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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. The University requires graduate and undergraduate students, associates, and trainees supported by specific federal funds to be trained in accordance with federal regulations.

All grant and contract proposals must be approved and signed by an Authorized Representative of the institution prior to submission to a potential funding partner. A University employee or student engaged in sponsored projects/programs shall be responsible for disclosing any potential conflict of interest (COI) in accordance with the procedures outlined in this manual.

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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RESEARCH AND SPONSORED PROGRAMS OFFICE: PROPOSAL PREPARATION AND SUBMISSION PROCEDURES

The [Office of Research and Sponsored Programs](#) (ORSP) provides faculty and staff with support in the areas of grant funding 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.


REQUIRED PROPOSAL APPROVALS AND ROUTING

- 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 should be initiated with the Office of Research and Sponsored Programs at least 10 business days before the sponsor deadline. Proposal routing is conducted electronically through the [University's electronic proposal preparation and submission system](#). The standard routing/approval queue for external funding proposals includes:

- Project Director / Principal Investigator
- Office of Research and Sponsored Programs*
- University Controller
- Department Chairperson or Immediate Supervisor of PD/PI
- Academic Dean or Vice President
- Vice President for Finance and Administration
- University Provost

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


- Proposals that include a Graduate Assistant must be reviewed and approved by the Vice Provost.
- Proposals requiring space renovations or construction must be reviewed and approved by a representative of Facilities Management. Note that this process should be initiated during the proposal development for appropriate input into the proposal and budget. Failure to do so can significantly delay proposal submission.
- Proposals that include purchase, installation, or maintenance of software or technology must be reviewed and approved by a representative of Information Technology. This process should also begin early in the proposal development process, as it may require funding from the external sponsor.

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5. Proposals involving the use of lasers (including performing arts productions and events) or radiation must be reviewed and approved by the laser safety officer and/or radiation safety officer.
6. Proposals involving the use of human or animal subjects must be reviewed and approved by the [Institutional Review Board \(IRB\)](#) or Institutional Animal Care and Use Committee (IACUC), respectively.
7. Proposals involving the use of unmanned aerial systems (drones) must be reviewed and approved by the appropriate institutional officials.

BUDGETING FOR DIRECT COSTS

1. Any commitment of cost share, in-kind support, or 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.
2. 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. Any extra compensation must be approved by the Provost or appropriate Vice President prior to proposal submission.
 - 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 Uniform Guidance (2 CFR 200) places significant restrictions on faculty overload payments for federally funded projects during the 9 month academic year contract period. These restrictions apply only to grants funded either directly or indirectly by the federal government. Overload compensation must be preapproved by the Provost.

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- 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 and must be preapproved by the Provost.
- 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.
3. 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, disability, life insurance, and parking. Normally, funds to cover benefits are requested at the same rate as the funds that are requested for base pay.
 4. 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.
 5. 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. Summer salary budgeted for undergraduate student labor paid at an hourly rate must also include an additional request for the University's potential commitment to FICA as a fringe benefit. Hourly undergraduate student workers during the academic year who maintain a full academic are not subject to FICA, but if a student takes or drops below 12 credits, FICA will be incurred and should be budgeted.
 6. 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.

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FACILITIES AND ADMINISTRATIVE COSTS/INDIRECT COSTS

1. The federally negotiated Facilities & Administrative (F&A) Cost Rate (or “Indirect Cost Rate”) for Southeast Missouri State University is **51% 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 must be approved by the Vice President for Finance and Administration or his/her designee. Information on the University’s distribution of Recovered Facilities & Administrative Costs may be found in the Controller’s Office/Award Management Procedures.


PRINCIPAL INVESTIGATOR/PROJECT DIRECTOR ROLES AND RESPONSIBILITIES

1. 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 personnel and student training regarding ethical conduct of research and all other required training for the sponsor and/or project.

Specific Procedures Applicable to National Institutes of Health (NIH)- and National Science Foundation (NSF)-Funded Research: In compliance with NIH- and NSF-specific regulations concerning the Responsible Conduct of Research (RCR), the University requires compliance with specific procedures that promote research integrity and ethical conduct in research. Please refer to the [RCR Procedures](#) document for guidance. This document is maintained by the Office of Research and Sponsored Programs and can be found on the office’s Website.

- 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.)
- C. Conducting sufficient due diligence to ensure that the proposed project does not present a potential [financial](#) or other conflict of interest for participating personnel or the University.

Specific Procedures Applicable to U.S. Public Health Service (PHS)- and National Science Foundation (NSF)-Funded Programs/Projects: The University will apply specific provisions to PHS-


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and NSF-funded programs/projects as required and detailed in the document entitled, “[Specific Financial Conflict of Interest \(FCOI\) Compliance Procedures for PHS- and NSF-Funded Programs/Projects.](#)” These requirements are subject to change by the issuing agencies.

- D. Confirming, with signed documents, commitments and understandings of third party collaborators and stakeholders involved in the proposed project.
- E. Providing to the Office of Research and Sponsored Programs 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.

OFFICE OF RESEARCH AND SPONSORED PROGRAMS ROLES AND RESPONSIBILITIES

1. For grant proposal submissions, the Office of Research and Sponsored Programs 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. Coordination and oversight of the Responsible Conduct of Research (RCR) Procedures.
 - F. Coordination and oversight of the Specific Financial Conflict of Interest (FCOI) Compliance Procedures for the U.S. Public Health Service (PHS)- National Science Foundation (NSF)- Funded Programs/Projects and other sponsor-specific FCOI requirements as needed.
 - G. Coordination and oversight of Export Controls Procedures.
 - H. Initiating Press Announcement about grant award, if appropriate.

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CONTROLLER'S OFFICE: AWARD MANAGEMENT PROCEDURES


The Controller's Office provides professional accounting advice and assistance to departments, divisions, and campus administration to assist in the management of the University's resources, including external funds received for grants and contracts. The Grants Accountants are responsible for budget and compliance monitoring for externally sponsored projects.

GRANT AND CONTRACT EXPENDITURES

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 \$5,000 (unless sensitive items see OP 05-01E) or more and a useful life of at least two years is considered "equipment" and must be tagged, recorded, and inventoried as a University fixed asset.
3. As a general practice, direct charges to grants must be:
 - A. Specifically identified with a particular project (charged to where it is used)
 - B. Allocable (costs must be charged in proportion to their benefit to a particular project)
 - C. Reasonable (charging costs to a particular project must reflect the actions of a "prudent person")
 - D. Allowable (certain costs, such as entertainment or alcohol, may not be charged to a federal grant under any circumstances; others may not be allowed by some sponsors)
 - E. In accordance with any terms and conditions in the grant agreement
 - F. Timely (cost transfers should occur as soon as the error is discovered but no later than 60 days after the original charge was incurred or within 15 days of the grant end date, whichever is sooner).

RECOVERED FACILITIES AND ADMINISTRATIVE COSTS/INDIRECT COSTS

1. Recovered Facilities & Administrative (F&A) funds are disbursed monthly based on qualifying costs expended. 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 operating costs, travel to professional meetings, student employment, or equipment purchases.

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The distribution of Facilities & Administrative (F&A)/ Indirect Cost Recovery for Awards, effective for Grants/Contracts after July 1, 2007, is as follows:

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 appropriate department or college operating account index retains 35% of the indirect allocation.

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

Allocations of recovered F&A/indirect cost funds will be made after they are incurred on the project (after expenditures are made).


An electronic copy of the Indirect Cost Rate Agreement is available through the following link:
<https://semo.edu/pdf/Indirect-Cost-Agreement.pdf>.

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

COST TRANSFERS

A cost transfer is the assignment of an expense to a federally or non-federally funded index that was initially recorded in another index.

1. Transfers must be completed in a timely manner and require detailed documentation as to the reason for the transfer. Cost transfers on grants are often scrutinized by auditors as well as agency officials. Frequent, tardy, or inadequately explained transfers, particularly when they involve projects with significant cost

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overruns or unexpended fund balances, can raise serious questions as to the propriety of the transfers. Accordingly, all transfers must fully document the need for the correction. If only a portion of an expense is being transferred, the explanation must also include the means of allocation between indexes.

2. Cost Transfer Principles

- A. Cost transfers are for correcting errors
- B. Cost transfers may not be used as a means of managing available cash balances. This is prohibited by [Uniform Guidance 2 CFR 200](#).
- C. The integrity of each grant project must be maintained. Grants are not interchangeable
- D. Costs allocable to several grants or projects cannot be charged solely to a single grant or project
- E. Costs not allocable to a grant cannot be charged to that grant, even temporarily

Further Information: Questions or concerns regarding cost transfers should be directed to your Grant Accountant in Accounting Services.

Related documents

[Cost Transfer Justification Form](#)

[Interdepartmental Expense Transfer Form](#)

3. The following are examples of cost transfers that will raise red flags and be questioned by the grants accountants:
 - A. Transfers to or between grants
 - B. Transfers older than 60 days after the original transaction
 - C. Transfers in the last month of the award or after the award has expired
 - D. Large numbers of cost transfers relating to a particular department or grant
 - E. Grants with a zero balance at the end of the award
 - F. Round numbers (may be an indicator of a plugged number)
 - G. Labor redistribution adjustments to previously certified effort
 - H. Transfers without a full explanation
 - I. Transfers among “closely related” projects

4. Additional financial post-award procedures and information may be found on the [Controller’s Office website](#)