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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 tenure track faculty 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:

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

Current list of Non-Faculty Approved for PI Status:

<http://www.purdue.edu/sps/xls/piapprovalist.xls>

1.3.1 Research Faculty Implementation Guidelines

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

http://www.purdue.edu/Research/vpr/policies/docs/Research_Faculty_Implementation_Guidelines-Finalrev0905.pdf

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

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

1.7 Disclosure of Conflict of Interest

Under University policy and Indiana law, staff members who were appointed by the Board of Trustees or who are employed in any position involving any authority to purchase or contract on behalf of the University, must file disclosure statements with the Board of Trustees, stating any financial interest they may have in any University contract or purchase.

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.

Conflict of Interest: Policies and Management:

<http://www.purdue.edu/research/vpr/rschadmin/coi/index.php>

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

http://www.purdue.edu/research/vpr/rschadmin/coi/disclosure_fin_int.php

University Policy on Conflicts of Interest and Commitment (C-39):

http://www.purdue.edu/policies/pages/human_resources/c_39.html

Compliance with New "Conflicts of Interest" Disclosure Requirements (C-1):

http://www.purdue.edu/policies/pages/human_resources/c_1.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:

http://www.purdue.edu/policies/pages/human_resources/c_1.html

Form 35 – Disclosure of Relationships with Outside Organizations:

http://www.purdue.edu/research/vpr/rschadmin/coi/docs/SFI_Disclosure_Form_2012-13.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):

<https://marketing.purdue.edu/Toolkit/Trademarks/Policy>

1.10 Openness in Research

The University does not conduct or permit its faculty to conduct secret or classified research.

Policy on Research Misconduct:

http://www.purdue.edu/policies/pages/teach_res_outreach/viii_3_1.html

1.11 Intellectual Property

Policy on Intellectual Property:

http://www.purdue.edu/policies/pages/teach_res_outreach/viii.4.1.htm

1.12 Patents, Licensing and Copyrights

Policy on Intellectual Property:

http://www.purdue.edu/policies/pages/teach_res_outreach/viii.4.1.htm

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 (VI.4.1):

http://www.purdue.edu/policies/pages/records/vi_4_1.html

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

http://www.purdue.edu/policies/pages/records/vi_4_2.html

Record Retention Guide:

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 Director of Sponsored Programs Services.

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/sps/general/staff.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/iib4.html>

Stewardship of Gifts:

<http://www.purdue.edu/policies/business-finance/iib5.html>

2.3 Who Can Submit a Proposal for Externally Sponsored Activity?

All tenure track faculty 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:

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

Current list of Non-Faculty Approved for PI Status:

<http://www.purdue.edu/sps/xls/piapprove/elist.xls>

2.4 Administrative Offices in Support of Research

Sponsored projects administration is a joint effort between Sponsored Programs, the University business offices, the Deans and Chairs, and the Principal Investigators.

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 Office of the Vice President for Research

The mission of the Office of the Vice President for Research (OVPR) 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/sps/general/staffDirectory.html>

Sponsor Guidelines:

<http://www.purdue.edu/sps/postaward/accountmgmt/priorapproval/paguidelines.html>

2.5.1 Federal

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

Department of Defense

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

Department of Energy

<http://www.purdue.edu/sps/postaward/sponsors/doe/>

Department of Health and Human Services

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

Department of Transportation

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

National Aeronautics and Space Administration

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

National Science Foundation

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

US Department of Agriculture

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

Department of Education

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

Department of Interior

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

Environmental Protection Agency

<http://www.purdue.edu/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/sps/staff/othergov.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/sps/postaward/sponsors/state/>

2.5.3 Industrial and Not-for-Profit

The guidelines for sponsored programs from Industrial and Not-for-Profit organizations are also different from Federal sponsors. For more information, follow the links below.

Industrials

<http://www.purdue.edu/sps/postaward/sponsors/indus/>

Not-for-Profit

<http://www.purdue.edu/sps/postaward/sponsors/nfp/>

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.

3.1 Obtaining Institutional Review Board (IRB) Approval

Directions on obtaining IRB approval can be found at the following link.

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/humans/approval.php>

3.2 Human Subjects Research

Purdue University is committed to safeguarding the rights and welfare individuals who participate as subjects in research. This commitment has been demonstrated continuously since 1977 when President Arthur G. Hansen established the University Committee on the Use of Human Research Subjects. In Executive Memorandum B-45, President Hansen delegated to the Committee the responsibility of protecting human subjects. The Memorandum also set forth the duties and powers of the Committee, which continue today. We hope you will take a few minutes to familiarize yourself with this timeless document.

Executive Memorandum B-45:

<http://www.purdue.edu/policies/academic-research-affairs/b-45.html>

Human Research Protection Program (HRPP):

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/humans/index.php>

HRPP Education:

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/humans/edu.php>

Education Policy for Conducting Human Subjects Research:

http://www.purdue.edu/research/vpr/rschadmin/rschoversight/humans/docs/education_policy.doc

HRPP Forms:

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/humans/forms.php>

3.3 HIPAA Privacy and Security

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) included provisions to protect the privacy of individually identifiable health information and established the conditions under which covered entities might release such information for research purposes. The new regulations went into effect as of Monday, April 14, 2003. For researchers who currently obtain protected health information (PHI) from a covered entity, and for those investigators who in the future may wish to obtain PHI as part of their research or to pre-screen potential research subjects, the requirements imposed by HIPAA will change how you conduct your research. The guidelines provided in the following document are designed to assist researchers affected by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) which is commonly referred to as the Privacy Act.

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/humans/hipaaguidelines.php>

3.4 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/vpr/rschadmin/coi/index.php>

3.5 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 and LAP work together to conduct facilities inspections and investigate areas of concern.

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.

LAP

- provides veterinary care.
- assures that animal housing, environments, and husbandry practices are consistent with federal policies.
- provides training in the performance of PACUC procedures.
- LAP documents that deficiencies have been corrected in a timely manner.

- LAP assesses and remedies reported areas of concern.
- LAP ensures that corrective actions are implemented.

Further Information and Resources can be found at:

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/animals/>

3.6 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. Principal investigators (PIs) must submit to the IBC an application to use rDNA and other biohazards in their research. While certain rDNA protocols are exempt from the Guidelines, a determination of this exemption may only be made by the Chair of the IBC. The IBC convenes as a group semi-annually or more frequently as needed to fulfill its responsibilities.

The IBC review is conducted in accordance with the guidance and requirements of NIH, the Centers for Disease Control (CDC), and Purdue University policies and the Biosafety Manual. All PIs have an obligation to be closely familiar with health and safety guidelines applicable to their work and to adhere to them. Purdue's Radiological and Environmental Management (REM), the Office of Research Administration (ORA) and the Biosafety Officer work to support the IBC in carrying out its responsibilities.

Further Information and Resources can be found at:

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/rdna/index.php>

3.7 Radiation or Lasers

Regulations involving radiation or lasers are administered through the Office of Radiological and Environmental Management (REM) at Purdue University.

<http://www.purdue.edu/rem/>

Radiation Safety:

<http://www.purdue.edu/rem/rs/rs.htm>

Laser Safety:

<http://www.purdue.edu/rem/laser/laser.htm>

Further Information and Resources can be found at:

<http://www.purdue.edu/research/vpr/rschadmin/radiationorlasers.php>

3.8 Controlled Substances

This procedure is in place to ensure that Purdue University is in compliance with both State and Federal regulations concerning the use and handling of controlled substances. This procedure applies to Purdue University staff who utilize controlled substances while teaching or conducting research. Compliance will be accomplished by proper licensing with the State and the U.S. Department of Justice Drug Enforcement Administration (DEA), record keeping, inventory, and handling by University research staff.

Further Information and Resources can be found at:

<http://www.purdue.edu/rem/eh/DEA.htm>

3.9 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.

Purdue has developed guidance in the form of answers to Frequently Asked Questions to help researchers and others in the university community to recognize situations where EAR and ITAR may apply to research projects and results, but each individual is ultimately responsible for understanding and complying with the EAR and the ITAR when applicable to his or her activities. Considering the following points will help individuals determine whether or not the EAR or the ITAR may apply in particular situations and to identify situations which may require further guidance.

[Please click here for answers to Frequently Asked Questions on Export Control Regulations](#)

Further Information and Resources can be found at the following links:

http://www.purdue.edu/research/vpr/rschadmin/rschoversight/export/what_are.php

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/export/index.php>

3.10 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 Supplier Relationship Management (SRM) shopping cart approval flow for the corresponding restricted commodity. In SRM 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/purchasing/SRM/restrictedCommodities.html>

3.11 Emergency Response

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/

Emergency Procedures Handbook:
<http://www.purdue.edu/police/assistance/emergencies/fire.htm>

3.12 Environmental Health and Safety

Biological Safety Manual:
<http://www.purdue.edu/rem/home/booklets/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 Community of Science). This site also provides information about planned funding opportunities from NIH.

<http://www.purdue.edu/research/vpr/funding/index.php>

4.2 Internal Funding Opportunities

The Office of the Vice President for Research 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:
<http://www.purdue.edu/research/vpr/funding/itg.php>

PRF Summer Faculty Grants:
<http://www.purdue.edu/research/vpr/funding/sfg.php>

PRF Research Grants:
<http://www.purdue.edu/research/vpr/funding/researchgrants.php>

Kinley Trust:
<http://www.purdue.edu/research/vpr/funding/kinley.php>

Showalter Trust:
<http://www.purdue.edu/research/vpr/funding/showalter.php>

McCoy Award:

http://www.purdue.edu/research/vpr/funding/research_awards.php

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:

<http://www.purdue.edu/research/vpr/funding/external.php>

Limited Submissions:

<http://www.purdue.edu/research/vpr/rschdev/lid1.php>

NIH Notices:

<http://www.purdue.edu/research/vpr/recovery/NIHNotices.shtml>

4.4 Email Alerts

http://www.purdue.edu/research/vpr/funding/funding_resources.php

4.4.1 Community of Science

This is the primary source for funding information at Purdue.

<http://registration.cos.com/cgi-bin/register>

4.4.2 EPA

https://lists.epa.gov/read/all_forums/

4.4.3 MyNSF

<http://www.nsf.gov/mynsf/>

4.4.4 NIH Guide

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

4.4.5 NASA

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

4.4.6 Federal Business Opportunities

<https://www.fbo.gov/index?cck=1&au=&ck=>

4.5 Search Tools

http://www.purdue.edu/research/vpr/funding/funding_resources.php

4.5.1 Community of Science

<http://fundingopps.cos.com/>

4.5.2 GrantsNet

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

4.5.3 Federal Register

<http://www.gpoaccess.gov/fr/>

4.5.4 Foundations

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

4.5.5 Federal Business Opportunities

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

4.5.6 Grants.gov

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

4.6 American Reinvestment and Recovery Act (ARRA)

The Office of the Vice President for Research has developed a website devoted to ARRA information. If you have any questions regarding ARRA funding opportunities, please visit the site below our contact the Pre-Award area of SPS.

<http://www.purdue.edu/Research/vpr/recovery/index.shtml>

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 generic proposal, a number of major components do recur throughout most proposals. These major elements are found at the following link:

<http://www.purdue.edu/sps/preaward/Proposals/propelements.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/vpr/rschdev/documents/OVPR_Guide_to_Grants_Process_2012.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.

http://www.purdue.edu/business/coeus/Proposals/Admin_Guide_Proposals/Admin_Guide_PropDev/proposal_types.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 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 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 URLs should be forwarded to the appropriate Pre-Award Center along with application 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 to an opportunity.

Pre-Award Centers:

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

At the regional campuses, business offices must complete the Proposal Notification Form as soon as they receive the information that a PI is intending to submit a proposal.

Proposal Notification Form – Information:

<http://www.purdue.edu/sps/proposals/notificationform.html>

Proposal Notification Form - Online Submission Form:

<http://www.purdue.edu/sps/proposals/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 Discovery Park Pre-Award Center as soon as it is known that you will be preparing a proposal.

http://www.purdue.edu/sps/preaward/General_Info/DPWelcome.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

- Notifies Pre-Award Center of intent to submit proposal as soon as PI becomes aware of opportunity
- Familiarize self with submission application
- Works with the Pre-Award Center on preparing budget papers
- Notifies Pre-Award Center of collaborating institution(s) and provides business contact
- Completes text and any other necessary agency forms in compliance with agency guidelines with the assistance of the Pre-Award Center. May include: Checklist, Biosketch, Budget Justification, Current & Pending, etc.
- Assures the proposal meets format requirements (fonts, page #'s, etc.)
- Solicits and secures all cost share commitments
- Completes Proposal Worksheet
- Forwards entire proposal to Pre-Award Center
- Make changes to documents as needed
- Provides contact information to the Pre-Award Center for any proposal questions throughout the review process
- Sign and initial Proposal Submission Form

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 and agrees on cost share commitment
- Signs Proposal Submission Form to indicate approval of proposal for transmission to sponsor

5.4.3 Dean

- Reviews and agrees on school cost sharing commitment
- Reviews any space commitment
- Signs Proposal Submission Form to indicate approval of proposal for transmission to sponsor

5.4.4 SPS Pre-Award Center

- Review sponsor guidelines and identify key issues
- Facilitate meetings with PI, business office, and other appropriate individuals
- Collaborate with OVPR staff, as appropriate, during the proposal process
- Develop timeline for all input and approvals
- Secure subcontract information
- Involve Procurement. Contracting Group (PCG) services if needed
- Works with PI on budget and creates new Proposal Development record in Coeus
- Consults with other Pre-Award Centers, when necessary
- Provides copies of final budget information to PIs and Co-PI's business office
- Prepare budget and review budget justification
- Checks proposal text for budget-related statements
- Reviews cost sharing commitments and prepares necessary cost share forms
- Reviews proposal format requirements, # of pages, etc., if time permit
- Answer "Yes/No" questions in Coeus based on Proposal Worksheet
- Completes all Coeus Proposal Development data entries
- Mark Coeus budget as final and complete
- Runs the Coeus validation checks and notes any special circumstances in the comments in Coeus
- Generate all forms needed out of Coeus (Proposal Submission Form, Sponsor Forms)
- Assist with sponsor forms and electronic submission systems

- Assure the proposal meets all sponsor guidelines and is in final form
- Assures appropriate academic signatures are obtained
- Assist with sponsor requests for re-budgets, Just in Time information, etc.
- Provide Institutional approval for proposal
- Generates additional hardcopies to sponsor
- Completes proposal package and ensures it is in "Final Form"

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.

Coeus User's Guide:

http://www.purdue.edu/coeus/Administrative_Portal/index.html

Proposal Development:

http://www.purdue.edu/business/coeus/Proposals/Admin_Guide_Proposals/Admin_Guide_PropDev/creating_new_record.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 all major proposal information: Basics, Policies, Preparation, Budget, Forms, Processing, Electronic Submissions, Deadlines, and Tracking.

<http://www.purdue.edu/business/sps/preaward/Proposals/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 Circulars 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 circulars that are most relevant to universities include:

- **OMB Circular A-21**: Cost Principles for Educational Institutions. This circular establishes principles for determining direct and indirect costs applicable to grants, contracts and other agreements with educational institutions.

http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a021/a21_2004.pdf

OMB Circular A-21 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 like 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 OMB Circular A-21. 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.

- **OMB Circular A-110:** Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations. This circular sets forth the maximum administrative requirements that educational institutions must adhere to. Individual federal agencies are required to implement OMB Circular A-110 as individual agency regulations, such as the NIH Grants Policy Statement or the NSF Grant Policy Manual.

http://www.whitehouse.gov/omb/circulars_a110/

- **OMB Circular A-133:** Audits of Institutions of Higher Education and Other Non-Profit Institutions. This circular establishes audit requirements and defines federal responsibilities for implementation and monitoring such requirements for institutions of higher education receiving federal awards.

http://www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2013

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. Departmental business office personnel and the SPS 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/Proposals/Admin_Guide_Proposals/Admin_Guide_PropDev/index.html#propdevC

Proposal Budgeting:

<http://www.purdue.edu/sps/preaward/Proposals/budgethome.html>

Cost Allocation Guidelines for Charges to Sponsored Programs:

https://www.purdue.edu/business/costing/BPM/CAS_Guidelines/cost4.html

CAS Budget Guidelines:

https://www.purdue.edu/costing/BPM/CAS_Guidelines/chrindx.html

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 the budget was developed in the manner it was. 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 unlike circumstance

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 or spreadsheet must accompany each proposal submitted to SPS for review and approval. 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 the business office or 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.

Established Fringe Benefit Rates:

<http://www.purdue.edu/business/sps/preaward/Proposals/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/taxes/Consultant_Payments/consultantforms.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/pdf/graf%20fee%20remissions.pdf>

SPS Memo – Budgeting Graduate Student Fee Remissions:

http://www.purdue.edu/sps/preaward/pdf/Grad_Fee%20Remit_Memo_%20Oct_2009.pdf

Clarification of Graduate Fee Remission Vs Tuition and Fees:

<http://www.purdue.edu/sps/accountmgmt/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.

http://www.purdue.edu/business/mas/pdf/Capital_policy_acct_letter.pdf

6.4.1.5 a 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.

<http://www.purdue.edu/business/sps/postaward/accountmgmt/Computer%20Purchases%20Quick%20Reference%20Sheet.pdf>

6.4.1.6 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 in the case of a large Center or

multidisciplinary project. General office supplies are typically not allowed because the costs of those items are recouped in the Facility and Administration charges.

6.4.1.6a 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.

<http://www.purdue.edu/business/sps/postaward/accountmgmt/Computer%20Purchases%20Quick%20Reference%20Sheet.pdf>

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 publication costs, 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 The sponsor requires the conduct of an audit not subject to federal OMB Circular A-133, 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 Agreement:

<http://www.purdue.edu/sps/preaward/pdf/rateagreement.pdf>

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.

Facilities and Administration (F&A)

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

6.4.2.1 Unlike Circumstances

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

- Large complex programs
Example: General Clinical Research Centers, Program Projects, Environmental Research Centers
- Extensive data accumulation, surveying
Example: Clinical trials, retrospective clinical record studies
- Preparation of manuals, reports
- Geographically inaccessible

The following costs are normally considered a facilities and administrative cost and these may be justified as a direct cost to a project if noted in the proposal as an **unlike circumstance**:

- Clerical or administrative salaries
- Office Supplies
- Local telephone or Purdue data network charges

Criteria for Unlike Circumstances to be Considered Allowable:

- "Unlike Circumstances" exist
- The cost is budgeted and justified in the proposal
- Cost is approved by sponsoring agency, **or**
- Budget is awarded in full
- Cost is not specified as unallowable

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 State SPS account manager.

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 Industrial SPS account manager.

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

<http://www.purdue.edu/business/sps/preaward/Proposals/fandaratesforip.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 Industrial SPS account 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. 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 Circular A-110, 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 Circular A-21), 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 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/Proposals/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 Vice President for Research. Requests to utilize any of these cost sharing funds must be discussed with the Special Assistant to the Vice President for Research. The formal request to utilize any of these funds for cost sharing commitments must be forwarded to the Special Assistant to the Vice

President for Research not less than two weeks prior to the date of proposal submission.

- The Facilities & Administrative costs and fringe benefits 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 fringe benefits and/or Facilities and Administrative costs, then that fund source will be responsible for the fringe benefits and/or Facilities and Administrative costs associated with the cost sharing.

OVPR Proposal Cost Sharing Process

<http://www.purdue.edu/research/vpr/policies/costsharing.php>

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 OMB Circular A-110.

6.10 Cost Share Documents

Form 32:

<http://www.purdue.edu/business/sps/pdf/form32.pdf>

Form 32 Instructions:

<http://www.purdue.edu/sps/pdf/form32instruct.pdf>

6.11 Helpful Cost Sharing Links

Cost Sharing Guide:

http://www.purdue.edu/sps/pdf/Cost_Share_Guide_2010.pdf

Memo Match Expectations:

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

Best Practices for Unbudgeted Funds:

<http://www.purdue.edu/sps/doc/Unbudgetedfundsbestpractices.doc>

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

If the department is not serviced by a Pre-Award Center, proposals should be routed through the PI's department business office before being sent to SPS. Sufficient time should be allowed for administrative review and transmittal prior to any sponsor deadline. Electronic applications are held to the same standards and policies as those submitted in paper formats.

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

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 Submission Form – complete with all required signatures
- Coeus Budget
- Cost Share Commitment Forms
- Proposal – Final Form: narrative, budget, budget justification, etc.
- Additional Sponsor Copies
- Electronic Files/Packages
- All Subaward Information
- Other Sponsor Requirements
- Letters of Support

The Proposal Submission Form must be signed by 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 number of copies of the proposal required by the sponsor and the deadline for submission of proposals. Normally SPS will be responsible for 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/sps/contractmgmt/Proposals/foundationproposals.html>

7.3 Paper Transmissions

If a hard copy submission is required, the entire final proposal, including budget, justification, narrative, bios/cv's, 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 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. Other systems (US Dept of Education, American Cancer Society) do not allow access for institutional review. 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, verify cost-share commitments and/or matching funds, verify documentation for subcontractors and/or consultants, and review Proposal Submission Form for appropriate signatures and PI compliance with relevant special reviews.

7.4.1 Various Electronic Submission Methods

Department of Energy - Grants.gov

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

NIH - eCommons

<https://commons.era.nih.gov/commons/index.jsp>

NSF - Fastlane

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

Grants.gov

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

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 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.

<http://www.purdue.edu/sps/preaward/Proposals/deadlinehome.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 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 submitted to SPS for review and 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 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.

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 applied 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 contract, 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:
 - **Organized Research** – This template protects Purdue's ability to publish research results and provides the Sponsor a generous grant of rights to developed Intellectual Property, while preserving Purdue's ownership rights.
 - **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 Organized 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 concerns. 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 account 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:

http://www.purdue.edu/sps/contractmgmt/General_Info/contractinghandles.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, patents or copyright licenses, biomaterials, equipment loans, materials transfer, 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.

The Procurement Contracting Group, an element of the Procurement Services, has been given the responsibility of delegating signature authority to key departmental representatives in order to expedite the speed with which the university processes routine or standard contracts. This delegation allows specific, routine contracts to be signed at the departmental level without the need to send them to the Contracting Offices of SPS for signature. The Director of SPS has been given this authority. The Contracting Offices of SPS are responsible for monitoring these delegations, and for conducting an annual review of all authorized signatories.

The Contracting Offices of SPS are also responsible for training each potential delegate in the basics of contract review.

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/sps/postaward/accountmgmt/establishhome.html>

Account Management Guidelines for SPS Funds:

http://www.purdue.edu/sps/doc/Account_Management_Guidelines_for_SPS_Funds.doc

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 Curricular A-110. 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

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:
<http://www.purdue.edu/sps/pdf/ntp.pdf>

Notice to Proceed Request Form instructions:
<http://www.purdue.edu/sps/pdf/NTPinstructions.pdf>

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/sps/postaward/accountmgmt/priorapproval/Welcome.html>

Sponsor Specific Guidelines on Prior Approvals:
<http://www.purdue.edu/sps/postaward/accountmgmt/priorapproval/paguidelines.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 OVPR, 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 are 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 Circular A-21 sets federal requirements for the establishment of a Professional Effort Reporting System. 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

https://www.purdue.edu/costing/BPM/Effort_Reporting/Xwebparm3.html

The Effort Reporting Reference Manual is available at:

[https://www.purdue.edu/business/mas/BPM/doc/Revised%20PAR%20Process%20Quick%](https://www.purdue.edu/business/mas/BPM/doc/Revised%20PAR%20Process%20Quick%20Reference%20Manual.pdf)

Effort related forms and queries are available at:

http://www.purdue.edu/costing/BPM/Effort_Reporting/forms.html

Summer Salaries

Most sponsors will provide for compensation of faculty members with nine-month salary bases during summer months at their regular University salary rates 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.

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 tuition 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. PI's need to be aware of the specific requirements for their awards and to 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/sps/postaward/accountmgmt/priorapproval/Welcome.html>

9.4 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/sps/postaward/accountmgmt/priorapproval/Welcome.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 the 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.

OMB Circular A-21 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:

https://www.purdue.edu/business/costing/BPM/CAS_Guidelines/cost4.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 Office of Management and Budget's (OMB) **Circular A-21**.

Cost Allocation Guidelines for Charges to Sponsored Programs:

https://www.purdue.edu/business/costing/BPM/CAS_Guidelines/cost4.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

Account Management Guidelines:

http://www.purdue.edu/sps/doc/Account_Management_Guidelines_for_SPS_Funds.doc

9.8 Effort Commitment and Reporting

As a condition of receiving funding from the federal government, universities must maintain an acceptable system of reporting effort devoted to sponsored projects. 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 Total University Effort. The following addresses Purdue's response to the effort reporting requirement.

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. Below are policies and procedures with which faculty and administrators need to be familiar. These policies outline the requirements associated with certifying effort in accordance with the Federal Government's Office of Management and Budget (OMB) Circular A-21.

9.8.1 Certifying Effort

Effort Reporting Policy is available at:

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

Effort Reporting Manual is available at:

[https://www.purdue.edu/business/mas/BPM/doc/Revised%20PAR%20Process%20Quick%](https://www.purdue.edu/business/mas/BPM/doc/Revised%20PAR%20Process%20Quick%20Guide.pdf)

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. In certifying effort the following points must be considered:

- The percentage of an individual's salary charged to a sponsored project cannot exceed the percentage of the individual's effort that is expended on the project during an effort reporting period.
- If the percentage of effort expended in a given effort reporting period is less than the percentage of salary charged to the sponsored project during the period, the salary charges must be reduced to reflect actual effort.
- Generally, once a certification of effort has been completed, future salary reallocations, to modify an effort report after certification puts into question the veracity of the original certification.
- 100% Effort ≠ 40 hours ≠ 60 hours ≠ 10 hours, etc.
- There is no fixed work week (for faculty and certain "exempt" staff)
- Effort includes **only** those activities compensated by Purdue and excludes bonuses and one time extra compensation.
- Effort reporting excludes external consulting activities.

9.8.2 Activities Associated with Sponsored Project Effort

Identification of the appropriate activities that can be supported by a sponsored project is critical to accurate effort reporting. Many work related activities though expected and paid for by the University may not be appropriate for a sponsored project and do not further the mission of the project. Listed below are some of the activities that may or may not be appropriate for a sponsor to support.

9.8.2.1 Examples of activities that *are* part of sponsored projects effort:

- Effort devoted to conduct the research as identified in the proposal supported by e.g., NIH, NSF, DOD, foundations.
- Writing a progress report for an existing award.
- Holding a research meeting with lab staff.
- Attending a scientific conference related to the research being conducted and held by an outside professional society.
- Reading scientific journals to keep up to date with the latest advances in the field of research.

9.8.2.2 Activities *not* part of a sponsored project effort:

- Writing a new grant application (unless an expectation of a specific program such as an NIH Career award).
- Mentoring a junior faculty member in the department (unless part of a sponsored project requirement).
- Attending departmental faculty meetings.
- Serving on the IRB/Institutional Animal Care and Use Committee (IACUC)
- Serving on an NIH Study Section

9.8.3 Important Considerations

As sponsored projects start, expire and overlap it is important that the line of communication remain open between the PI and the business office. The business office staff needs to know what individuals are expected to work on a new project and what awards or University accounts individuals will transfer to when an award expires. In addition, it is important for all parties to address effort commitments that will not be met

or the need for a no cost extension to continue a project. Effort requirements could involve multiple parties; the PI, business office staff, SPS staff and the sponsor.

Professional Effort Reporting:

http://www.purdue.edu/business/costing/BPM/Effort_Reporting/Xwebparm1.html

The Effort Reporting Reference Manual is available at:

[https://www.purdue.edu/business/mas/BPM/doc/Revised%20PAR%20Process%20Quick%](https://www.purdue.edu/business/mas/BPM/doc/Revised%20PAR%20Process%20Quick%20Reference%20Manual.pdf)

Effort related forms and queries are available at:

http://www.purdue.edu/costing/BPM/Effort_Reporting/forms.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 with some vendors. Most large items require bids, or unique source justification. Consulting with the appropriate person in the Procurement Services department can greatly simplify and facilitate the process. 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/>

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 requires the approval of Sponsored Program Services (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:

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

Policies & Procedures, Forms and Instructions:

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

9.9.2 a Computers

The Federal government is sensitive to computer purchases on Federal awards. If the computer(s) have been itemized and justified in the sponsor approved budget then the computers can be purchased with no additional concerns. If computers have not been itemized and justified in the budget then appropriate documentation must be obtained prior to purchasing the computer(s). 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/postaward/accountmgmt/Computer%20Purchases%20Quick%20Reference%20Sheet.pdf>

9.9.3 Animal Charges

Purdue investigators conducting protocols involving animals will incur animal-related charges, including purchases and husbandry costs. As stated in the *Animal Care and Use* section in Chapter 3, PI are responsible for assuring that there is an approved protocol on file with the IACUC Office for any work involving the use of animals, and in the case of externally funded research, that the approved protocol is linked (congruent) with a specific proposal or sponsored project. Charges for the purchase or caring for animals **should not** be charged to a sponsored award prior to receiving such approval (congruency).

Executive Memorandum B-1: Duties and Responsibilities of the Purdue University Animal Care and Use Committee (PACUC):

<http://www.purdue.edu/policies/academic-research-affairs/b-1.html>

PACUC Executive Memorandum C-21: Occupational Health for Employees with Substantial Animal Contact in Projects Performed Under Protocols Approved by the Purdue Animal Care and Use Committee (PACUC):

<http://www.purdue.edu/policies/academic-research-affairs/c-21.html>

Purdue Animal Care and Use Committee:

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/animals/staff.php>

Policies and procedures when animals are used in research:

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/animals/policies.php>

PACUC Handbook:

<http://www.purdue.edu/research/vpr/rschadmin/rschoversight/animals/docs/Handbook1.pdf>

9.9.4 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 Circular A-21 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:

http://www.purdue.edu/travel/Approval_Reimbursement/spons1.html

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*: 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*: 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. For federal awards, interest on "excess cash" (cash in

excess of current expenses) in excess of \$250 annually must be returned to the federal government.

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 should be the norm 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:

http://www.purdue.edu/sps/doc/Account_Management_Guidelines_for_SPS_Funds.doc

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 sub contracting 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.

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 are outlined in the sponsor's notice of award or in the agency general terms and conditions.

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. The Office of Vice President for Research is responsible for preparing interim and final invention reports.

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 given 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, SPS should be informed immediately.

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) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" 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

SPS 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 SPS. A SPS 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:

http://www.purdue.edu/sps/contractmgmt/General_Info/agrtemplates.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:

http://www.purdue.edu/sps/contractmgmt/General_Info/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.
- The appropriate Contracting office of SPS prepares the subcontracts from the information provided on the Cost Analysis Worksheet which is completed by the Sponsored Program Account Managers. 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 Account Manager's approval.

Subagreement Cost Analysis Worksheet:

<http://www.purdue.edu/sps/doc/costworksheet.doc>

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.

This type of agreement will require a proposal to completely process.

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

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:

- o Unfunded Collaborative Agreements (see 10.6.1)
- o Service Agreements, if related to a recharge activity (see 10.6.2)
- o Industrial Affiliate Program or Industry Supported Consortia Agreements (see 10.6.3)
- o clinical externship affiliation agreements with health care providers;
- o performance agreements for Purdue Musical Organizations; and
- o Rental agreements with various venues for Purdue activities.
- o Equipment loans and transfers
- o 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/sps/preaward/Contracting/othersubcontracting.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 https://www.purdue.edu/costing/BPM/Recharge_Center/policy.html 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. There are currently 8 Consortia that are managed through membership agreements:

List of Industry Consortia current as of 1.5.09

Title	Acronym	PI	Dept
	GMIG	Marrten De Hoop	Math
	GTAP	Terrie Walmsley	Ag Econ
		Tom Hertel	
Laser Based Manufacturing		Yong Shin	ME/ DP
Product Lifecycle Management	PLM	Richard Couch	IE/DP
COMPACT HIGH-PERFORMANCE COOLING TECHNOLOGIES	CTRC	Garimella	ME
RESEARCH CONSORTIUM	NCN	Mark Lundstrum	NCN/DP

Dane O. Kildsig Center for Pharmaceutical Processing Center	CPPR	Rodolfo Pinal	Industrial pharmacy
Center for Electronic Defense Systems	CEDS	Bill Chappell	IDI (Discovery Park)

All of these consortia have set membership agreements. 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 2 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 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/archive/grants/policy/nihgps_2001/part_iia_5.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

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 departmental business office prepares 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:

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