty as they work with companies to obtain funding for contract research.

<http://www.purdue.edu/business/sps/preaward/menu/2.proposalprepare/foundationproposals.html>

### 7.3 Paper Transmissions

If a hard copy submission is required, the entire final proposal, including budget, justification, narrative, bios/cvs, other support information, and cover/signature pages must be compiled by the appropriate SPS Pre-Award Center in sufficient time in order to permit appropriate review and shipping time before the sponsor deadline. A copy of the application guidelines, website address where the information can be accessed, or Request for Proposals should also be included.

### 7.4 Electronic Submissions

Proposals that must be transmitted electronically must be reviewed and approved before submission to the sponsor. Most submission systems require an institutional login and authorized submission. SPS Pre-Award is familiar with and maintains accounts in most of these systems. A few systems require submission through the PIs account. In these cases, a copy of the proposal must be reviewed and approved in SPS prior to submission by the PI.

SPS will review proposals for compliance with University and sponsor requirements. SPS will also ensure that information provided related to any required assurances is accurate and complete (i.e., use of human subjects or animals, lobbying, etc.). They will assist in obtaining approval for any unusual sponsor requirements, such as waiver of indirect costs or restrictions on dissemination of results, verifying cost-share commitments and/or matching funds, verifying documentation for subcontractors and/or consultants, and reviewing for appropriate approvals and PI compliance with relevant special reviews.

#### 7.4.1 Various Electronic Submission Methods

##### **Grants.gov (Department of Energy, NIH, Other Federal Sponsors)**

<http://www.grants.gov/>

##### **NSF - Fastlane**

<https://www.fastlane.nsf.gov/fastlane.jsp>

##### **NASA - NSPIRES**

<http://nspires.nasaprs.com/external/>

### 7.5 Deadlines

Sponsor requirements vary widely as to what is considered an "on-time" application. A receipt deadline is the date and time by which the sponsor must receive the proposal. A postmark deadline means that the proposal must be postmarked by the date, not necessarily received by the sponsor. In most cases, a proposal will not be considered if it misses the agency deadline. Any questions should be directed to SPS for clarification.

[https://www.purdue.edu/business/sps/preaward/servicelevel/priority\\_process.html](https://www.purdue.edu/business/sps/preaward/servicelevel/priority_process.html)

### 7.6 Pre-Award Audit/Additional Information

Some sponsors may require additional proof or supporting materials to document a proposed budget prior to award. It is strongly suggested that the PI and Pre-Award Centers maintain a file of all supporting materials used in the development of a project budget. Examples of items that should be retained include copies of all price quotes for equipment, documentation of all travel costs, documentation of animal care costs, etc. A sponsor may wish to support a proposed project, but at a reduced level of funding. If requested, a revised budget should be prepared with SPS Pre-

Award and reviewed prior to submission according to the same procedures followed for new proposals. Reductions in proposed budgets should be evaluated to determine whether there is a change in the PI's level of effort or to the scope of work. PIs are not expected or encouraged to negotiate directly with external sponsors. If a PI is contacted directly by a sponsor regarding the terms of an award under discussion, refer them to the appropriate SPS office.

### **7.7 Proposal and Award Tracking**

SPS maintains databases in COEUS of all applications submitted and awards received for external funding. In addition, SPS maintains the files of record for official grant and contract notices of award documents. All original award notices and any other sponsored project-related documents must be sent to SPS. PIs should keep copies for their records as well.

<http://www.purdue.edu/sps/data/>

### **7.8 Site Visits**

For large applications, sponsors may wish to visit the University to meet with those who will be responsible for the conduct and administration of the proposed project. The visits can vary from brief meetings to discuss the specifics of the science to multi-day reviews by a team of outside experts who will evaluate all aspects of the proposed work and the University environment available to support it. SPS must be notified of any proposed site visit. SPS staff can coordinate with EVPRP staff to assist in preparing for these visits and will be available to meet with members of the site visit team. In order to save on their travel budgets, some sponsors hold "reverse" site visits where the PI and other key personnel are invited to meet agency representatives at the sponsor's headquarters.

<http://www.purdue.edu/research/funding-and-grant-writing/site-visits.php>

### **7.9 Protection of Confidential or Sensitive Proposal Information**

Proposals may contain sensitive information, including both personal and scientific materials that the PI may not wish to have distributed publicly. Federally funded applications are a matter of public record and must be made available as stipulated by governmental regulations for audit and review. PIs will be notified of any requests for access under the "Freedom of Information Act" (FOIA) to provide an opportunity to review the application for any information that may be withheld under applicable law. Proposed responses to FOIA requests should be reviewed with the Office of General Counsel before submitting the responses. Most private sponsors also have audit and review requirements as conditions for acceptance of their funding. Any questions about inclusion of proprietary or other confidential information should be referred to the appropriate SPS Office.

#### **7.9.1 Labeling of Proprietary Information**

Pages of an application should be labeled as proprietary and confidential if they would otherwise disclose information that is pending patent protection.

## **Chapter 8**

### **Award Acceptance**

#### **8.1 Types of Awards**

An award is most broadly defined as financial support for a specific research project, training program, equipment purchase or other activity. There are four basic types of awards, described below, which reflect how the funds are allocated and controlled.

**8.1.1 Grants** are transfers of funds to support specific projects in which the sponsor has an interest but does not play an active role. A grant is given without expectation of delivery of a specific product or service other than a final written report. Grants are written documents with general terms and conditions that usually stipulate a project period and minimal reporting requirements. Grants can also be awarded through award letters. Subgrants from other entities are usually similar to grants received directly from a funding agency. They normally fund basic research, fellowships, and training.

The principal purpose of the relationship is the transfer of funds to accomplish a public purpose. There is no substantial involvement between the grantor and the grantee.

**8.1.2 Cooperative Agreements** create a collaborative relationship between Purdue and the sponsoring agency, which is often substantially involved with the project. The University does not have much latitude to modify the scope of work and the reporting requirements are usually fairly strict. Cooperative agreements are normally awarded in support of basic research.

The principal purpose of the relationship is the transfer of funds to accomplish a public purpose. There is substantial involvement between the grantor and the grantee.

**8.1.3 Contracts** are agreements entered into to provide support for a specific, often narrowly focused, set of tasks for the direct benefit of the sponsor. Contracts are written documents enforceable by law, typically with terms spelled out in greater detail than in a grant. The University is generally given less latitude to modify aspects of the scope of work and the budget. Contracts normally fund research, clinical trials, and service by the University.

The format of contracts may include but are not limited to the following:

- **Federal Contracts** – If a Federal sponsor is interested in funding a deliverable based project, they will execute a Contract. These contracts will often make reference to Federal Acquisition Clauses from the Code of Federal Regulations.
- **Industrial Sponsored Contracts** - These would be contracts entered into with Industrial Sponsors. They may be a negotiated version of either the sponsor or Purdue's standard agreements. When possible, Purdue will use standard University templates which include terms and conditions that are consistent with University Policy and protect the academic mission of the University. Purdue has several standard templates for the following activities:
  - **Basic Research** – This template protects Purdue's ability to publish research results and provides the Sponsor a generous grant of rights to license intellectual property resulting from a project, while preserving Purdue's ownership rights in such intellectual property.
  - **Restricted Options** – In its efforts to enhance collaborative efforts with Industry, Purdue has developed options which grant additional rights in intellectual property to Sponsors and may involve certain restrictions applicable to Purdue. These unique options are available at the request of Purdue faculty and are evaluated and approved on a project-by-project basis.

- **Testing** – When the Sponsor is providing a protocol or the PI is using a commonly available protocol to conduct testing on behalf of a Sponsor, this template is appropriate. If analysis of the results or design of a protocol is involved, the Basic Research template would be more appropriate. For testing activities, it may be appropriate to agree not to publish data results, but Purdue will retain the right to publish other aspects of the project, with the sponsor having opportunity to review prior to publication.
- **Technical Assistance**– When a project provides extension and public service, but is not testing, this template is used.
- **Subcontracts** - Funds are transferred from a primary funding agency, through another agency, industry, or university to Purdue. Subcontracts are typically subject to the terms and conditions of the prime award.
- **Purchase Order** - A common form of procurement agreement often used by industrial companies. Purchase Orders may be the funding contract or may accompany a funding contract as a payment document. The contracting offices of SPS will make that determination through their review process.

## 8.2 Receipt of Award

Purdue requires that all sponsored awards be reviewed and accepted by SPS on behalf of the University. Important points to be considered in a notice of award:

- **Period of Performance:** these dates may not coincide with the dates of the total project period
- **Name of Key Personnel:** The PI is responsible for conducting the project in accordance with University policies and sponsor requirements. However, other named Key Personnel may carry additional reporting and training requirements.
- **Dollars Committed and/or Obligated.** Not all project funds may be released at the beginning of the project, some may be obligated incrementally. The sponsor is under no legal obligation to pay dollars not yet obligated.
- **Future Year Commitments:** These funds are contingent on their availability and on satisfactory progress on the project. Use these amounts for planning purposes.
- **Cost Sharing:** If the sponsor requires the University to contribute its own resources to the project, it usually specifies those requirements in the award notice. Accounting and reporting on these costs is a formal requirement for the University.
- **Accounting and Reporting Obligations:** Virtually all awards require technical and financial reports. Most awards require patent and property reports.
- **Deliverables:** Under contracts, the University must deliver specified work products to the sponsor.
- **Payment to University:** Awards specify how the University will be funded or reimbursed by the sponsor.
- **Terms and Conditions:** The award may have additional terms and conditions



which may specify limitations on availability or use of funds, need for prior approvals and similar additional oversight by the awarding agency. It is critical to understand these restrictions before incurring costs. Both the PI and the responsible Business Office must take note of these conditions.

### **8.3 Requesting and Modifying a Sponsored Project**

Generally, the event that formally initiates the sponsored award and project cycle is the submission of a proposal to SPS. SPS is responsible for approving and submitting proposals and for the details related to funding from external sponsors. They also review and accept the terms and conditions of sponsored contracts and agreements on behalf of the University. Requests for setting up or modifying a sponsored project should be directed to SPS. Any requests to modify an existing grant should be routed through the appropriate research administration manager. Examples of these requests are no-cost extensions, increases in funding, or budget line item changes that exceed the sponsor's limitations.

### **8.4 Negotiation/Acceptance**

The Contracting Offices within SPS are responsible for reviewing all terms and conditions of an award before acceptance to ensure that the sponsor's requirements are compatible with Purdue's policies and procedures. Since a sponsored award binds both the sponsor and Purdue to certain commitments, it is important that the terms are clearly understood and that all concerns are resolved before the award is accepted for the University. If a PI is contacted directly by a sponsor regarding the terms of an award under discussion, they should be referred to the Contracting Offices of SPS. <http://www.purdue.edu/business/sps/contractmgmt/index.html>

About Sponsored Programs Contracting Offices:

[https://www.purdue.edu/business/sps/contractmgmt/General\\_Info/contact.html](https://www.purdue.edu/business/sps/contractmgmt/General_Info/contact.html)

### **8.5 Signature Authority**

Many awards require the signature of an authorized institutional official to formally accept the terms and conditions of the award. The Contracting Offices of SPS are responsible for obtaining the appropriate institutional signature.

Investigators are cautioned not to sign University agreements for sponsored support, biomaterials, equipment loans, material transfers, or clinical trials. These agreements bind the University to certain obligations and, as such, can be signed only by those who have delegated signature authority which include SPS Contracting.

### **8.6 Account Set-Up**

SPS has an account establishment process. Once an award has been accepted for the University, a grant is created by the responsible SPS account manager. An account may not be opened for any federal award unless the PI's Conflict of Interest disclosure is up-to-date and other required mandatory training (e.g., human subjects, animals) requirements have been fulfilled. Award setup emails with a copy of the award attached are sent to the PIs and Business Offices by the SPS account manager. <http://www.purdue.edu/business/sps/postaward/bs/accountsetup.html>

[Account Management Guidelines for SPS Funds](#)

### **8.7 Catalog of Federal Domestic Assistance (CFDA)**

A CFDA number is a five digit number assigned to most grants and cooperative agreements funded by the Federal government and governed by OMB 2 C.F.R. 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance). It does not apply to Federal contracts and

purchase orders or Non-Federal agreements where no Federal pass-through funds have been included.

<http://www.cFDA.gov/>

Assigning a CFDA number during account set-up:

[http://www.purdue.edu/sps/doc/Definitions\\_of\\_Use.doc](http://www.purdue.edu/sps/doc/Definitions_of_Use.doc)

## **8.8 Notice to Proceed**

Under certain conditions, a PI may request an account prior to the actual receipt of the award. If a sponsor has approved funding, but is slow in sending the official award documentation, the business office may submit a Notice-to-Proceed request to SPS. In this case, a University-backed NTP will be set up. If funds are not awarded, the University will be responsible for covering any costs.

If a PI wants an account created prior to the actual award and there is no documentation or correspondence from the sponsor indicating the approved funding, then a department- backed NTP can be set up. It is important to note that if funds are not awarded, the PI's department or school will be responsible for covering any costs.

[Notice to Proceed Request Form](#)

[Notice to Proceed Request Form instructions](#)

### **8.8.1 Pre-Award Costs**

Pre-Award Costs are permissible under most federal grants and allow the institution to incur certain costs up to 90 days in advance of the actual award start date. If you have any questions on the allowability of pre-award costs, please contact the appropriate SPS account manager.

Prior Approvals Home Page:

<http://www.purdue.edu/business/sps/postaward/bs/priorapproval.html>

## **Chapter 9**

### **Post-Award Administration**

#### **9.1 Financial Management**

The tasks associated with the financial management of externally sponsored funds may be divided into three very broad categories:

- Activities that bring the awarded funds into the institution
- Activities associated with the management of those funds while they reside in University accounts
- Activities that support the expenditure of sponsored funds

The process of managing sponsored activity funds is a shared responsibility between the PI, the business office, and SPS, and each has unique areas of primary responsibility.

SPS serves as the primary administrative liaison between PI, sponsors, the EVPRP, and other University offices in the post award period regarding award specific sponsor guidelines and regulations.

SPS prepares required financial and property reports, manages the collection of sponsor funds, draws funds under the federal letters of credit as costs are incurred, issues billings to sponsors and follows up with sponsors on payments required by the terms of an award, monitors account management, coordinates government, private sponsor and public accounting firm audits, administers government property accounting inventory.

## 9.2 Personnel

Appointments of all personnel to sponsored projects are subject to the Human Resource policies of the University. Payment of all personnel is effected through the University's Personnel/Payroll System and is administered in the departmental business office.

### Faculty and Staff Salaries

A research project should be charged with a portion of each employee's institutional base salary equal to the portion of time or effort devoted directly to the project unless an approved portion is "cost shared" by the University. For a faculty member with a nine- month appointment, one month of effort is one- ninth of his/her academic year salary.

Salary increases can be charged proportionally to the project if they can be accommodated within the project budget.

**Professional Effort Reporting:** OMB 2 C.F.R. 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) requires that charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. Purdue complies with this requirement through the collection of Personnel Activity Reports which capture the individuals' effort. The University has written policies and procedures for Effort Reporting as follows:

Effort Reporting Policy <http://www.purdue.edu/policies/business-finance/iic1.html>

Personnel Activity Report (PAR) General Information

[http://www.purdue.edu/business/mas/costing/Effort\\_Reporting/procedures.html](http://www.purdue.edu/business/mas/costing/Effort_Reporting/procedures.html)

### Summer Salaries

Most sponsors will provide for compensation of faculty members with nine-month salary appointments during summer months at their University Summer Pay rate when included as part of the project proposal. Submission by the University of a proposal that provides for summer salary does not imply a University commitment to pay such salaries in the event that the sponsor does not provide for summer salaries in the project award nor does it imply that the University will pay the capped portion of a salary if the sponsor imposes such a cap.

Summer Salary Pay Policy Implementation:

<https://www.purdue.edu/business/payroll/summer/index.html>

### Additional Compensation

Project funds may not be used to increase the regular compensation of the principal investigator or other University staff members.

### Graduate Research Assistants

Graduate research assistants should be separately budgeted for their salary and for their graduate fee remission.

## Postdoctoral Associates

Postdoctoral Associates must be paid as employees of the University.

**9.3 Post-Award Changes and Re-budgeting of Funds and Prior Approvals**

Frequently, projects change or evolve from how they were first proposed to or funded by a sponsor. Many changes that occur in the conduct of sponsored projects require prior written approval from the sponsor and or SPS. The level at which approval may be granted depends upon the type of award and the sponsor's specific policies governing the award.

During the conduct of the project, the PI may determine that budget changes are necessary. Many sponsors allow flexibility in how project funds are expended and permit budget changes needed to meet project requirements. PIs need to be aware of the specific requirements for their awards and request prior approval for budget changes when necessary. Significant changes to a budget almost always require prior approval by the sponsor as do changes in the objectives or scope that significantly alter an original statement of work. Restrictions on budget revisions, including moving funds from one category to another, may not be allowed. Other actions that may be considered a change of scope include:

- Substitution of one animal model for another
- Any change from the approved use of animals or human subjects
- Applying new technology
- Transferring the performance of substantive programmatic work to a third party
- Absence or change of Key Personnel may require the prior approval of the awarding agency and is normally required for any absence of the PI for a period of 3 months or more. A substitute PI may be named or the award may be relinquished.
- In general, changes in key personnel named in the notice of grant award whose expertise is critical to the approved project must also have prior approval.
- Foreign Travel may require special review, even when the foreign travel has been included in the initially approved budget.
- Issuance of subcontracts or sub agreements not included in an original proposal

Any request for modification sent to the sponsor must be in writing and must be reviewed and countersigned by SPS. Some sponsors require up to 90 days prior notice.

Prior Approvals:

[http://www.purdue.edu/business/sps/pdf/Internal\\_Prior\\_Approval.pdf](http://www.purdue.edu/business/sps/pdf/Internal_Prior_Approval.pdf)

**9.4 No-Cost Extensions**

No-Cost Extensions are requests to extend the termination date of a project without additional funds. Some federal sponsors allow the institution to internally approve an extension; other sponsors require that a request for additional time be submitted for their approval. In any case, the request usually must be processed at least 30-90 days prior to the scheduled termination date of the project. Carry forward of funds that are unspent at the end of a budget period in a multi-year project are dealt with differently by different sponsors. SPS should be consulted for the specific requirements of the award and agency. PIs must continue to devote the same level of effort as in the period preceding the extension, unless prior approval for reduction has been received.

Obtaining sponsor No-Cost Extension Approvals:

<http://www.purdue.edu/business/sps/postaward/bs/priorapproval.html>

## **9.5 Relinquishment of an Award.**

A PI leaving Purdue for a position at another institution may, with the agreement of the sponsor, be able to transfer a grant/contract to another academic or non-profit organization. Because sponsored project awards are made to the University, and not to the individual investigator, the University must agree to relinquish an award. SPS should be consulted for the specific requirements of the award and agency.

## **9.6 Allowability of Costs (See Chapter 6.1)**

### **9.6.1 Cost Allocations**

Goods and services purchased by the University to conduct research may often benefit more than one sponsored award. Such costs must be allocated to the sponsored awards in proportion to the actual benefit received by those awards. If it is impossible or impractical to determine how much of the goods or services are actually used for each award, an allocation methodology must be developed that reasonably estimates the actual benefit to each award. Costs are then distributed to each benefiting sponsored award using the allocation methodology.

The OMB Uniform Guidance allows for two methods for allocating an allowable direct cost to two or more grants:

- Proportional Benefit: If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects.
- Interrelationship: If a cost benefits two or more projects or activities in proportions that cannot be easily determined due to the interrelationship of the work involved, then the cost may be allocated to the benefiting projects on any reasonable basis.

Examples of acceptable allocation methodologies include: Effort of research personnel (headcount or FTE's), laboratory space (square footage), number of experiments, actual usage records or modified total direct costs (excluding subawards) budget of benefiting sponsored projects.

Cost Allocation Guidelines for Charges to Sponsored Programs:

[http://www.purdue.edu/business/mas/costing/CAS\\_Guidelines/Cost%20Allocation%20Guidelines.html](http://www.purdue.edu/business/mas/costing/CAS_Guidelines/Cost%20Allocation%20Guidelines.html)

Reference guide to determine if costs are allowable according to the University's disclosure statement:

<https://www.purdue.edu/costing/BPM/doc/CostChargInstruct.doc>

## **9.7 Cost Transfers**

A cost transfer is the reassignment of an expense to a sponsored project after the expense was initially charged to another sponsored project or non-sponsored project. The University expects that all costs charged to a sponsored project are correctly charged at the outset. However, the Principal Investigator (PI) and Business Manager should review monthly sponsored project reports to identify legitimate errors in a timely manner.

When errors are discovered, the University is committed to ensuring that all cost transfers (either in the form of a labor distribution adjustment (CD-01) or non-salary journal entry (FV50)) are legitimate and are conducted in accordance with sponsor

terms and conditions, regulations and University policy. Frequent, tardy, or poorly explained transfers can raise serious questions about the propriety of the transfers, the accounting system, and internal financial controls.

All Principal Investigators (PIs) and their Business Managers are responsible for ensuring that transfers of costs to sponsored projects represent corrections of errors and are made promptly.

Cost transfers must be supported by documentation which contains a full explanation of how the error occurred and a correlation of the charge to the project to which the transfer is being made. Explanations such as "to correct an error" or "to transfer to correct project" are unacceptable.

Transfers of costs to any sponsored project account are allowable only where there is direct benefit to the project account being charged. An overdraft or any direct cost item incurred in the conduct of one sponsored project may not be transferred to another sponsored project account merely for the sake of resolving a deficit or an allowability issue. Cost transfers should not be used as a means of managing awards.

Cost transfers, with the exception of salary transfers generated from the effort reports must be prepared and submitted as soon as the need for a transfer is identified but no later than 90 days from the end of the calendar month in which the transaction appears on the project. A shorter cost transfer period may be necessary near the project end date. Final financial reports are typically due to the sponsors 30 to 90 days after the project end date. This requires that all cost transfers be completed expeditiously.

Purdue University expects that costs directly charged to federally sponsored awards received by the University will comply with the cost principles outlined in the OMB Uniform Guidance.

Cost Allocation Guidelines for Charges to Sponsored Programs:

[http://www.purdue.edu/business/mas/costing/CAS\\_Guidelines/Cost%20Allocation%20Guidelines.html](http://www.purdue.edu/business/mas/costing/CAS_Guidelines/Cost%20Allocation%20Guidelines.html)

Costing/Charging Instructions:

<https://www.purdue.edu/costing/BPM/doc/CostChargInstruct.doc>

Cost Transfer Guidelines:

[http://www.purdue.edu/sps/doc/Final\\_Cost\\_Transfer\\_Guidelines.doc](http://www.purdue.edu/sps/doc/Final_Cost_Transfer_Guidelines.doc)

Account Management Guidelines:

<http://www.purdue.edu/business/sps/postaward/bs/accountmgmt/index.html>

## **9.8 Effort Commitment and Reporting**

As a condition of receiving funding from the federal government, universities must maintain high standards for internal controls over salaries and wages on sponsored awards and processes to review after-the-fact effort and compensation on the federal awards. The requirement is detailed within the Federal Government's Office of Management and Budget (OMB), Uniform Guidance § 220.430. Once an award is received and effort is devoted to the sponsored project, the University is responsible for providing a mechanism through which the effort devoted to the project is certified. A critical requirement of any effort reporting system is that the system must allow responsible individuals with first-hand knowledge to certify the portion of compensated effort devoted to Sponsored Projects expressed as a percentage of the individual's total (100%) compensated effort.

Effort reporting is an important area of financial compliance of sponsored projects. Recognizing this importance, the University has developed policies, procedures and training materials outlining and explaining the effort reporting requirements.

As an individual involved in the Effort Reporting process it is your responsibility to review and understand the University policies and processes.

### **9.8.1 Effort Certification Policy**

Purdue University Effort Reporting Policy (II.C.1) is available at:

<http://www.purdue.edu/policies/business-finance/iic1.html>

### **9.8.2 Effort Reporting Process**

Purdue University Effort Reporting Process is outlined at:

<http://www.purdue.edu/policies/business-finance/iic1.html>

## **9.9 Other Financial Management Issues**

Most awards are made on a "cost-reimbursable" basis and the University is reimbursed for actual expense incurred, usually on a monthly basis, by billing the sponsor or by drawing against a sponsor's letter of credit account. Some awards, usually from private sponsors, are funded by a payment schedule which typically includes some advance payment. Should the PI receive a sponsor check, he/she should take it to his/her business office which will forward it immediately to SPS along with identifying information for deposit to the project account.

### **9.9.1 Purchasing**

PIs should first consult with their business office for help and information about purchasing and ordering procedures. Procedures vary depending upon what is ordered. Purdue has contracts, catalogs and service agreements with many suppliers, saving PIs the effort of "shopping". Current university processes require all purchases over \$10,000 receive competitive bids or unique sourcing justifications. Early consultation with the assigned person in Procurement Services can greatly simplify and expedite the process and ensure timely receipt of the ordered goods. In addition, PIs may wish to review the information available on the Procurement Services web site.

PIs should note that special procedures apply to the purchase of hazardous and other restricted items.

Procurement Services Website: <http://www.purdue.edu/business/procurement/>

Please note that additional changes have been required under the Uniform Guidance, which will go into effect on or before July 1, 2016. Once those internal processes are identified, they will be documented in this handbook.

### **9.9.2 Equipment -Capitalized**

Capital equipment is defined by the University as an item costing \$5,000 or more with a useful life of more than a year. The University is required to properly classify, safeguard and depreciate its equipment, and must abide by federal guidelines and the terms of sponsored awards with respect to the purchase, use and disposition of equipment.

Property Accounting within Accounting Services is responsible for the accounting

control, records, operations, and reporting for moveable equipment. The head of each department is responsible for all assets procured by, or in conjunction with, his/her department to which the University has made assignment. This responsibility includes protection against abuse, theft, movement, disposal, or unauthorized use.

An inventory of all campuses, farms, agricultural centers, and statewide technology sites (with the exceptions of libraries and livestock) of capitalized moveable equipment is performed and maintained by Property Accounting with departmental cooperation.

Accurate inventory records are necessary for insurance purposes, maximum equipment utilization, and planning for replacement through historical data.

The disposal of equipment acquired through the University by purchase, lease, donation, loan, etc. is controlled by the University. All disposals must have prior approval from Property Accounting and additional approvals may be needed depending on the funding source, for example equipment purchased on a grant over a certain dollar threshold requires the approval of SPS.

PIs planning to purchase equipment using sponsored project funds should refer to the specific terms of the sponsored agreement and contact SPS for any necessary advance approvals.

Equipment Screening form and instructions:

<https://www.purdue.edu/business/mas/property/policies/screnequip.html>

Policies & Procedures, Forms and Instructions:

<http://www.purdue.edu/business/mas/property/>

- **Computers**

Materials and supplies used for the performance of a Federal award may be charged as direct costs. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. At Purdue, we do require justification of computers, preferably at the time of proposal submission. See the "Computer Purchase Review on Federal and Federal Pass Through Funds" quick reference sheet (QRS) for additional guidance.

<http://www.purdue.edu/business/sps/pdf/Computer%20Purchases%20Quick%20Refere%20Sheet1.pdf>

### **9.9.3 Travel**

In addition to meeting all other policy requirements, travel costs charged to grants and contracts are subject to specific limitations and restrictions, in accordance with terms set by the sponsor. Travel policies of federal and non-federal sponsors vary.

Travelers on University business trips that are funded directly or indirectly by a federal grant or contract must abide by the OMB 2 C.F.R. 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) rules on air travel.

- Foreign Travel
  - Fly America Act: For international air travel, Federal requirements state that American carriers must be used when a traveler is flying between the United States and another country or between other countries. Not using American flag carriers when only cost and convenience are factors is not permitted. Exceptions to use of American carriers can be found in the



University's *Travel On University Business Policy*.

- Prior Approvals: Grants for most federal contracts may require that all international travel, even if included in the award, be approved in advance by the sponsor's administrative officer.
- Domestic Travel: Domestic Travel is defined as travel within and between any of the 50 United States, Puerto Rico, U.S. Virgin Islands; travel between the United States and Canada and within Canada. When traveling domestically, one should use the lowest available economy class airfare.
- Alcohol and Entertainment Expenses: Expenses for alcoholic beverages and entertainment expenses cannot be charged to a federal grant or contract.

Travel on Sponsored Programs:

<https://www.purdue.edu/business/sps/postaward/bs/accountmgmt/travelhome.html>

#### **9.9.4 Relocation Costs of Employees**

Relocation costs are costs incurred as a result of the permanent change of duty assignment (for an indefinite period or a stated period of not less than 12 months) of an existing employee or upon recruitment of a new employee. Provided that;

- The move is for the benefit of the employer;
- Reimbursement to the employee is in accordance with established University policy;
- The reimbursement does not exceed the employee's actual expenses.

When relocation costs incurred incident to the recruitment of new employees have been allowed as either a direct or indirect costs and the employee voluntarily separates within 12 months or hire, costs must be credited or returned to the Federal sponsor.

#### **9.9.5 Program Income**

Program Income is gross income directly generated by a supported activity or earned as a result of an award and earned by the recipient during the period of a sponsored award.

The treatment of program income on federal grants is stipulated by the administrative requirements of the awarding agency. Similarly, non-federal sponsors may have terms and conditions that govern the treatment of program income.

Treatment of program income earned under contracts will be handled on a case by case basis under the terms and conditions of a particular contract.

There are three methods for treating Program Income:

- *Additive*: With prior approval of the Federal awarding agency, program income funds are added to committed funds of the project by the awarding agency and recipient, thus increasing the amount available to accomplish program objectives (increase in available budget).
- *Matching*: With prior approval of the Federal awarding agency, program income is used to finance the non-federal share of the project (offset to cost sharing or matching). Program income is used for costs during the project period unless the sponsor authorizes deferral to a later period.
- *Deductive*: Total funds available to the project remain the same and the funds generated through program income are deducted from the financial commitment of the sponsor (offset to sponsor's funding).

#### **9.9.6 Interest Bearing Accounts**

The University will accept grants which contain a provision requiring the accrual of interest on advance payments. Depending on the terms and conditions of the award, interest earned may need to be returned to the sponsor or used to further support the purposes of the sponsored project. Interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services. Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expenses.

### **9.9.7 Financial Monitoring**

Overspending or under spending projects can reflect poorly on Purdue University. It can indicate inadequate planning or poor internal financial management. A major responsibility shared by the PI, the departmental business office, and SPS is to carefully monitor the budget and ongoing charges. If a project ends with a deficit, the PI/PD's department or administrative area is responsible for covering the remaining expenditures. Under spent Projects, though less obviously of concern than overspending, can still be serious. Particularly severe under spending (20 percent or more of a project's total direct costs) can also suggest that the goals of a project have not been met. In most cases funds not spent by the end of the project period must be returned to the sponsor.

To avoid either of these issues, careful planning, monitoring, ongoing communication with the sponsor, and revising the work plan as needed is expected throughout the life of the project. Reports are available from the University financial system, Account Information Management System (AIMS) and Financial Summary Status Report (FSSR's), to reflect sponsored project activity. This information should be used by the PI and business manager to monitor the financial health of a sponsored research project and reviewed to determine if:

- Charges are within agreement, budget, and agency guidelines
- Charges are reflected in the correct budget categories
- Funds are being expended in a timely manner
- Cost overruns or under spending are developing in specific budget categories

Account Management Guidelines:

[https://www.purdue.edu/business/sps/pdf/Account\\_Management\\_Guidelines\\_for\\_SPS\\_Funds\\_May2019.pdf](https://www.purdue.edu/business/sps/pdf/Account_Management_Guidelines_for_SPS_Funds_May2019.pdf)

### **9.9.8 Sub-Recipient Monitoring**

As a condition of its acceptance of funding from sponsors, the University is obligated in its role as primary recipient to undertake certain stewardship activities as well as comply with federal, state and local regulations when subcontracting activity is involved.

Prior to award SPS assesses a sub-recipient organization's financial status and internal controls and establishes terms and conditions in the sub-recipient agreement consistent with the level of perceived risk.

PIs are responsible for monitoring the progress of sub-recipient work scope, using a variety of means to make this determination. The PI signature on the invoice voucher indicates that the technical and scientific work is being performed in accordance with the approved scope of work.

<https://www.purdue.edu/business/sps/RQA/Subrecipient.html>

### **9.9.9 Project Reporting and Financial Closeout**

Sponsors typically require both periodic financial and technical reports. Some sponsors also require invention and property reports. The schedule for completing reports and format to be used are outlined in the sponsor's notice of award or in the agency

SPS submits financial and property reports to the sponsors for research and other scholarly activity that accurately reflect the actual use of sponsored funds as recorded in the financial and property records of the University; and are in compliance with the sponsor's terms and conditions. Principal investigators submit technical and management reports for the projects. Achieving compliance with this policy is a responsibility shared by all parties involved.

Upon termination of the project, the PI is responsible for submitting the final technical report to the sponsor within the timeframe specified. Failure to submit this report in a timely manner could jeopardize future funding by the sponsor not only for the PI but also for other Purdue investigators funded by the same sponsor.

SPS is responsible for preparing interim financial reports, final financial reports, invoices and property reports when required based on institutional financial and property records and in accordance with the terms and conditions of the sponsored award. SPS will work with the PI to prepare and submit interim and final invention reports. Per 2 CFR 200, the non-Federal entity must submit, no later than 90 calendar days after the end of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal award.

At the time of closeout, SPS is responsible for changing the award status in the University financial system to "SPS Closed" to prevent further charging to the account.

## **9.10 Audits**

### **9.10.1 Overview**

Sponsors presume that the University will expend funds for the purposes for which they were proposed and in accordance with any terms and conditions set forth in the award document. Sponsors generally reserve the right to audit the University financial records for sponsor awards and, in some cases, may audit the project's scientific records and data. If a PI or Department is contacted directly regarding any type of audit, they should email a copy of the written request or information about the audit to the Director of Research Quality Assurance (RQA) unit within the Executive Vice-President for Research and Partnerships (EVPRP) and copy the Senior Director of SPS. Also, as appropriate, copy the SPS Director for Post-Award or Assistant Director for Financial Affairs – Ag Sponsored Research Programs.

Quick Reference Sheet: External Audit Requests

<http://www.purdue.edu/business/sps/postaward/bs/Compliance/index.html>

### **9.10.2 Pre-Award Audits**

Occasionally a sponsor may require an audit before the issuance of an award. Such pre- award audits generally involve responses to federal requests for proposals that will result in the issuance of a contract that is more than \$500,000 per year.

### **9.10.3 Post-Award and System Audits**

The Office of Management and Budget (OMB) Uniform Guidance, Subpart F, "Audit Requirements" requires an annual audit of the University financial records. Purdue University's audit is conducted by the Indiana State Board of Accounts.

Any federal agency, however, can also audit its awards. These audits tend to be efforts to determine whether the University is managing grants and contracts in accordance with federal laws and regulations.

### **9.10.4 Audit Request**

RQA is the focal point for the coordination and conduct of financial audits of sponsored

programs. Upon notification of an audit, SPS will inform Internal Audit and the department business office who will notify the PI of the anticipated audit.

Upon being contacted by SPS, the Business Office will designate an individual with knowledge of program expenditures for the purpose of answering questions that may arise during the audit. The Business Office must also notify and/or arrange for the principal investigator or other individuals at the department or school level to be available for an interview, if so requested by the auditors.

#### **9.10.5 Entrance Conference**

Auditors will often request an entrance conference. If the PI and Business Office representative need to be present they will be notified by RQA. A RQA representative will act as the liaison between the auditors and all other University areas for the purpose of retrieving documentation and/or contact with department personnel.

#### **9.10.6 Documentation Requests**

Auditors must provide a list of required documentation identifying each transaction to be reviewed.

#### **9.10.7 Exit Conference and Audit Reports**

An exit conference is normally conducted at the close of any audit.

## **Chapter 10**

### **Other Awards and Agreements**

There are a number of types of non-federal awards and agreements in support of research that also require special consideration. As with grants and contracts, all agreements discussed below, with the exception of consulting agreements, require an authorized institutional signature and must be reviewed by either the contracting offices of SPS or Procurement Services.

<http://www.purdue.edu//sps/contractmgmt/index.html>

### **10.1 Confidential Disclosure Agreements (CDAs)**

CDAs (also called Non-Disclosure Agreements (NDAs)), are agreements under which one or both parties commit to keeping information disclosed to them confidential for a certain time and using it only for an agreed purpose. These are typically presented in connection with exploring possible research collaborations and may be required before Purdue investigators and colleagues enter into a research collaboration agreement in order to permit the parties to share proprietary research ideas on a preliminary basis. For additional information or review of CDAs, contact the Industrial/Foundation Contracting Team of SPS.

The agreement insures that both parties maintain any confidential information they may receive as part of the collaboration. They do not and should not define any results arising from Purdue research as confidential.

The Industrial/Foundation Contracting Team of SPS has the responsibility of reviewing and signing these types of agreements, and this review is very important.

Occasionally these types of agreements will severely limit the faculty member's right to publish, or in some way, stifle their progress on a research project. The agreement must be reviewed very carefully to make sure this type of language is removed from the agreement. Since the faculty or staff member entering into the agreement has the ultimate responsibility for carrying out the terms of the agreement, they are also required to sign the agreement in acknowledgement of the terms.

Confidential Non-Disclosure Agreement template:

<https://www.purdue.edu/business/sps/contractmgmt/nondisclosure.html>

## 10.2 Material Transfer Agreements

Material transfer agreements (commonly called "MTAs") are agreements that set the terms on which proprietary materials are transferred by Purdue to, or received by Purdue from, another institution for use by designated persons in specified research protocols.

Proprietary materials that are often transferred under an MTA include, for example, certain chemical compounds and genetically altered mice. MTAs address the scope of permitted use, publication, and the respective intellectual property rights of the transferor and recipient. The terms of these agreements vary depending upon whether the materials are "incoming" or "outgoing" and whether the other party is an academic institution or a for-profit company. Hazardous materials and materials to be used in humans may be transferred under an MTA, but special conditions will apply.

Researchers generally initiate an incoming transfer by obtaining a standard form from the transferring institution. Faculty members generally deal directly with the Industrial/Foundation Contracting team on MTAs. A faculty member who is receiving materials is often required to sign the MTA, in addition to the appropriate University office. As with other agreements, an authorized institutional signature is required in addition to the signature of the PI.

Purdue has a standard template for outgoing material for education and research purposes and is also a signatory to the Uniform Biological Material Transfer Agreement, which serves as a set of Master terms and conditions for the sharing of biological material. The Industrial/Foundation Contracting team can assist the faculty member in determining the appropriate contract vehicle.

Additionally, MTAs must also be reviewed for regulatory and Intellectual Property issues. Again, the Industrial/Foundation Contracting team will coordinate with the office of the Vice President for Research and the Office of Technology and Commercialization to secure their approvals.

Purdue University MTA Template:

<https://www.purdue.edu/business/sps/contractmgmt/agrtemplates.html>

## 10.3 Subcontract Agreements

- Subcontracts are an extension of sponsored program research where research is conducted at another facility that has the expertise to conduct the research.
- Subcontracts are mostly implemented due to the P.I.'s needs.
- Subcontracts can result from collaborative efforts between P.I.'s at different facilities.
- Subcontracts can result from collaborative agreements where the prime sponsor will fund Purdue University to administer the project, but sub to other research entities.
- Requests for new subcontracts under Sponsored accounts must include a subcontract proposal with budget, subcontractor's statement of work and institutional signature. They should be included in Purdue's proposal to our sponsor or sent to the appropriate Account Manager, if the award is already made. The Contracting offices of SPS will not execute a subcontract without the Post Award Research Administrator's approval.

#### **10.4 Intergovernmental Personnel Act Agreements (IPAs)**

Intergovernmental Personnel Act (IPA) Agreements are contracts whereby a University employee may provide research, administrative or other services to a federal agency for a limited period of time. Some or all of salary and staff benefits are paid by the federal agency while the individuals are still considered University employees. The University must agree to employ an individual in the same capacity after his or her assignment.

Contact the contracting offices of SPS for further information. An IPA agreement requires a proposal and academic approvals prior to execution.

#### **10.5 Consulting Agreements**

Consulting agreements are used when the University wants to engage someone on a temporary or ad hoc basis. They are maintained within the University's Tax Group. For more information on consulting agreements, please follow the link below.

[http://www.purdue.edu/business/taxes/Consultant\\_Payments/index.html](http://www.purdue.edu/business/taxes/Consultant_Payments/index.html)

In the event a consulting agreement requires negotiation, the University's Tax Group will work with the Federal/State contract team of SPS to get that taken care of.

Please note, when a faculty, staff member or student discloses an outside activity and the third party they are interacting with requires that they sign a consulting agreement, this does not require Purdue's contractual review or approval, as Purdue is not a party to the agreement. The person involved should include a copy of the consulting agreement with their Form 32a.

#### **10.6 Miscellaneous Agreements**

The Contracting offices of SPS are responsible for the review, negotiation, and execution of "Miscellaneous Agreements". This is a broad category of agreements that are defined as agreements not associated with sponsored program accounts. Some examples include but are not limited to:

- Unfunded Collaborative Agreements (see 10.6.1)
- Service Agreements, if related to a recharge activity (see 10.6.2)
- Industrial Affiliate Program or Industry Supported Consortia Agreements (see 10.6.3)
- clinical externship affiliation agreements with health care providers;
- performance agreements for Purdue Musical Organizations; and
- Rental agreements with various venues for Purdue activities.
- Equipment loans and transfers
- Teaming Agreements – Often needed when Purdue is expecting to submit a proposal underneath a company to the Federal government.

The agreements are usually submitted to the Contracting offices of SPS by the departmental business offices. They should be submitted with the completed Miscellaneous Agreement route sheet.

Miscellaneous Agreement Route Sheet

[http://www.purdue.edu/business/coeus/Display\\_Only/document\\_type\\_matrix.html](http://www.purdue.edu/business/coeus/Display_Only/document_type_matrix.html)

##### **10.6.1 Unfunded Collaborative Agreements**

These are agreements under which Purdue investigators work with researchers from other non-profit or for-profit entities on defined research projects. These may involve sharing or exchange of research materials and other resources, and contemplate intellectual input from both parties. Important considerations include whether any confidentiality provisions are included in the agreement and, if so, whether the terms have been communicated to all key personnel; any Intellectual Property (IP) terms governing ownership and access to any resulting inventions; and any cost sharing that

may be contemplated. While these agreements involve no funds, they cannot be executed without Principal Investigator and Department Head approval. This allows the Department Head to assess if the activity is an appropriate use of Department resources, since no funds are coming from the collaborator.

### **10.6.2 Service Agreements**

Service agreements stipulate that Purdue will provide services to another entity or that another entity will provide services to Purdue. Projects must be in accord with the mission of the University and must contribute to the objectives of the Department and School. Service agreements may address a variety of areas:

- Service agreement for analysis or assay
- Use agreements (may include equipment, facilities, and computer programs)

Service Agreements that include the loan of equipment should involve both the contracting offices of SPS and the Procurement Services Department to ensure that the terms are consistent with those typically negotiated with an equipment vendor and place the University in a position of minimal risk and liability. Other considerations include the eventual disposition of the loaned equipment, cost of equipment maintenance and possible confidentiality of equipment specifications or performance. While the data resulting from a testing agreement may be linked with a sponsor's material (which may or may not be proprietary), the agreement should not prohibit publication by the University of the PI's methods.

Budgeting for service agreements assumes recovery of full cost including F&A. Payment of testing or analysis performed on a piece of equipment purchased with federal funding may be accountable as program income to the federal award. Any inappropriate use of testing agreements may be subject to unrelated business income tax.

Consideration should be given to the need for insurance. Indemnification of Purdue should be part of a Service Agreement.

In order to ensure that service projects are costed correctly, they must either be associated with an approved Recharge Center (see <http://www.purdue.edu/business/mas/pdf/Policy.pdf> for further guidance) or be processed as a SPS proposal, including a complete statement of work and detailed budget.

### **10.6.3 Industrial Affiliates Programs and Industry Supported Consortia**

There are several labs and departments on campus that have set up programs that allow for industry members to support basic research in specific fields. These programs go by different names, but are often referred to as Industrial Affiliate Programs or Consortia.

Some are handled as voluntary support with award letters, but others have actual membership agreements to memorialize the understanding of all parties. When a new member is identified, the director of the center shares the latest version of the member agreement with the member and then sends the fully executed membership agreement to the Industrial/Foundation Contracting Team for archiving. If a member asks for changes to the member agreement, the Industrial/Foundation Contracting

Team will negotiate with the member directly. It is important to note, however, that Purdue will not accept changes that will materially impact the rights of other members of the Consortium.

If a department or PI is interested in establishing a new Industrial Affiliates Program or Consortium, the Industrial/Foundation Contracting Team has template contracts to

start from. Direct the PI to the Industrial/Foundation Contracting Team and the team will begin the discussions to get an agreement in place.

## Chapter 11

### Transfer Issues in Grant Administration

#### 11.1 Policies and Procedures for when a PI leaves Purdue University

The ability to transfer a sponsored project from Purdue to another institution is dependent upon the regulations and policies of the sponsoring agency and those of Purdue University. Policies vary widely between sponsors and the PI is strongly encouraged to contact the appropriate SPS Post Award area for specific information as soon as possible after deciding to move to another institution. There are four parties involved in any transfer request: the PI, the original institution, the new institution, and the sponsor. Should the original institution decide not to nominate another PI or to continue the project at the institution, and if the new institution is willing to undertake the administration of the project, the sponsor will usually agree to the transfer. Criteria for this decision include:

- Consideration of the time left on the project
- The amount of remaining funds
- What, if any, work will remain at Purdue
- Whether the new institution has adequate facilities, equipment and staff

The PI should remember that equipment purchased on prior awards or competing segments of an award being transferred are the property of the University and may not be transferred to the new institution without specific permission from Purdue and appropriate compensation for any cost sharing or alterations/renovations originally required to put the equipment in service.

##### 11.1.1 NIH Awards

NIH requires the submission of an "Official Statement Relinquishing Interests and Rights in a Public Health Service Research Grant," which signifies the original institution's willingness to terminate the grant and to relinquish all claims to any unexpended funds. The form indicates the proposed date of transfer and **estimates** the amount of funds that remain in the account. For specific instructions about transferring a NIH grant, see

[http://grants.nih.gov/grants/policy/nihgps\\_2012/nihgps\\_ch8.htm](http://grants.nih.gov/grants/policy/nihgps_2012/nihgps_ch8.htm)

To transfer a Purdue grant to a new institution, the following forms are required:

- Relinquishing Statement
- Final Invention Statement Forms and information can be found at: <http://grants.nih.gov/grants/forms.htm>.
- Final Effort Report
- Final Financial Status Report

All requests must be routed through the departmental business office to SPS for review and processing. A proposal must be prepared by the new institution and submitted to NIH.

To transfer a grant to Purdue, the Relinquishing Statement is completed by the original institution and sent to NIH. The PI must prepare a new proposal at Purdue for submission to NIH. The proposal must be routed through SPS as with all other proposals.

#### NIH Documentation for PI Transfers



<http://www.purdue.edu/sps/postaward/sponsors/dhhs/index.html>

### **11.1.2 National Science Foundation (NSF) Awards**

A grant from NSF may be transferred to a new institution, with the approvals of the original and new institutions. The original institution completes the NSF Grant Transfer Request, estimating the amount of funds to remain at the date of transfer. Submitting the request constitutes agreement by the new organization to assume responsibility for completion of the project effort and to administer the grant (as originally awarded) from the transfer date to completion in accordance with applicable NSF terms and conditions.

[http://www.nsf.gov/pubs/policydocs/pappguide/nsf09\\_29/aag\\_2.jsp#IIB2h](http://www.nsf.gov/pubs/policydocs/pappguide/nsf09_29/aag_2.jsp#IIB2h)

To transfer a Purdue grant to another institution, the NSF Grant Transfer Request is completed in FastLane by the departmental business office. Access is allowed for SPS for review and submission to NSF. The Transfer Request is sent to the new institution, which will prepare a budget for the unobligated balance in the current year and any future committed years of the grant. The budget, a progress report and statement of work to be accomplished, plus appropriate certifications are sent to NSF by the new institution. To transfer a grant to Purdue, the NSF Grant Transfer Request is completed by the original institution and sent to Purdue via FastLane. The PI and SPS Pre-Award prepare a budget for the unobligated balance in the current year and any future committed years of the grant. The budget, a progress report and statement of work to be accomplished are sent to SPS for review and submission to NSF, along with appropriate certifications.

### **11.1.3 Other Sponsors and Non-Transferable Awards**

Contact SPS for information specific to other sponsors. Some sponsors have their own forms, while others may require letters seeking approval for transfers. Timelines vary among organizations. Some awards are not eligible for transfer because they are dependent upon institutional resources (for example, training grants). Clinical trial agreements are also not transferable and must be closed out prior to the PI leaving Purdue.

### **11.1.4 Transfer and Disposition of Equipment**

Equipment purchased with University funds in whole or in part is the property of Purdue University. Equipment purchased using funds from an external sponsor may belong to the University or to the sponsor depending upon the sponsor's regulations. Permission must be granted by the Provost's Office (for the Faculty of Arts and Sciences) or the Dean (for the Schools of Medicine and Nursing) for Purdue-owned equipment to be transferred to a new institution.

Equipment/Property Accounting:

<http://www.purdue.edu/business/mas/property/>

Policies & Procedures for acquisition, tagging, and safeguarding property inventory:

<http://www.purdue.edu/business/mas/property/policy.html>

Equipment Screening:

<https://www.purdue.edu/business/mas/property/policies/screenequip.html>

### **11.1.5 Safety Considerations Upon Leaving Purdue University**

If a PI plans to leave Purdue, the Office of Environmental Health and Safety (OEHS) should be consulted for guidance about the proper procedures for storing materials and equipment, transferring materials and equipment, and cleaning the lab.