GRANTS AND CONTRACTS POLICIES AND PROCEDURES

INTRODUCTION

Murray State University (the University) has three primary missions: teaching, research, and service. Externally funded projects (grants and contracts) contribute significantly to these missions, especially to research and service. Efforts on the part of faculty and staff for obtaining external funding are encouraged and supported by the University.

It should be noted that grants and contracts which use Murray State University perso TJETBT1 0 /a 1 43

POLICIES

I. PROPOSALS

Proposals intended to be submitted to any external funding agency must be developed through the coordinated efforts of the proposal writer, department chair/director, dean, Office of Sponsored Programs, and Office of Accounting and Financial Services.

A. PROJECT DESCRIPTION

All formal proposals should include a narrative or project description which includes the need, significance, impact, objective and procedure of the project; the qualifications of the University, specific college and department, and principal investigator/project director (PI/PD) to carry out the project; thorough documentation of proposed in-kind contributions; detailed explanation of how all requested budgeted line-items will be expended; and the evaluation process during and upon completion of the project.

B. PROJECT BUDGET

All formal proposals must include, for internal review, a line-item budget reflecting sources of funds (sponsor, University, or others) whether

2. OVERLOAD PAYMENT

a. Faculty and Exempt Staff

On rare occasions when overload payment to faculty and exempt staff is appropriate and has been formally approved, it will be kept to a minimum and in no case will a combination of outside consulting and overload assignments exceed twe

or

Under no circumstances will the rate of base pay earned for each summer period exceed the above percentages of monthly contract pay.

In addition to the above percentages allowed for summer base pay, an additional 6.67% may be earned as extra compensation and paid between May 16 and August 14. The additional 6.67% extra compensation must be approved by the

D. DIRECTOR, OFFICE OF ACCOUNTING AND FINANCIAL SERVICES

The VPFAS has assigned certain administrative responsibilities to the Director of Accounting and Financial Services. It shall be the responsibility of the Director to:

- Maintain a library of current federal, state, and University policies and regulations concerning allowable costs, cost

- Approve all disbursement of funds and ensure they are required to complete the scope of the project.
- Maintain appropriate communications with sponsoring agencies.
- Act as budget manager for the grant, until the close-out procedure is complete.
- Assist in subrecipient monitoring to ensure compliance and timely payment to subrecipient.

II. PROPOSALS

A. PROJECT BUDGET

In some cases it is advisable to prepare two budgets; a formal proposal budget and a budget for internal review purposes. These budgets should be reconciled and any significant or unusual items should be explained. Proposal budgets for internal review must include 100% of the project costs (direct and indirect), regardless of the amount of support requested from the sponsor. It is highly recommended that the Office of Sponsored Programs be contacted to assist the PI/PD in developing a budget. The PI/PD or a designee usually serves as the account and budget manager, if the proposal is funded, until the close-out procedures of the project are complete.

1. MATCHING CONTRIBUTIONS

Some proposals to federal government agencies will require matching contributions; however, except for mandatory matching contributions, federal sponsors should be expected to pay all costs (direct and indirect). Sources for all matching contributions included in a proposal must be identified by the specific University source, including the account number. This information must be provided on the Proposal Approval Form.

Occasionally, proposal writers become aware that certain agencies, while not requiring matching contributions, will review proposals containing voluntary matching contributions more favorably; however, when these are shown on the formal proposal budget submitted to the sponsor, they become a required match and will be treated the same as mandatory matching contributions. All matching contributions identified in the formal budget submitted to the potential sponsor will be required to be documented if the grant/contract is awarded. This documentation includes any matching commitments, cash and in-kind, from the University and parties external to the University. The in-kind portion of these contributions will need to be converted to dollars if

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Proposal writers are encouraged to check with the Offices of Sponsored Programs before developing a budget showing voluntary matching contributions.

Proposal budgets submitted to the sponsoring agency should not include indirect costs as matching contributions, unless required by the agency.

B. INTERNAL ROUTING

All proposals must be routed through the University, accompanied by a Proposal Approval Form (Attachment II.). PI/PD's should allow at least five (5) working days for the routing of a

C. RESEARCH COMPLIANCE

Involvement in research generally requires compliance training or a review of proposed work. If applying for federal funding, training must be completed in the Responsible Conduct of Research (RCR) and Financial Conflict of Interest. The PI/PD must certify

III. PROJECT ADMINISTRATION

A. CONTRACTS, SUBCONTRACTS, COOPERATIVE AGREEMENTS

Once an award is made all contracts, subcontracts, and cooperative agreements must be sent to the Office of Sponsored Programs for review, routing, and signature. The President, the University's Authorized Organizational Representative (AOR) is the only individual allowed to sign on behalf of the University. The University's Legal Counsel will review before the AOR signs unless the agreement is below $10,000. All modifications and addendums must also be routed through the Office of Sponsored Programs. Any agreement that subcontracts to another entity must coordinate with the Office of Sponsored Programs. A scope of work, budget, subcontractee technical and administrative contact information, and the latest single audit is required for a subcontract to be developed.

The Office of Sponsored Programs will coordinate all signatures and will send a fully executed copy to the Office of Finance and Administrative Services for an account

concerning employment are properly followed. These two departments will make salary recommendations to the appropriate vice president, who will have final approval for these matters. PI/PD should keep in mind that the employment of individuals who will be paid from grant/contract funds will be subject to University policies and procedures established by the Offices of Human Resources and Equal Opportunity.

Matching contributions may be made from University sources, related foundations, or third parties. The commitment of matching funds from either University or third party dollars must be made in writing before acceptance of an award. Regardless of the source, they must be budgeted and accounted for in the same way.

Almost all funds paid directly to the University from external sources are accounted for through the restricted fund ledger and the FOAPAL structure used is as follows; FXXXXX for federal, SXXXXX for state, PXXXXX for Private, and NXXXXX for Other. The source of all restricted funds are external agencies. Matching contributions provided by the University are accounted for through the unrestricted fund and will have an ORG structure of CSXXXX for cost share.

D. BUDGET REVISIONS

After a program or project has been initiated, it is sometimes necessary or desirable to process budget revisions. The PI/PD is responsible for determining and initiating these revisions. All revisions should be reviewed by the financial manager and the Grants and Contracts Accounting Manager. The Director of Accounting and Financial Services will review the revisions for compliance and allowability of2 380363.55 1 391.913.62 631.78 Tm0 0 1

other arrangements are made with the Office of Accounting and Financial Services.

F.

I. INDIRECT COST ALLOCATION

Actual indirect cost recoveries from sponsors will be allocated as follows: 17.5% to the general fund of the University to offset some of the general overhead costs, 22.5% to the vice president of the host department; 12.5% to the college of the host department and will be under the dean's or administrative director's control: 15% to the host department; 20% to the Office of Sponsored Programs, and 12.5% to the PI. Exceptions to this allocation procedure must be approved in writing by the area

extension has been received from the sponsoring agency.

Transfers of purchasing card transactions from non-grant accounts must be accompanied by a copy of the itemized

report on a monthly basis, except as noted in the following paragraph. This record

reasonable and accurate and that the work has been satisfactorily done. Reports are not valid without these two signatures.

The following definitions relate to T&E reports:

(1). Department Teaching Responsibilities

This classification includes teaching and training activities whether they are offered for credits toward a

2. RATE OF PAY

This section specifies how rates of pay for work performed on grants/co

Hourly Rate of Pay
Daily rate divided by 7.5.

3. EXTRA PAY PROCEDURES

The criteria for extra compensation, as listed in the Grants and Contracts Policies, apply to all faculty and p

be submitted for the actual work performed. This form should clearly indicate that this is extra compensation. This may be done no more often than monthly, but may be done at any time, provided that work has been performed. The PA Form must be accompanied by a copy of the approved Extra Compensation Form.

Please note that this procedure may be used only for teaching in regular departments during the summer.

c. Non-Exempt Staff

Only in exceptional cases will non-exempt employees be permitted to work in two positions concurrently. In such cases work performed for a grant or contract may not result in the payment of overtime. Work on grants/contract should be done during normal working hours, with the appropriate portion of the time charged to the sponsored agreement.

In circumstances where

trying to “spend all the money”. At times, written justification may be required for large expenses incurred or requested during the final weeks of a project.

B. REPORTS

Final reports, as required by the agreement, will be filed within 90 days of the completion date. This will include performance, financial, and any other reports specifically required. The financial report will be prepared by the Office of Accounting and Financial Services. This report will be made available for the PI/PD to review before submission to the sponsor. Technical reports are the responsibility of the PI/PD. The PI/PD is requested to notify the Office of Sponsored Programs when this report is completed and submitted.

Before a grant is closed out of the University’s accounting system, a Grant Closing informational email will be sent to the project director, chair, and dean. This email will include the project description, FOAPAL, ending date, amount of award, total expenditures, and unexpended balance of the award. The accounting office will wait 5 days and if there are no issues from the PI, chair or dean, then the grant/contract FOAPAL will be deleted from Banner and will not be available for future activity.

Some federal sponsors allow certain obligations to be included in final financial reports. Any unliquidated obligations at the end of the project will be transferred

sponsored training and public service projects.

F. IN-KIND FUNDS

See Matching Contributions.

G. OVERLOAD COMPENSATION

See Extra Compensation.

H. RELEASE TIME

The percentage of time and related salary amount paid for by a sponsor for an employee who has been released from his/her regularly assigned duties.

I. RESTRICTED FUNDS

Externally funded projects (grants and contracts) are usually accounted for in the University's restricted fund group. The restricted funds are defined as University funds restricted to a specific program, project, or objective.

By definition, funds from grants/contracts, as well as from most private sources, are University dollars with outside sponsor restrictions. Accordingly, all University personnel policies and procedures, and any additional policies, guidelines or restrictions of the sponsor must be followed. It will be the responsibility of the PI/PD to know those policies, guidelines, and restrictions. NOTE: Program officers assigned by sponsoring agencies may only approve budgetary changes.

All gifts to the University, unrestricted, temporarily restricted, or permanently restricted, should be routed through the Office of Development. These funds will be maintained by the Foundation.

J. SUMMER COMPENSATION

Summer compensation applies only to faculty with academic year assignments and is compensation for work performed during the non-assigned period (May 16 through August 14); and may not exceed 33.33% of the faculty member's academic year salary. An additional 6.67% may be earned in the summer when overload or extra compensation has been approved by the sponsoring agency.

K. UNIVERSITY CONTRIBUTION

See Matching Contributions

L. WORKLOAD/EXEMPT STAFF

Exempt staff is normally employed for a period of twelve (12) months. The University work week is defined as being five (5) days in length (Monday thru Friday) with the workday normally beginning at 8:00 a.m. and ending at 4:30 p.m. each day. However, exempt staff may be expected to work more than the normal University workweek of 37.5 hours per week at their regularly assigned position without receiving overtime pay. On occasion a particular exempt staff member may possess an expertise needed in order for the University to fulfill the objectives of a grant/contract. In such cases, and whenever this needed expertise is to be used outside the regularly assigned work load of the staff member, that staff member may request overload/overtime compensation for the work that is to be performed. In the case of work on a grant or contract the granting agency must be informed and give written approval, by name, for any exempt staff member to receive overload pay. In no case will total overload pay exceed 20% of the staff member's University base rate of pay. (see Extra Compensation) A decision to request and/or allow overload pay for exempt staff members will be the responsibility of the appropriate vice president with final approval by the President.

M. WORKLOAD/FACULTY

Teaching loads vary somewhat throughout the institution. Nine to twelve hours per semester constitutes an average teaching load for the campus. Classroom contact hours vary from twelve to twenty-five depending upon the nature of the course. In addition, the University is funded using the Council of Higher Education formula based on student credit hours taught. Therefore, the relationship of faculty production of student credit hours should be considered in determining workload. The normal workload may be more than 37.5 hours per week.

Twelve semester hours of teaching each semester with the equivalent student credit hour load as defined by the Council of Higher Education formula funding policy will be defined as 80% of the normal faculty load. All other related professional activities will constitute 20% of the normal faculty load. Related professional activities may be defined, but not limited to, student advising, service on departmental, collegiate and University committees, public service, research and creative endeavors, representing the University in a service or consultative role to school, governmental or outside agencies, assisting with the administration of the work of the department or college.

Therefore, all research and administrative responsibilities should be assigned in credit hour equivalents. For example, release from one (1) three (3) hour undergraduate course teaching assignment would normally be 20% for a semester.

On occasion a particular exempt staff member may possess an expertise needed in order for the Univers(647.473741 01os Tms)-20 93.984((647.473741 01os Tms0-s 0 0 1 222.65 28 8 Tm[(e)]

ATTACHMENTS

Each of the following forms are available on the University's web site.

Form

I . Early Project Start-Up Form
II. Proposal Approval Form
III. Time and Effort Report In-Kind
IV. Extra Compensation Form-Contract Period
V. Extra Compensation Form-Summer Work