Overview of Sponsored Programs

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Southern New Hampshire University

OVERVIEW

- What is a Sponsored Program?
- Sources of Funding
- Sponsored Programs Lifecycle
- IA and the Office of Sponsored Programs
- Regulatory Environment
- Financial Compliance / Cost Principles & Cost Accounting Standards
- Types of Agreements
- Pre-Award Overview / Proposal submission process
  - PI/PD Eligibility
  - Roles and Responsibilities of the Principal Investigator/Project Director (PI/PD)
  - Proposal Types
  - Proposal Timeline and Submission Deadlines
  - Pre-Award Take Aways
- Post-Award Overview / Award Process
  - Award Management Overview
  - Workday – SNHU's Management System for Sponsored Programs
  - Red Flags
  - Post-Award Take Aways
- Risks of Non-Compliance
- Why do we care about any of this?

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WHAT IS A SPONSORED PROGRAM?

Sponsored programs are defined as those activities, sponsored whole or in part, by internal sources or external agencies for which there is an expectation (implied or specifically stated) on the part of the sponsor for performance or outcome.

- Transfer of money or property from an external sponsor
- Usually through written proposal
- Funding is for specific purpose and time frame
- Typically requires a report and/or deliverables (programmatic and financial)
- Voluntary, non-reciprocal
- May support instruction, research and/or public service activities and may be housed within any academic or non-academic unit of the Institution

The term "grant" or "gift" in a sponsor agreement does not necessarily determine the classification of the award as a sponsored project or gift. The final determination will be made by a representative within the Office for Sponsored Programs or within the Office of Institutional Advancement.

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SOURCES OF FUNDING

Government (Federal)

Education, Arts, & Humanities	STEM
Department of Education (ED) National Endowment for the Arts National Endowment for the Humanities NH Department of Education	National Science Foundation (NSF) National Institute of Health (NIH) Department of Defense (DoD)

Includes state and local government

Private (Non-federal)

Bill & Melinda Gates Foundation Davis Educational Foundation	New Venture Fund Joseph Gebbia Revocable Trust

Includes foundations, non-profit organizations, corporations, associations

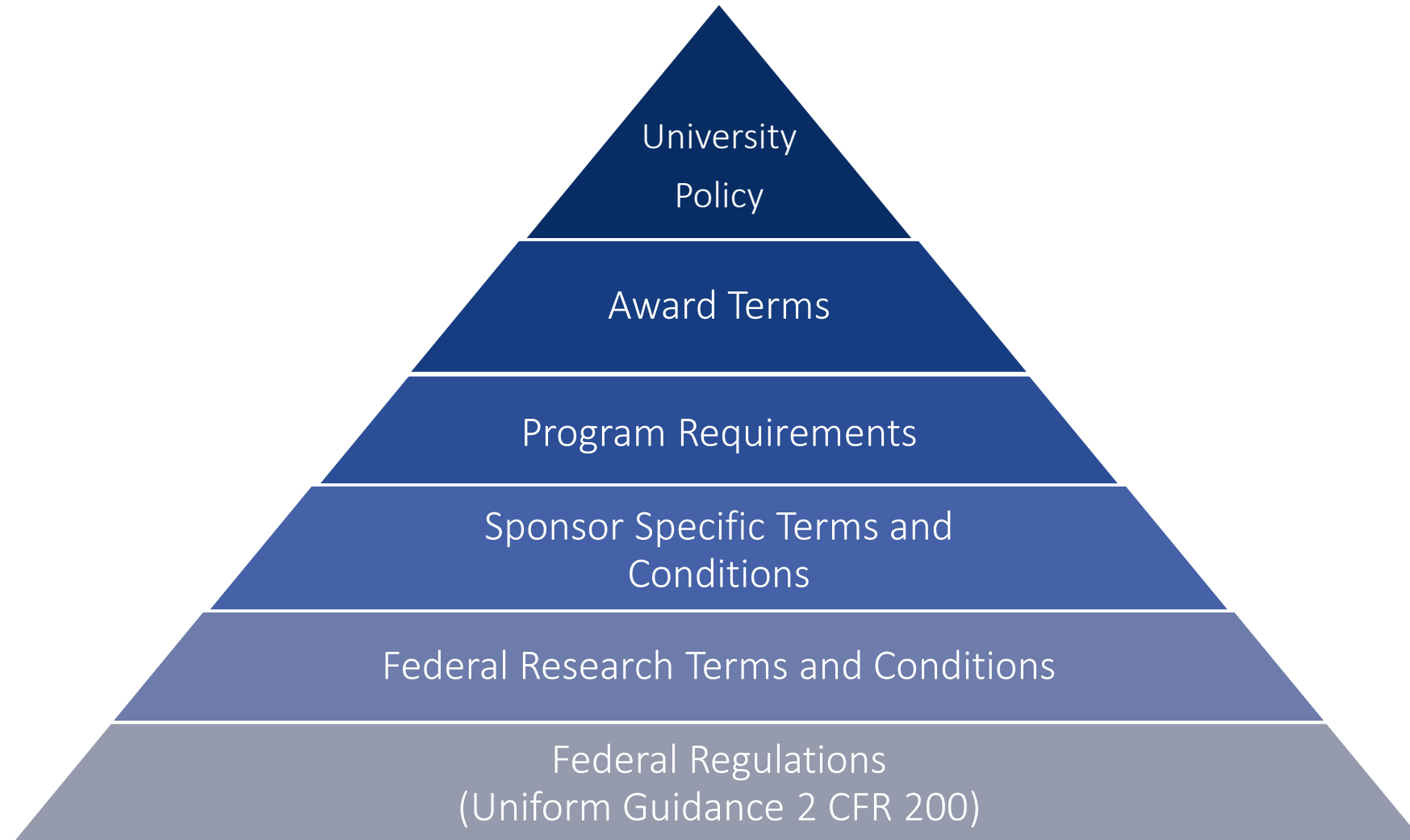Southern New Hampshire University

Sponsored Programs Lifecycle

Concept & Funding → Proposal Preparation, Review & Submission → Award Review & Acceptance → Award Setup & Management → Award Closeout

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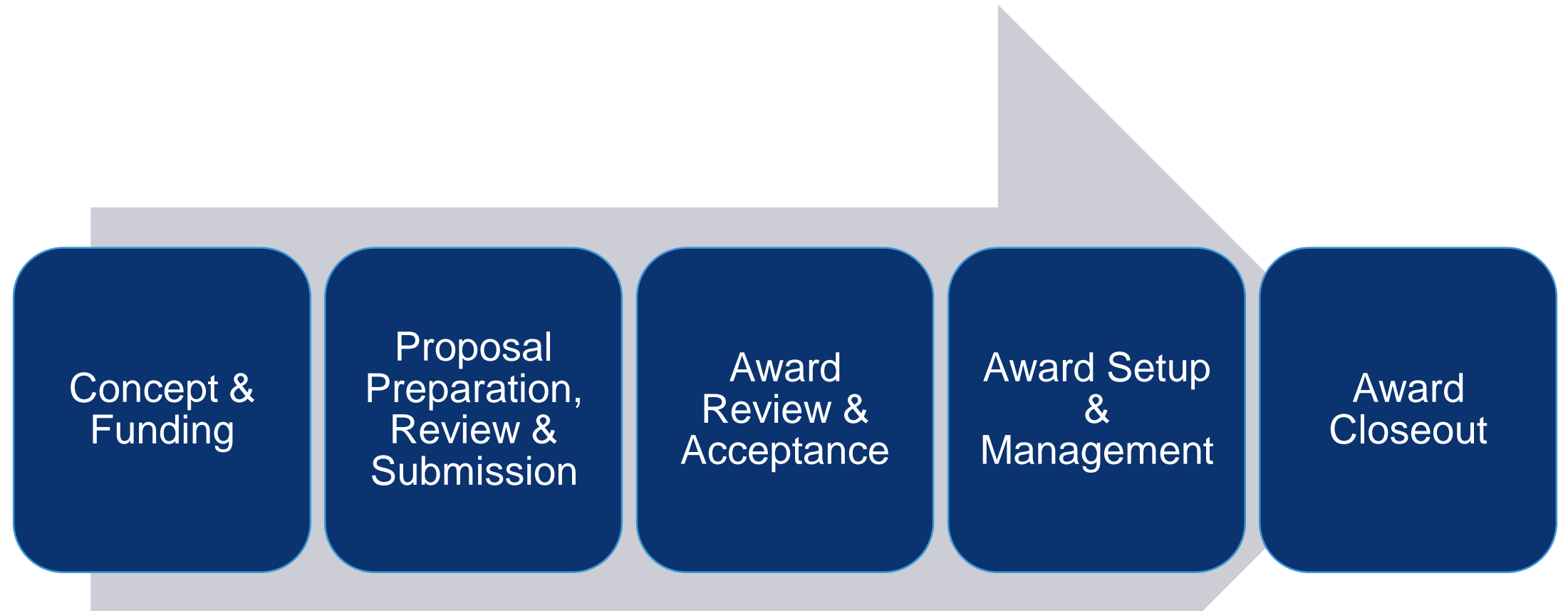
IA AND THE OFFICE OF SPONSORED PROGRAMS

- IA OSP is the central point for the pre- and post-award administration of externally sponsored programs and provides current information, advice, and assistance to faculty and staff related to sponsored programs

- IA OSP is the Authorized Official for the University

- Handle all proposal activity for the University
    - Review sponsor guidelines, identify key requirements
    - Assist with budget preparation, related documentation and proposal submission forms
    - Prepare required sponsor administrative forms
    - Contact and collaborate with partner institutions to secure all necessary subcontract documentation
    - Assure all regulatory requirements and export control issues are identified
    - Review the final proposal package to ensure all administrative requirements have been met
    - Obtain academic approvals and provide institutional approval for the proposal
    - Complete the final submission package, upload final documents and forms, and submit to the sponsor

- Provide post-award oversight and compliance services
    - Negotiate and approve awards, including amendments
    - Award establishment, management, and closeout
    - Administrative and financial assistance, including but not limited to drafting subaward agreements, handing prior-approval requests, invoicing/billing sponsors, effort reporting.

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Regulatory Environment & Compliance

University Policy

Award Terms

Program Requirements

Sponsor Specific Terms and Conditions

Federal Research Terms and Conditions

Federal Regulations
(Uniform Guidance 2 CFR 200)

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TYPES OF SPONSORED AGREEMENTS

Grant	Contract	Cooperative Agreement	Subaward Agreement	Memorandum of Understanding (MOU)	Master Service Agreement (MSA)	Non-Disclosure Agreement (NDA)	Data Use Agreement (DUA)	Material Transfer Agreement (MTA)
• Financial Assistance Mechanism Used to support a specific activity or project under the direction of the PI/PD • Support the aims and objectives of the sponsor • Accomplish a public purpose • No substantial involvement between the sponsor and recipient	• Mechanism for procurement of a product or service for the direct benefit or use of sponsor • Sponsor exercises direction or control • Specify specific deliverables with a specific time period • Strict adherence to budget • Most contentious award instrument on issues such as ownership, indemnification, etc.	• Create partnership between institution and the sponsor • Includes a more open-ended statement of work • Details are filled in during the term of the project • Usually used when its difficult to anticipate the full parameters of the project • Substantial involvement in the project by both sponsor and recipient	• Formalized & enforceable agreement from the Prime awardee to a pass-through entity that will perform a substantive portion of the work • Federal regulations of the prime awardee flow down to the pass-through	• Written agreement to identify working relationships and guidelines to accomplish goals • Details common understandings, clarifies the type of support • Defines the rights and responsibilities of each party	• Used to cover a number of different projects funded by one sponsor over a period of time • Used to streamline the contracting process • the University pre-negotiates the legal terms and conditions of the agreement • When a new project is proposed, the terms of the MSA apply and only the SOW, period of performance and budget must be determined	• Legally Binding agreement to treat specific shared information as confidential, proprietary or trade secret and not to disclose without proper authorization	• Contract used to govern the transfer of research data between organizations • Documents data being transferred and terms and conditions with respect to ownership, permitted uses of data, publication results, development of inventions, disposal of the data and liability • Non-human • subject data or completely de-identified human research data	• Agreement that governs the transfer of tangible research materials that the recipient intends to use for their own research purposes. • Defines the rights of the provider and the rights and obligations of the recipient • Typically used for biological materials but may be used for some types of software

8

Cost Principles (Uniform Guidance, Subpart E)

Any charge to a sponsored project, whether direct or indirect must be justifiable and meet three basic conditions. Each cost must be (1) allowable, (2) allocable and (3) reasonable.

- A cost is **allowable** when:
  - It serves an Institute business purpose, including instruction, research, and public service
  - It is permissible, according to SNHU policy and federal regulations (regardless of whether or not it is a sponsored project)
  - It is permissible according to the terms and conditions of the Sponsored Agreement

- A cost is **allocable**:
  - When the cost is to one or more project objectives in accordance with the relative benefits received

- A cost is **reasonable** if a prudent person would purchase the item at that price:
  - The cost is necessary for the performance of the activity
  - Incurrence of the cost is consistent with established Institute policies and practices

Note: The Uniform Guidance deems certain costs simply unallowable, and will not allow such costs to be budgeted as either direct or indirect costs. Examples of disallowed costs include expenses for alcoholic beverages, entertainment, fund-raising, and lobbying activities.

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Cost Accounting Standards

The CAS state that costs incurred for the same purpose in like circumstances must be treated either as a Direct Cost or as Facilities and Administrative Costs (F&A). The underlying reason for this rule is to ensure that sponsors bear their fair share of the total costs and do not pay for the same expense twice.

The CAS were established to achieve uniformity and consistency in the practices governing the measurement, assignment, and allocation of costs.   Every organization is expected to establish and abide by standard cost accounting practices to ensure the organization is treating costs in a uniform and consistent manner.

Direct costs are costs that can be identified and associated with a specific sponsored project, instructional activity, or any other institutional activity with a high degree of accuracy. Examples of direct costs include salaries, travel, equipment, supplies, etc.

Facilities and Administrative Costs (F&A) - sometimes referred to as indirect costs or overhead, are costs incurred for common or joint objectives and cannot be readily and specifically identified with a particular sponsored project, instructional activity, or any other institutional activity. Examples of F&A costs include building and equipment depreciation, utilities, and general administrative services and expenses.

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Cost Accounting Standards (continued)

In certain circumstances, a cost that is normally considered F&A may be allowable as a direct cost if all four of the following "unlike circumstances" apply:

1. Have extraordinary need for the item or service that is beyond the level of services normally provided by departmental administration

2. The cost can be identified to the scope of work conducted under the project and is appropriately documented

3. The cost specified is in the proposed budget of the sponsored agreement, and the special circumstances requiring direct charging are justified in the proposal.

4. The sponsoring agency accepts (i.e. does not specifically disapprove) the cost as part of the project's direct cost budget

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COMMON DIRECT COST CATEGORIES

- Personnel (Salary & Wages)

- Fringe Benefits

- Travel (Domestic & Foreign)

- Equipment (over $5,000)

- Materials & Supplies (under $5,000)

- Subaward / Contractual

- Other Direct Costs
  - Conference Room Rentals
  - Dues & Subscriptions
  - Licenses/Permits
  - Publication Costs
  - Software

- Stipends / Participant Support Costs

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Pre-Award /Proposal Development Process

Step 1. Identify Project | **Step 2.** Prospecting | **Step 3.** Initiate Proposal | **Step 4.** Prepare Proposal | **Step 5.** Submit Proposal | **Step 6.** Manage Award

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Step 1. Identify Project

Develop project ideas

- Research question, problem, need, or gap in service
- Approach or strategy
- Goals & objectives
- Outputs & outcomes
- Resources available & needed; time frame

Contact *IA Executive Director of Strategic Partnerships*

Draft a summary of the project to share with others

- Input and feedback

Step 2. Prospecting

Develop funding strategies

Find Funding Sources

- Research tools – Grants.gov, Foundation Search

Ensure that project qualifies

- Program solicitation
- Requirements, limitations, timing, and feasibility

★ If the funding source is a state or federal agency, you may contact the program officer with questions.

Step 3. Initiate Proposal

Understand your responsibilities as PI/PD

Submit *Pre-Proposal Form*

Know funder's objectives & requirements

- Know the funder
- Resources needed – equipment, space, cost sharing
- Submission process

Draft the project budget (OSP Budget Template)

Meet with IA *Director of Sponsored Programs* on budget, project timeframe, and OSP involvement

Coordinate with partners and SNHU offices

- Internal & external partners
- General Council
- Institutional Review Board (IRB)

Step 4. Prepare Proposal

Understand proposal requirements

- General expectations
- Specific to funder

Write the proposal narrative or body

- Assign tasks to project team
- Clearly address all criteria

Prepare other proposal sections

- Resumes, abstract, etc.
- Gather letters of commitment

Prepare final Budget and Budget Narrative

- Work with IA OSP

Peer Review

- Project team & administrators
- Technical experts

★ **Request IA OSP assistance early**

Step 5. Submit Proposal

Submit proposal for IA OSP to review

- Compliance review
- Budget review
- Proposal review

Route for final approval

- Executive Leader approval
- Signing authority approval

Proposal submission

- OSP (the authorized institutional office) will submit proposals

★ **REMEMBER**

OSP requires 5 business days PRIOR TO THE SUBMISSION DEADLINE for processing signatures & approvals.

Additional time is needed for editing and revision upon request.

Presidential signatures require 7 days

Step 6. Manage Award

Award notices are processed though IA OSP

- An award contract must be approved and initiated by IA OSP
- Awarded PIs/PDs are required to meet with the *IA Director of Sponsored Programs*
- IA OSP will establish a financial account in Workday

If the proposal is not funded, prepare to resubmit

- Obtain review comments
- Remember that many proposals are not funded on the first submission

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IA OSP is committed to facilitate a smooth process for personnel time commitments and other resources needed to produce a strong proposal and ensure the needed support to PI/PD is provided in the proposal development process.

Principal Investigator / Project Director (PI/PD) Eligibility

In order for an individual within the University to automatically be eligible to serve as PI/PD, they:

- Must have a full-time faculty rank or professional staff appointment **AND**

- Must be appointed at SNHU at the time the proposal is submitted, **AND**

- Must be qualified to lead the project both technically and administratively **AND**

- Must have approval from his/her primary supervisor and/or Business Unit Executive Leadership

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PI/PD Responsibilities

The PI/PD has overall responsibility – fiscal and programmatic – for the conduct of the project described in the proposal and /or awarding document. They are responsible for:

The **programmatic management** of the contract or grant and conducts the project to meet project goals and objectives while adhering to sponsor guidelines, and university policies and procedures.

The **financial management** of the contract or grant, hiring personnel, budget expenditure, and ensures that all expenditures are directly related to the project and necessary to meet project goals and objectives as well as be allowable under the terms and conditions of the award.

Monitoring any **sub recipients** to ensure that programmatically and financially the sub recipient is meeting project goals and objectives while adhering to sponsor regulations.

The completion, accuracy, and timeliness of all technical **reports** required by the sponsor.

Disclosing any **conflict of interest** that would affect the conduct of the project.

Properly report your effort on federally sponsored activities by **certifying** your own effort and the effort of support staff, if applicable, on a quarterly basis

Ensuring compliance with university policies for **Intellectual Property and Human Subjects** are followed, if applicable to the project.

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Proposal Types

1. Pre-Proposal / Letter of Intent / White Paper / Concept Paper / Preliminary Proposal

   - Generally, a short 1–5-page description of the proposed project
   - The purpose is to pique the interest of a potential sponsor and is not expected to result directly in an award.
   - May include a total cost estimate but does not always include a detailed budget. Establishes communication with the sponsor to determine whether a full proposal should be submitted and to obtain advice that may improve the proposal's chance of success.

2. Formal (Full) Proposal
   - Funding agencies publish a specific program announcement
   - Solicitations are announced through Request for Proposals (RFP), Request for Quotation/Qualification (RFQ), or Request for Application (RFA)
   - Can be submitted as new, non-competitive continuation, competing renewal & supplement

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Internal Proposal Timeline and Submission Dates

<u>7</u> BUSINESS DAYS PRIOR TO SPONSOR DUE DATE

> Completed Pre-proposal Form
> Draft application narrative, "the science"
> Subcontract material (if applicable)
> Administrative documents

<u>5</u> BUSINESS DAYS PRIOR TO SPONSOR DUE DATE

> Final application
> Draft budget & justification

<u>3</u> BUSINESS DAYS PRIOR TO SPONSOR DUE DATE
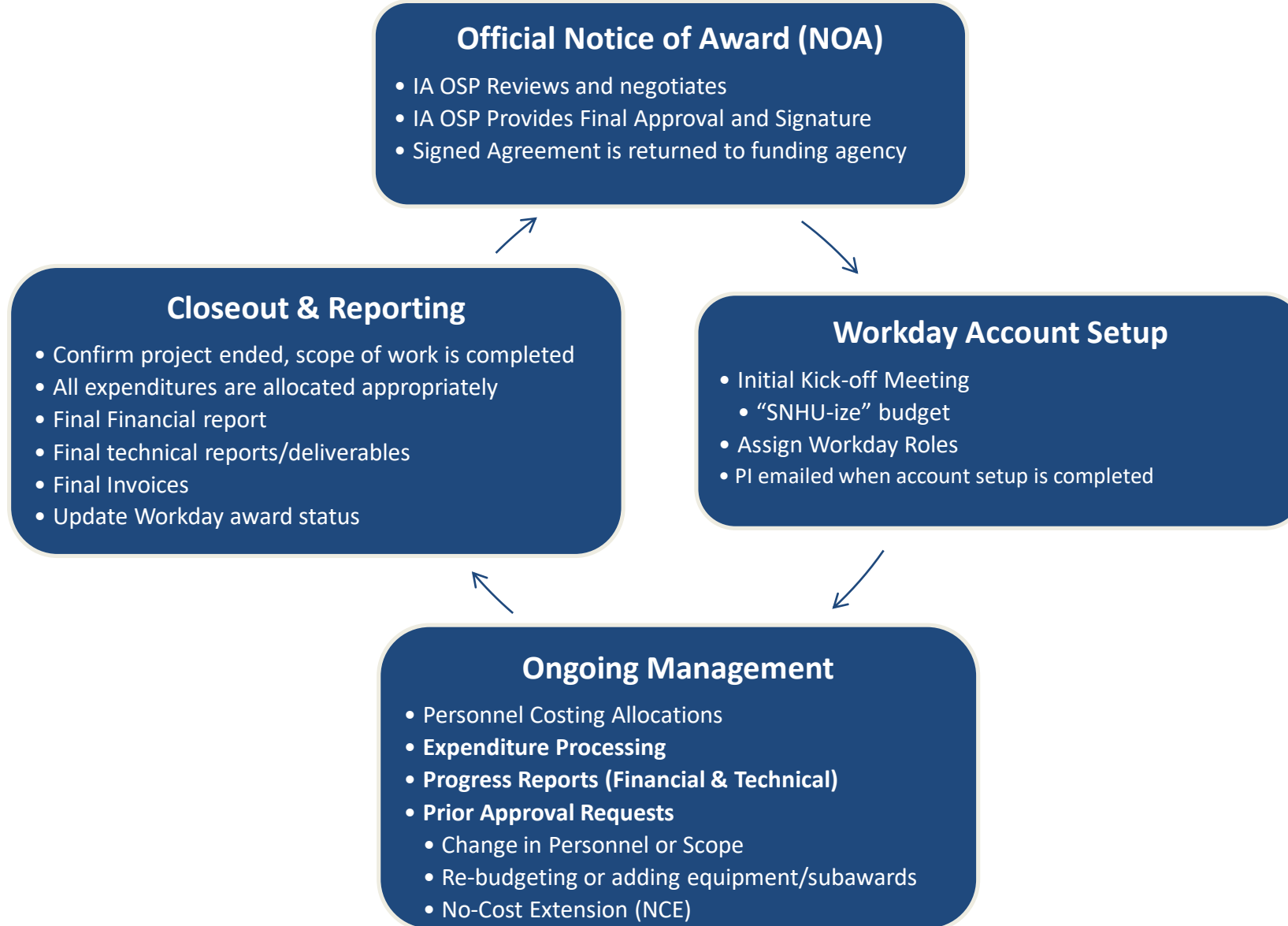
> Final budget & justification

> In cases of serious extenuating circumstances, <u>a request for exception</u> must be made to the IA Executive Director, Strategic Partnerships

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Pre-Award Takeaways

- Don't apply for funding without university approval
- Contact IA OSP early with your guidelines and deadline
- Let us help you with your budget
- Don't sign anything on behalf of the university (application or agreements)
- Provide IA OSP with your final materials 3-5 business days before deadline

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Post-Award /Award Management Process

Official Notice of Award (NOA)

- IA OSP Reviews and negotiates
- IA OSP Provides Final Approval and Signature
- Signed Agreement is returned to funding agency

Closeout & Reporting

- Confirm project ended, scope of work is completed
- All expenditures are allocated appropriately
- Final Financial report
- Final technical reports/deliverables
- Final Invoices
- Update Workday award status

Workday Account Setup

- Initial Kick-off Meeting
  - "SNHU-ize" budget
- Assign Workday Roles
- PI emailed when account setup is completed

Ongoing Management

- Personnel Costing Allocations
- **Expenditure Processing**
- **Progress Reports (Financial & Technical)**
- **Prior Approval Requests**
  - Change in Personnel or Scope
  - Re-budgeting or adding equipment/subawards
  - No-Cost Extension (NCE)

Award Management Overview

- Oversight and guidance for post-award on all sponsored projects

- New award set-up and kickoff meetings

- Management of award and budget

- Reporting requirements

- Fulfillment of contract terms and regulatory requirements

- Ensuring compliance with all applicable federal and state rules and regulations of sponsored projects

- Award closeout

Workday

Award

The award is the mechanism that specifies the terms and conditions based on the sponsored agreement.

- Sponsor
- Award Amounts
- Award Type
- Award Date
- Award Schedule (Budget period Dates)

Award Line

Revenue Recognition Method

Funding Amount

Start/End Dates

Sub-awards

F&A Rules

Spend Restrictions

Grant

Captures financial transactions (The "Grant Worktag")

Workday Terminology

Term	Description
Award	Stores information about the contract received
Award Line	Contains business rules for collecting costs, F&A, billing sponsors, and reporting
Grant	Captures costs and revenue related to an award
Sponsor	Organization that awards funding directly to SNHU
Prime Sponsor	The original source of funding, if different from the Sponsor (flow-through)
Award Lifecycle Status	Identifies status of award and award lines; used for reporting and process routing
Award Schedule	Identifies start and end date of an award
Plan (Budget)	Authorized funding, allocated by object class
Object Class	Cost categories that support sponsor budget and expenses

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Workday Roles

Role Name	Description
Award Principal Investigator	Lead PI for the award. Directs scientific / technical work and has overall responsibility for the funds awarded by the sponsor
Grant Principal Investigator	PI responsible for a grant within an award, most likely the same as the Award PI. Responsible for review and approval of all expenditures
Grant Manager	Assist the PI with the day-to-day management of the grant, including review and approval of expenditures.
Award Analyst	View Role only into reporting
Award Contract Specialist	Primary central office role for creating and managing awards

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Post Award Red Flags

- Overspending or Underspending / Inadequate budget monitoring
  - Erratic spending patterns, especially just prior to expiration to use available funds
  - Transfer of significant funds during the last three months of the project
  - Cookie-cutter justifications
  - Re-budget to purchase equipment in the last three months of an award
  - Re-budget of funds to pay personnel not in original budget
- Cost transfers that are not properly justified, are not timely, and/or attempt to move a deficit from one award to another
- Inaccurate effort reporting and failure to match pay for performance
- Failure to perform subrecipient monitoring activities to ensure performance
- Request falls outside the written guidelines from the sponsor or creates a change in the scope of work
- Late reports to funders

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Common Misconceptions

- Because expenditures are outlined in the grant, I can short-cut University purchasing requirements

- We receive 'cash' with the award

- All sponsored programs are "Grants"

- PI has full control over use of the funds

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Post–Award Take Aways

- Follow the award budget and timeline
  - Ensure that costs are consistent with the project schedule and are incurred between the start and stop dates of the project. Confirm the availability of project funds as needed, but make sure to avoid overspending, which may cause a deficit and limit further spending.

- Reconcile expenses monthly
  - Limit journals/cost transfers
  - Verify that costing allocations, corrections and cost transfers are being made in a timely manner
  - Review expenses to ensure there are no errors in your budget, encumbrances, or expenditures

- Follow SNHU Financial Policies and Procedures

- Maintain good documentation

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Risk of Non-Compliance

Impact to the Institution
- Susceptible to False Claims Act allegations
- SNHU may owe direct cost refunds
- Loss of future sponsor funding, including FA
- Adverse publicity / Potential Damage to SNHU reputation

Impact to the Individual
- Possible criminal charges
- May lose access to funding

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Why do we care about any of this?

University of Las Vegas
Improper use of grant funding
$1.45 million

Duke University
Administrative & Clerical Expenses on Awards
$1.7 million

Mayo Clinic
Inadequate Accounting System
$6.5 million

Florida International University
Direct Cost Disallowances
$11.5 million

Harvard University
False Statement Charges
Professor Indicted; Investigation Pending

Yale University
Cost Transfers/Salary Charges
$7.6 million

Northwestern University
Committed Time & Effort
$5.5 million

Non-Compliance at Other Institutions

University of Minnesota
Misuse of Federal Funds
$32 million

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Additional Resources / training

https://alumni.snhu.edu/operations/grant-resources

Any Questions please contact:

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