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GENERAL STATEMENT OF POLICY

The University accepts grant and contract funds from external partners to support research, teaching, outreach, support, and service programs that align with the recognized objectives of the University.

All standard University and applicable state and federal protocols apply to grant-funded and sponsored activities. Sponsor agency protocols and requirements may also be applied if they are more restrictive than those of the University and state and federal government.

All grant and contract proposals must be approved by an Authorized Representative of the institution prior to submission to a potential funding partner.

Only the Authorized Representative or his/her designee may accept a grant award or negotiate and execute contract details on behalf of the University. All certifications, contracts, agreements and other award acceptance documents must be signed by an Authorized Representative of the institution.

Project support funds provided by industrial or commercial firms which do not impose any restrictions on the conduct of the project and do not require reports are treated as gift funds and are processed through the University Advancement Office. (See 01-14, Gifts – Processing, for further information.)

The Vice President for Finance and Administration shall be responsible for developing operating procedures to implement this policy.



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OPERATING PROCEDURES

1. Expenditures or purchase commitments for grant-funded or sponsored programs must be expended within the dates of the grant project period and require the approval of the Controller’s office.
2. Any item purchased with external grant or contract funds that has a value of \$1,000 or higher is considered “equipment” and must be tagged, recorded, and inventoried as a University fixed asset.
3. The Office of Research and Grant Development provides faculty and staff support in the areas of grant searches, proposal budget development, and external funding proposal submission. Requests for budget development assistance should be initiated at least three weeks prior to the submission deadline.
4. Proposals for external funds (i.e. grants and contracts) must be routed for internal approvals prior to submission to the potential sponsor. This includes proposals to lead institutions for sub-award funding. Final proposal routing must be initiated with the Office of Research and Grant Development at least 10 business days before the sponsor deadline. Normal routing queue for external funding proposals includes:
  - A. Project Director / Principal Investigator
  - B. Office of Research and Grant Development\*
  - C. University Controller
  - D. Department Chairperson or Immediate Supervisor of PD/PI
  - E. Academic Dean or Vice President
  - F. Vice President for Finance and Administration
  - G. University Provost

\*The RGD staff member assigned to the proposal will seek additional review / approvals at this point, if required, per the circumstances below.

5. Proposals that include a Graduate Assistant must be reviewed and approved by the Vice Provost.
6. Proposals requiring space renovations or construction must be reviewed and approved by a representative of Facilities Management.
7. Proposals that include purchase, installation, or maintenance of software or technology must be reviewed and approved by a representative of Information Technology.



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8. Any commitment of cost share, in-kind support, or other University resources must be explicitly defined on internal routing forms. Commitment of cash match must identify the index code from which the funds will be committed.
  
9. In most cases, the University will accept funding from an external sponsor for projects that involve compensation to personnel within their base salary. This may warrant a reduction in duties and responsibilities assigned by the University during the project period. On those occasions where an individual's regular duties and responsibilities assigned by the University cannot be reduced, extra compensation may be permitted if such extra compensation is allowable under University policy, federal guidelines, and the sponsor's rules and regulations.
  - A. Faculty requesting funds for a reduction in their Teaching Assignment shall base the request on the amount of their salary allocated for the proposed reduction in courses taught during the time of the project. For example, if a faculty member is requesting a one course reduction from a normal four course teaching assignment for fall and spring of an academic year, the grant request should include funds for 20% of the faculty member's salary, plus fringe benefits for the duration of the funded project.
  - B. Tenure track faculty also have the opportunity, with approval of the appropriate Chairperson and Dean, to commit and request recovery of a portion of the time devoted to service and scholarly productivity (up to 20%) for sponsored programs activities.
  - C. The OMB A-21 federal guidance places significant restrictions on faculty overload payments during the 9 month academic year contract period. These restrictions apply only to grants funded either directly or indirectly by the federal government.
  - D. For non-federal grants, faculty overload compensation shall be based on the nature of the work and the time required to complete the work. Calculation of overload compensation shall be based on a percentage of base academic year salary plus fringe. Overload compensation from all non-federal sponsored programs may not exceed 20% of the base academic year salary.
  - E. Whenever there is a possibility that the regular duties and responsibilities assigned by the University could be negatively impacted by performance of additional activities under an externally sponsored project, the former will be considered to be of primary importance and adjustments will be required in the additional activities.
  
10. University employees (faculty or staff) to be compensated with grant funds incur fringe benefits costs that should be incorporated into proposal budgets. This includes the University's commitment to FICA and retirement, as well as a flat benefits rate that covers medical insurance, vision, disability, life



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insurance, and parking. Normally, funds to cover benefits are requested at the same rate as the funds that are requested for base pay.

11. Budget projections for mileage, per diem, travel, and student labor must be calculated using the projected rates for the project period or current rates available. If mileage or per diem rates change after submission of the grant proposal, the prevailing rate will be applied at the time the expense is incurred.
12. Undergraduate student workers must be paid at least minimum wage, and Graduate Assistants must be projected at the rate required for a non-resident graduate student. This includes a GA stipend for two semesters, 24 credit hours of tuition waiver, and a parking permit fee. Budget projections for undergraduate student labor paid at an hourly rate must include an additional request for the University's potential commitment to FICA as a fringe benefit.
13. Consultants and sub-awardees may be identified by name in a proposal for external funding if the name of the firm or individual is explicitly written into the proposal, along with the amount to be paid, the duties to be performed, and the time frame of the sub-award contract. If any of these details are not explicitly stated in the proposal, then any consultant or sub-contract services over \$3,000 must be submitted for bidding per state protocols.
14. The federally negotiated Facilities & Administrative (F&A) Cost Rate (or "Indirect Cost Rate") for Southeast Missouri State University is **49% of requested salaries and fringe benefits**. Southeast grant proposals must include the full amount of the federally negotiated F&A rate, unless the sponsoring agency explicitly caps the F&A rate or declines to pay F&A costs. If an agency-mandated rate is lower than University's federally negotiated rate, the maximum allowable rate must be requested and the difference between the mandated rate and the higher University negotiated rate shall be shown as a cost share from Southeast Missouri State University to the granting agency. Any other deviation from the approved F&A rates should be reported on the internal routing form and approved by the Vice President for Finance and Administration or his/her designee.
15. Recovered Facilities & Administrative (F&A) funds are not disbursed until they are actually received from the funding agency. Expenditure of recovered F&A funds shall adhere to purchasing guidelines and other applicable protocols of the University. Recovered F&A funds cannot be used to augment the salary of the PD/PI but may be used for other approved expenses such as faculty operating costs, travel to professional meetings, student employment, or equipment purchases.



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Current Distribution of Facilities & Administrative (F&A) Indirect Recovery for Faculty Proposals:

**INDIRECT COST DISTRIBUTION PROCESS**

**Effective for Grants/Contracts Beginning July 1, 2007**

**25%** - To the University's E & G budget and to an account for unfunded grant costs, e.g., grant termination expenses for accrued vacation, unemployment, etc.

**40%** - To the Grant Development Fund\* to provide resources for grant development.

**10%** - To various Deans' operating accounts to provide funds which can be expended at the discretion of the Deans to support faculty development.

**15%** - To various departmental operating accounts to be used for faculty development.

**10%** - To Individual Principal Investigator / Project Director Faculty Development Account

Note: In the event that the Principal Investigator / Project Director is a non-faculty member who is compensated with direct grant funds, the Deans' operating account retains 35% of the indirect allocation.

\* The Grant Development fund will also be used to provide cash match / cost sharing funds for grant proposals.

*(Revised by Approval of Deans Council on 4/18/2007 and Administrative Council on 05/15/2007)*

16. For grant proposal submissions, the Project Director / Principal Investigator is responsible for:
  - A. Ensuring that the proposed project adheres to all University, state, and federal protocols as they relate to human subjects, animal welfare, materials handling (biohazard/radioactive), and plans for student training regarding ethical conduct of research.
  - B. Submitting accurate and complete proposal information for internal routing and review at least ten business days prior to the sponsor deadline. This includes full disclosure of all commitments being proposed by the University (e.g., cash and in-kind cost share, curriculum changes, policy advocacy, training and development, program sustainability, etc.)



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- C. Conducting sufficient due diligence to ensure that that the proposed project does not present a potential conflict of interest for participating personnel or the University.
  - D. Confirming commitments and understandings of third party collaborators and stakeholders involved in the proposed project.
  - E. Providing to the Office of Research and Grant Development the information and data required to complete standard submission forms.
  - F. If funded, ensuring that the program is conducted in a manner that adheres to all University, state, federal, and sponsor guidelines.
17. For grant proposal submissions, the Office of Research and Grant Development is responsible for:
- A. Identifying appropriate internal reviewers and seeking internal review and final approval of grant proposal budget, program components and commitments.
  - B. Advising faculty regarding sponsor and University required documents, information and assurances for grant proposals.
  - C. Submitting proposal to sponsor agency and retaining a hard copy of the full proposal.
  - D. If funded, notifying Project Director / Principal Investigator of award and seeking signatures and approvals of Authorized Representative on award contracts and agreements.
  - E. Initiating Press Announcement about grant award, if appropriate.