# Faculty Research Handbook
## Table of Contents

1) University Offices Involved in Sponsored Programs 4
   a) Office of Sponsored Programs 4
   b) Office of Development 5
   c) Business Office 5

2) University Policies relating to Grants and Agreements 6
   a) General University Policy Overview 6
   b) Eligibility 6
   c) Contractual Liability for Sponsored Programs and Research 7
   d) Project Costs 7
   e) University Resources 8
      i) Research Integrity 9
      ii) Financial Conflict of Interest 9
      iii) Financial Conflict of Interest Disclosure 10
   iv) Cost Sharing 10
   v) Cost Sharing on Equipment Proposals 11
   vi) Publication Policy 11
      vii) Gifts in Support of Research of Educational Programming 12
   f) Proposal Preparation 12
      i) Signature Authority 13
      ii) Role of the Office of Sponsored Programs 13
      iii) Locating Funding Opportunities 13
   iv) Types of Externally Sponsored Programs 13
   v) Required Review and Approval 15
   vi) Required Compliance Authorizations 15
   vii) Human Subjects Research 16
      viii) Proposal Format and Content 16
      ix) Budget 16
   g) Cooperating with Other Institutions and Organizations 16
   h) Partnering with Industry 17
   i) Facilities and Administrative (F&A) or Indirect Costs 17
3) Fringe Benefits 17
4) Proposal Submission 18
   a) Advance Notice and Lead Times for Review 18
   b) Transmitting the Completed Proposal 18
   c) Award Receipt 18
d) Receipt of Document and/or Check

e) Execution of Contracts and Agreements

f) Account Set-up

g) Pre-Award Account Establishment and Expenditures

h) Payments

5) Administrative Responsibilities

a) Recruitment, Classification and Compensation of Personnel

i) Salary Authorization

ii) University Time and Effort Certification

(1) Guidelines

(2) Considerations

(a) Prior Approvals

(b) Cost Transfers

(c) Pre-Award Costs

(iii) Error Correction

(iv) Additional Procedures for Late Cost Transfers

v) Effort/Salary Distribution Correction

b) Reporting Requirements

c) Invoicing the Sponsor

d) Equipment

e) Transfer to Another Institution
1. **University Offices Involved in Sponsored Programs**

Sponsored program administration at Lipscomb University provides an integrated team of professionals to serve the needs of the faculty in their pursuit of externally funded projects, research support, and scholarship excellence. The team provides the support, both administrative and financial, for the pre- and post-award processes involving promoting and managing external funding from federal, state, local, and private sources. The Provost oversees academic sponsored programs (grants and contracts) through the Office of Sponsored Programs.

a. **Office of Sponsored Programs**

The Office of Sponsored Programs (OSP) aids faculty members in locating and obtaining funding opportunities to support projects, research and scholarship. Services include, but are not limited to, searchable online funding databases, grant writing seminars and workshops, proposal development, and administering research compliance. The office acts as Lipscomb’s representative in pursuing partnerships and collaborative agreements with entities outside the institution. The OSP is the central point of coordination for sponsored projects, representing the Provost’s authority over academic activity University-wide. The Associate Provost of the OSP serves as the University’s representative and authorized institutional official for grants, contracts and other agreements from government agencies and private industry. The office is responsible for pre-award, post-award, and compliance activities related to internal and external grants, contracts and other sponsored program pursuits. The office assists faculty and staff with proposal preparation (agency forms and budget preparation), proposal submission, post-award account set-up, and monitoring in coordination with Grants Accounting, negotiating research-related agreements, and other post-award activities such as time extensions and budget modifications. The OSP staff work hand-in-hand with the Office of Finance and Administration, particularly with the manager for Grant Accounting on all financial aspects of sponsored project administration. Financial management, reporting, and compliance are chiefly located in the Office of Financial and
Administration under the University Controller.

b. Office of Development and Alumni Relations

The Office of Development and Alumni Relations researches, cultivates, and approaches friends, corporations, and philanthropic foundations to be donors or sponsors of University life and activities. OSP coordinates with Development in several ways:

(1) As the clearinghouse for Lipscomb faculty and staff seeking external funding from corporations and private foundations
(2) As expert advisors on unsolicited approaches (letters, visits) to entities referenced above
(3) As the lead institutional office when sponsor has a pre-existing relationship with University Development or when the sponsor’s funding is likely to be more of a gift than a grant.

The Office of the Provost requires proposals from faculty members to be reviewed by the OSP regardless of which Lipscomb office is taking the lead in proposal preparation and submission. The faculty member is responsible for sending the proposal routing form through the appropriate chair and dean to OSP and the Provost.

c. Business Office

The Business Office, primarily through the Office of Finance & Accounting, is responsible for post-award administration of financial matters, reviewing and analyzing expenditures, expenditure reporting to sponsors and outside agencies, and preparation of the facilities and administrative (F&A) cost-rate proposal. The proposal Principal Investigator (PI) or Project Director (PD) and the appropriate school’s Business Officer work directly with the Grants Accountant from the Office of Finance & Accounting to ensure financial compliance and appropriate allocation of funds.
2. University Policies Related to Grants and Agreements

Lipscomb’s sponsored program administration team supports curricular, research, and scholarship pursuits by facilitating the numerous policies and procedures required to ensure compliance and institutional support of sponsored programs.

a. General University Policy Overview

External funding is an integral part of today’s academic environment. Lipscomb University encourages faculty members to seek external funding for programs and scholarships that supports Lipscomb University’s mission and vision. The ultimate responsibility for managing these projects belongs to the Principal Investigator (PI) or Project Director (PD), assisted by Lipscomb research administration support offices and your departmental chair and staff. All applications, proposals, and contracts for research funding, training, and other research-related activities, are made in the name of Lipscomb University. The Board of Trustees has empowered a select number of officials to request and accept grants, contracts, and other related agreements on behalf of the University. Thus, only those officials designated by the Board of Trustees of Lipscomb University may bind the University. Lipscomb is required to comply with applicable U.S. Office of Management and Budget circulars A-110, A-21, and A-133, as amended and other regulations, guideline and instructions in the notice of grant award or award letter when receiving federal funds. In the use of non-federal funds, the University must comply with the award agreement and University policy.

b. Eligibility

To be able to apply for external funding at Lipscomb, an individual must be a full time faculty member with one of the following appointments: Assistant Professor, Associate Professor, Professor, University Professor or Distinguished Professor. Visiting Professors, Lecturers or other part time faculty must receive prior approval from the Provost upon recommendation by a Dean before applying for external funding.
c. Contractual Liability for Sponsored Programs and Research

If an application/proposal/contract is not processed through the proper channels of Lipscomb University and is subsequently funded there is the risk of the award not being accepted or a delay in accessing funds. Additionally, if a project is solicited by a third-party, and work is performed on this project in absence of a recognized and fully-executed sponsored program (grant or contract), the Principal Investigator/Project Director alone maintains ultimate liability for any and all requirements of the research program. Further, the PI/PD must reimburse the University for any and all costs associated with the use of University resources commonly associated with the pursuit of this research.

d. Project Costs

Lipscomb expects the sponsor of the project to pay the actual costs for conducting the activity. These costs include both the direct costs and facilities and administrative (F&A or indirect) costs incurred by the PI/PD during the conduct of a project. When appropriate, Lipscomb’s cost accounting practices will be communicated to the Department of Health and Human Services with a disclosure statement that describes the cost accounting system for recording expenses charged to federally-sponsored agreements. The treatment of direct and F&A costs by Lipscomb must be in compliance with OMB Circular A-21. Direct costs can be clearly identified and directly benefit a specific project salaries, consultant cost, equipment, laboratory supplies, travel, other expenses, and consortium/contractual costs. F&A costs (also referred to as indirect or overhead costs) are generally those institutional infrastructure costs that cannot be easily attributed to an individual project or monitored on an individual basis, and include building and equipment use, operations, maintenance, utilities, general departmental administration telecommunications, library resources, and capital improvements. Each grant is expected to pay its proportional share of these infrastructure costs. The facilities and administrative cost rate is negotiated between Lipscomb and the U.S. Department of Health and Human Services.*

All project budgets should include facilities and administrative costs (as applicable to the
sponsor) as determined by this federally negotiated facilities and administrative cost rate. Exceptions to this policy may be considered on a case-by-case basis if the sponsor has an established, written policy applicable to any and all potential applicants that deviates from the federally negotiated rates. All deviations are subject to approval by the Provost prior to submission of the grant or execution of the contract.

*Under the expected Lipscomb’s agreement with the federal government, fringe benefits on salaries are considered an indirect cost of sponsored activity and may not be charged directly, but only recovered within the recovery of F&A costs.

e. University Resources

Lipscomb University encourages its faculty to interact with business, industry, public and private foundations, government agencies, and religious and other educational institutions in appropriate ways. Such interaction assures the relevance of the University's missions of teaching, research and service. Lipscomb employees may not use University resources (including any person, money, or property) under their official control or direction or in their custody, for personal benefit or gain, or for the benefit or gain of any other individuals or outside organizations.

Per Lipscomb’s Conflict of Interest Policy it is permissible for a reasonable amount of University resources to be used in support of approved consulting activities while monitoring the usage of resources and reimbursing the University from fees or royalties earned from these activities. However, the use of research resources, including laboratories and research equipment should not be used for consolatory activities. In such cases where research equipment is needed, the sponsor should enter into a sponsored research agreement with Lipscomb to ensure that the University is reimbursed for expenses incurred to provide and maintain these facilities. In cases where University resources are utilized in the absence of a sponsored program agreement, the faculty member will assume all responsibility for reimbursing the University for rental fees and/or royalties earned from these activities.
i. **Research Integrity**

Lipscomb personnel are expected to adhere to the highest ethical standards for all research and scholarly work. It is the responsibility of every principal investigator to maintain the integrity of research projects by keeping accurate, permanent, and auditable records of all experimental protocols, data, and findings, and to charge other contributors with the same standards. Misconduct in research and other unscholarly activities is incompatible with the standards of Lipscomb University and all allegations of such behavior will be handled promptly.

ii. **Financial Conflict of Interest**

Lipscomb University employees should conduct their affairs so as to avoid or minimize real or apparent conflicts of interest, including financial conflicts of interest and conflicts of commitment. Lipscomb’s Conflict of Interest Policy describes the University’s regulations for conflict of interest. This Policy is intended to serve as a primer for faculty members in structuring their relationships with business entities in view of their primary academic responsibilities to Lipscomb. The Policy is not intended to eliminate all situations of conflict of interest, but rather to enable faculty to identify and avoid real or apparent conflicts of interest.

In addition to Lipscomb’s regulations, federal agencies, including the Public Health Service and National Science Foundation, have additional conflict-of-interest regulations that are applicable to sponsored research. These regulations require universities applying for grants to ensure that there is no reasonable expectation the design, conduct, and reporting of research will be biased by any significant financial interest of an investigator responsible for the design, conduct, or reporting of that research.

Any real or apparent conflict of interest should be reported to the Office
of the Provost. If potential conflicts of interest involve sponsored program activities, these conflicts should also be reported to the Provost and the OSP so that a proper disclosure and review can be performed before any sponsored program is initiated. In most cases, a conflict of interest may be managed or avoided through proper guidance in structuring an appropriate relationship and through thorough review, disclosure, and monitoring processes.

iii. Financial Conflict of Interest Disclosure

Before a grant application can be sent to a sponsoring agency, the OSP must have a financial conflict of interest disclosure statement on file for all key personnel listed in the application. All research applications to federal agencies require certification that the investigators conducting the research do not have a conflict of interest that might compromise the conduct of the proposed research or the interpretation of the results of the research.

iv. Cost Sharing

Occasionally, sponsors may require that Lipscomb share part of the costs of the proposed project. Lipscomb discourages voluntary cost sharing and any such costs must be approved in advance by the Provost and the appropriate Dean before applying for funding. Lipscomb strictly discourages unnecessary cost sharing and will only provide cost sharing in cases where the sponsor’s written guidelines state that cost sharing is required of all applicants. In such cases, in-kind faculty salary time, unrecovered F&A costs and/or tuition contributions for graduate research assistants working on the project will be applied toward the cost sharing requirement.

To qualify for cost sharing, matching funds, or in-kind contributions, all charges must be:

- Allowable under sponsor policies and the terms of the grant award
guidelines

- Allowable as a cost to the project
- Reasonable and necessary for performance of the project
- Allowable on the source proposed to fund the cost sharing commitment

Funding agencies now routinely label budgeted cost sharing amounts as being mandatory (binding) terms of the award. Thus, all proposal documents must be carefully reviewed and written to avoid non-essential cost sharing and any financial repercussion to the department, school, institute or the university. Cost sharing should only be included in a proposal as the University’s contribution toward a project only when required to do so by the sponsor.

v. Cost Sharing on Equipment Proposals

Typically proposals requesting acquisition of a major piece of equipment require Institutional cost sharing per the sponsor’s guidelines. However, the University has a limited pool of money for cost sharing. The proposer, with the assistance of OSP, should coordinate the support of the department chair, dean and Provost to ensure that the money is committed wisely to support research or activity central to department, college/school, and University priorities.

vi. Publication Policy

Publication of new knowledge is a right and an obligation that is fundamental to an academic institution. Lipscomb University retains the right to publish all work derived as a result of its faculty’s efforts in support of research and scholarship through grants, contracts and gifts. The right to approve publication or edit the content of faculty’s work by individuals or sponsors outside of Lipscomb is also strictly prohibited. Reasonable publication delays may be negotiated prior to submission to allow the sponsor to review a publication for the inadvertent disclosure of sponsor’s confidential information, permit review for
possible premature disclosure of patent application information, or to allow for the filing of a patent application. However, in any and all cases, the final publication decision rests with Lipscomb University.

vii. Gifts in Support of Research or Educational Programming

Lipscomb is pleased to accept unrestricted gifts of funds to support classroom innovations, research and scholarship activities. Monetary gifts from foundations, individuals or other sources and the processing of non-cash gifts of equipment and other items of use in Lipscomb programs are coordinated through the Office of University Advancement in collaboration with the OSP.
Gifts for research are contributions by donors, usually non-profit or for-profit organizations, to the University to fund scholarly activities and research. Typically, a gift for research is any item of value given by a donor who expects nothing of significant value in return, other than recognition and disposition of the gift in accordance with the donor’s wishes.

Funds for Sponsored Programs refer to research, instruction, and public service grants and contracts undertaken pursuant to a proposal submitted by the investigator that specifies the line of inquiry. Such arrangements require the prior approval of the University and the sponsoring agency and may be initiated in response to a sponsor’s request for proposals, or may be submitted at the initiative of the investigator.

f. Proposal Preparation

The individual serving as principal investigator or project director for a proposed project is responsible for preparation of the proposal following Lipscomb University policies and procedures as well as guidelines provided by the anticipated funding agency. By submitting a proposal to the federal government, the project director is agreeing to abide by all applicable federal policies and procedures, should an award be granted.
All proposals for private foundations require the integrated involvement of the Office of Development and Alumni Relations prior to the submission of a proposal. Coordination with the office ensures that conflicting institutional requests for foundation resources are avoided. Regardless of the funding source or sponsor, all proposal submissions for sponsored activity must be processed by the OSP prior to submission.

i. Signature Authority

The Associate Provost of OSP serves as the University’s representative and authorized institutional official for submitting grants, contracts and other agreements from government agencies and private industry. In the Director’s absence, OSP will coordinate obtaining the signature of the Provost.

ii. Role of the OSP

Faculty considering writing a proposal to support a program idea or research project should contact OSP to avail themselves of all possible services of the office. Services include, but are not limited to targeted searches for sponsors, award and program research (past grantees, abstracts of winning proposals), proposal development, editing, budget development and spreadsheet building, and travel support for agency visits, if appropriate. Should collaboration with another university be planned, the office will coordinate the compliance and commitment documents needed.

iii. Locating Funding Opportunities

Lipscomb University will provide access to resources for locating external funding opportunities. Access to the funding databases can be found at www.lipscomb.edu/research.

iv. Types of Externally Sponsored Programs

Externally sponsored programs cover many types of agreements
including but not limited to grants, contracts, cooperative agreements, and training grants. Regardless of type, proposals must be processed through the OSP prior to submission to the sponsor using the guidelines and procedures described within this document.

**Research Grants**

A funding agreement typically focuses on basic or fundamental, curiosity-driven research.

**Training Grants**

Training Grants support research training or professional training to individuals to broaden their scientific background or prepare them for career advancement (e.g., advanced nursing traineeships).

**Fellowships**

Fellowships support individuals in their pursuit of a proposed plan of research or study during a sabbatical or summer.

**Conference/Meeting Support Grants**

Conference/Meeting Support Grants support recipient-sponsored and directed international, national or regional meetings, conferences and workshops.

**Equipment Grants**

Equipment Grants provide financial assistance, in whole or in part, to pay for research equipment. Facilities and Administrative costs are not charged on an equipment grant.
Research Contract

A Research Contract is a funding agreement, often sponsored by industry, for conducting research typically directed at answering questions of an applied nature.

Research Collaboration Agreement

A Research Collaboration Agreement is a funding agreement, often originating from both government and industry sources, for conducting strategic research in close cooperation with the sponsor.

v. Required Review and Approval

The Proposal Routing Form provides critical information and certifications for sponsored activity to the dean, department, research administration and institutional officials regarding the proposal. The approval form is part of the proposal submission process and serves as a checklist for processing proposals and compliance certifications required for proposal submission. Detailed instructions can be found at http://www.Lipscomb.edu/research.

vi. Required Compliance Authorizations

Research activities are governed by a number of regulatory and compliance committees imposed by federal and state laws. Non-compliance can result in severe penalties to the institution and, in some instances, to the individual. It is the responsibility of any principal investigator to be familiar with all areas of research compliance and any review and reporting processes that are required. In all cases, reviews to ensure research compliance are required of all protocols using human subjects or hazardous materials regardless of whether or not funding (internal or external) is being sought for the project.
vii. Human Subjects Research

If human subjects are to be included as part of a research study, the protocol must be reviewed and approved by the University’s Institutional Review Board (IRB), regardless of whether research funding is being sought. After review, the project director will receive written notification of the IRB action. Studies may not begin until a sponsored research agreement is fully executed and the protocol is approved by the IRB. Approved protocols are required by regulatory law to receive continuing review and approval at least annually. Additional information can be found on the Lipscomb University IRB Web site at http://www.Lipscomb.edu/research.

viii. Proposal Format and Content

Proposal format may vary greatly between different sponsors. Detailed instructions are most often found within the sponsor’s grant proposal guidelines or on the sponsor’s Web site.

ix. Budget

Using a detailed budget form, the OSP can assist principal investigators in formulating a comprehensive project budget. Budgets must adhere to sponsor and institutional costing policies regarding sponsored programs and contracts.

g. Cooperating with Institutions and Organizations

Formal consortium/partnership agreements are executed when any substantial portion of a project is to be performed by another institution. Early in negotiations with any cooperating institution or sub-awardee, contact the OSP for assistance in acquiring the necessary documentation for the comprehensive proposal budget.
h. Partnering with Industry

University-Industry partnerships for the purpose of seeking funding cooperative research initiatives, such as Small Business Innovative Research (SBIR) programs, may require formal agreements between the parties. In these cases, OSP should be involved, coordinating with the Provost, so that such partnerships can be fully developed.

i. Facilities and Administrative (F&A) or Indirect Costs

Facilities & Administrative costs (F&A or indirect costs) are allowable costs associated with the conduct of a research study, but which cannot be directly charged since they result from shared services. Such costs might include libraries, physical plant operation, departmental support, research administration expenses, and depreciation or use allowance for building and equipment. F&A costs on federal grants are computed on the basis of negotiations with an audit agency. Lipscomb’s policy is to always obtain indirect costs to the maximum extent allowed by the sponsor. If a sponsor does not allow indirect costs, or requests to pay a rate below that charged for federal sponsors, such policy must be provided in writing from the sponsor to the OSP before accepting an award. Contact OSP or view the Web site to obtain the current F&A cost rates for on and off campus research at http://www.Lipscomb.edu/research.

Indirect costs obtained from grants are distributed using the following policy: 35% to University Administration, 35% to the Office of Sponsored Programs and 30% to the College receiving the grant.

3. Fringe Benefits

Fringe benefits include such items as Social Security, University retirement programs, health insurance, life insurance, and disability insurance. Average rates are used for assessing the costs of a project. Typically, fringe benefits are a direct charge to the grant or contract, and most forms that Lipscomb faculty members fill out will indicate lines for fringe
benefits on project staff salaries. However, at this time, due to the agreement signed with the U.S. Department of Health and Human Services, fringe benefits may not be charged directly to a federal sponsor and thus, are not to be included on a budget plan. Exceptions would be if the full indirect cost rate is not allowed by the sponsor. Contact the OSP with any questions about this topic.

4. Proposal Submission
   All requests for external funding, regardless of source, must be processed through the proper channels of Lipscomb University before initiation of effort on the project. Without an award agreement or fully executed contract in place, the project director alone maintains ultimate liability for any and all requirements of the program, as well as any and all costs associated with the use of University resources commonly associated with the pursuit of the research or other activity.

   a. Advanced Notice and Lead Times for Review
      It is to the benefit of the Principal Investigator (or Project Director) to contact the OSP as soon as preparation of a formal proposal begins. Advanced notice will ensure that all administrative and budgetary items are accurate before the proposal is finalized and submitted. Letters of intent and pre-proposals must be processed through OSP due to the fact that information submitted may define an institutional commitment to the sponsor in the case of an award.

   b. Transmitting the Completed Proposal
      All proposals, whether electronic or paper-based and regardless of the funding source, must go through the OSP and receive institutional review prior to submission.

   c. Award Receipt
      The OSP seeks to help with any administrative questions that might pertain to a submitted proposal. Please provide the OSP Associate Provost with a copy of the funding
decision, award letter or any other pertinent correspondence with a sponsor regarding the review process, funding decisions or a site visit, regardless of the timing of such correspondence. Awards are made to Lipscomb University. The original notice of grant award, award letter, or contract for all activities should be provided to the OSP immediately after it is received if the office has not already been the primary recipient. Also, please provide OSP with a copy of or link to any of the sponsor’s policies, as this will assist both OSP and the Office of Finance & Accounting with preparation for the ongoing management of the award.

d. Receipt of Award Document and/or Check

Grants and contracts awarded to Lipscomb University must be reviewed and accepted by the Director of the OSP. Terms and conditions associated with an award will be noted on the Summary of Award Terms and Conditions and distributed, along with copies of the award, to the grants accountant, the relevant school business officer and dean, and the Principal Investigator/Project Director.

The OSP, as a designee of the Provost, signs acceptance letters, grant acknowledgements and contracts. In the absence of the Associate Provost, the Provost will sign off. Unexpected or questionable terms and conditions will be discussed with the PI/PD and Dean. Awards that contain conditions unacceptable to the University may be returned.

Should the PI/PD receive the award documents, the original documentation, in its entirety, should be sent promptly to the OSP, with the PI retaining a complete copy. OSP will review the award documents and distribute for account set-up. In the event that a check arrives with an award document, OSP or the recipient should immediately make a copy of the check for records and security and hand-carry it to the Grants Accountant in the Business Office. The Office will deposit the check into a holding account until OSP reviews the terms and conditions of accepting the funds.
The OSP will work directly with the sponsor to negotiate language that is favorable to both parties, while protecting the rights and obligations of the University and the researchers involved in the endeavor. All research-related agreements, including but not limited to sponsored research agreements, research service agreements, material transfer agreements, nondisclosure agreements, industry-related agreements, grant awards and contracts are negotiated by the OSP.

The OSP will negotiate terms and conditions and obtain official signatures. Clauses that often require special attention include confidentiality requirements, the right to publish findings, budget limitations, required reports, record retention, patent and copyright protection, liability and indemnification. It is an absolute requirement, and in the principal investigator’s best interests, that any and all contracts or agreements be thoroughly reviewed and negotiated. Further, such review and negotiation is required so that the contractual language is in accordance with the mission of Lipscomb University and consistent with the University’s adherence to the principles of academic freedom. The Principal Investigator (or Project Director) will be provided a copy of the fully executed agreement and should maintain this agreement for future reference.

e. Execution of Contracts and Agreements

Awards are made to Lipscomb University and are accepted by an official authorized to bind Lipscomb on behalf of the Board of Trustees. Therefore, any contract or agreement for research must be processed through the appropriate Lipscomb office. Agreements or contracts are not considered legally binding unless an authorized Lipscomb University official signs them. An investigator may lose an award if the corresponding agreement is not signed by an authorized signatory of the University.

f. Account Setup

Once the original notice of grant award, award letter or fully executed contract has
been received by the OSP, an account will be established by the Business Office. Without a tangible notice of award, an account cannot be established.

If an award is made for a different amount than the proposed budget, a revised budget for the new amount is required and should be forwarded to the OSP as soon as possible to avoid a delay in setting up an account.

g. Pre-Award Account Establishment and Expenditures

In cases where a PI/PD is expecting an award and desires to begin hiring or ordering equipment/supplies, federal awards allow a 90-day window for expenditures to be taken at the risk of the awardee. Should a PI/PD wish to spend before receipt of the award, a risk default account must be provided by the school supporting the request. The appropriate restricted fund will be set up for activity with a flag. Upon receipt of an acceptable award document, the fund will be de-flagged (see further information and instruction on Pre-Award Costs.

h. Payments and Award Management

Checks should be made payable to Lipscomb University, preferably directed to the Business Office, attention to “Grant and Restricted Funds Accountant.”

5. Administrative Responsibilities

The principal investigator is responsible for the day-to-day administration and direction of the approved project. In order to carry out this responsibility, the principal investigator should be aware of all grant/contract terms and conditions and should give special attention to those terms and conditions regarding budget limitations, patents and copyrights, inventions, confidential information, safety and security, and required reports.
a. Recruitment, Classification and Compensation of Program Personnel

The recruitment, classification and compensation of personnel paid by a sponsored project shall be conducted according to Lipscomb University policies and procedures as established and implemented by the Office of Human Resources. Federal regulations are clear that federally funded employees should be compensated under normal institutional policies and receive all the benefits (vacation, sick leave) of any other full-time employee.

PI/PDs shall contact Human Resources for assistance and guidance in the hiring of all new staff associated with a sponsored activity. Human Resources will require authorization from the appropriate dean prior to moving forward on the hiring of “soft money” employees.

i. Salary Authorization

Faculty, students, and staff who require that a portion of their compensation be sourced to a sponsored project fund must process a payroll action form that is approved by both the PI/PD of the sponsored project and the appropriate Dean in the school of the employee. Similar authorization to be paid during the summer months from grant funds must be obtained as well, preferably at the outset when the account is first being established by the Business Office.

ii. University Time and Effort Certification

Lipscomb faculty and staff who have either charged effort directly to a sponsored project or who have committed cost shared effort to a sponsored project are required by federal regulations to verify and certify to such effort.

1. Guidelines:

Faculty effort is the total activity or work for which an individual is compensated by Lipscomb, regardless of the number of hours worked. Effort
Reporting is the process in which an individual confirms that the salaries charged to sponsored projects are reasonable in relation to the work performed.

Federal guidelines (OMB Circular A-21) requires payroll costs to be confirmed by recipients to ensure that external sponsors reimburse the grantee only for the time and effort actually expended on their behalf. All faculty involved in federally sponsored projects receive a report on the distribution of effort. The reports are distributed on a semester basis and must be certified and signed within 30 days of receipt.

Faculty must certify that their effort percentages are a reasonable estimate of the actual work performed. If the actual effort performed on a sponsored project differs (positively or negatively) from the percentage noted on the report by:

1. 0% to 5%, no adjustment is necessary.
2. 6% or more, the certification should be adjusted manually to reflect the correct effort percentage.

The report must be signed/certified by either the individual that expended the effort or by a person who has first-hand knowledge of the total compensated effort performed by the individual.

Signed/certified effort reports are legal documents in which an individual attests to the accuracy of the effort charged to sponsored projects. One’s signature indicates that one understands the basis for the certification.
2. **Considerations:**

Certification of activity should reasonably reflect actual effort, which should be based on the effort committed in the proposal. Normally, a faculty member should have reportable effort that reflects a reasonable estimate of the time devoted to department administration, which includes:

- Preparation of competitive grant proposals
- School/department committees
- Selection of faculty, general staff and students

Normally, faculty perform multiple activities throughout a semester (sponsored research, instruction, department administration...), therefore 100% effort on a sponsored program’s activity may not seem reasonable. Faculty members may be involved with paid or unpaid consulting activities. When consistent with Lipscomb University policy on consulting, this effort is not considered part of Lipscomb activity.

2a. **Prior Approvals**

Each sponsor may have specific requirements regarding changes to the scope of the project or modifications to the approved budget. Communications about changes to the scope or budget should be coordinated through the OSP. Sponsors expect the institution to endorse any programmatic or budgetary changes by the project director because the award is actually made to the institution. Especially important are changes in project duration or the budget, as Lipscomb may have expanded authority to approve changes to certain grants without referring back to the sponsor. If such expanded authorities are granted, sponsors expect the internal approval process to be well-documented within OSP.
For grants/contracts requiring the sponsor’s prior approval, correspondence with the sponsor requesting such changes must be reviewed and co-signed by a University official on behalf of Lipscomb. As stated above, the designated official at Lipscomb is the Associate Provost of OSP. Once a written approval is received from the sponsor, the principal investigator and the Office of Finance & Accounting will receive notification that changes can be formalized.

2b. Cost Transfers

A cost transfer is a shift of an expense to or from a sponsored project when that expense was previously charged elsewhere. Examples:

- transfer pre-award costs from a departmental fund
- correction of a clerical error
- reallocation of salary distribution to reflect actual effort

The cost allowance and allocation requirements of OMB Circular A-21 necessitate a thorough explanation and justification for any transfer of charges to federal awards from other federal, non-federal or University Funds. Allocation requirements do not allow transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns. All federal and non-federal sponsors are sensitive to the risks associated with cost transfers and expect that they also be accomplished in a timely manner (typically within 90 days). The NIH policy on Cost Transfers, Overruns, and Accelerated and Delayed Expenditures found in the NIH Grants Policy Statement at http://grants1.nih.gov/grants/policy/nihgps_2003/NIHGPS_Part5.htm#_Toc54600120 represents the perspective of all federal and most other sponsors.
It is never acceptable to charge costs to a sponsored project unless those costs are allocable to that project, even on a temporary basis.

To ensure compliance with the policies of federal and non-federal sponsors, the University requires that all cost transfers be accomplished in a timely manner and be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge. This is to be accomplished through the following procedures.

2c. Pre-Award Costs

Normally, goods or services must be received during the period of performance if they are to be considered allowable. The period of performance of a Federal award usually starts at execution or within a few weeks of execution. Some awards include approval of pre-award costs; these include Assistance awards incorporating OMB Circular A-110 expanded authorities or specific authorization. **Expenditures made pending receipt of a sponsored award should never be charged to another sponsored project fund in the interim.**

If there are costs allocable to a project incurred prior to the start-date or receipt-date of the award, the OSP should be made aware. When approved, a grant fund may be established prior to receipt of the grant in order to alleviate the need to later transfer pre-award costs. Authorization for pre-award costs must to be requested in writing to the dean and OSP. In the event that pre-award costs are incurred without dean/provost approval, OSP should be notified of costs prior to the accepting and signing of an agreement so that it can ensure that these costs will be allowed by the sponsor.

Allowable costs incurred during an authorized 90-day pre-award time
period that must be transferred to a grant fund must be presented to OSP and the Grants Accountant in a timely manner (within 30 days of the department’s receipt of notification of receipt of the award and establishment of the Grant in Banner). It must be in the form of a journal entry with full documentation supporting the move of charges to the appropriate fund. The documentation should state clearly the date, amount, Banner Fund originally charged, any other identifying information for each charge to be moved, and a written statement from the PI stating that he/she has exercised authority to incur pre-award costs and that the transactions are allowable, allocable and reasonable charges to the Grant.

### iii. Error Correction

Transfers of costs to or from sponsored awards that represent corrections of clerical or bookkeeping errors must be made promptly after the error is discovered. The transfers must be supported by documentation including a full explanation of how the error occurred and what steps will be taken to prevent the error in the future and a certification as to the correctness of the new charge by a responsible financial or administrative official of the department. Explanations that merely state the transfer are being made “to correct error” or “to transfer to correct project” is not sufficient.

The written explanation and supporting documentation should clearly address all of the following:

- Date, amount, Banner Fund number originally charged, and any other identifying information;
- A description of the goods or services for which the expense is being transferred
- Why the correct fund was not originally charged
c. Reporting Requirements

The Principal Investigator (or Project Director) is responsible for complying with all
reporting requirements and deadlines, as specified by the sponsor. Therefore, PI/PDs should read the sponsor’s guidelines carefully to ascertain what reports are required, their frequency, and preparation instructions. Formal financial reports will be prepared by the Office of Finance & Accounting at the PI/PD’s request and sent to the PI/PD for review prior to being sent to the sponsor.

d. Invoicing the Sponsor

Most research agreements specify that an initial payment will be made upon receipt of a fully executed agreement. Often, the sponsor may also require additional invoices to cover the cost of the project as defined by the contract period. The Office of Finance & Accounting will provide invoices to the sponsor based on the payment schedule defined within the research agreement.

e. Equipment

Lipscomb retains ownership of or title to most capital equipment purchased with sponsored research funds. Equipment should not be sold, transferred, or otherwise disposed of without first notifying the OSP. OSP is responsible for researching and determining agency specific regulations governing the sale, transfer, or disposal of equipment purchased with sponsored research funds.

General guidelines concerning title to capital equipment permits full vesting upon close-out of the award under which the property was acquired. There may be special circumstances, such as the transfer of a PI or PD to another institution, when arrangements can be made to transfer property to another institution. In these situations written approval is required by both the awarding agency and Lipscomb, and may require reimbursement for the equipment. Arrangements should be coordinated through OSP.

f. Transfer to Another Institution

If a principal investigator anticipates leaving Lipscomb University for another
appointment, OSP and the Office of the Provost should be notified immediately. If requesting a transfer of extramural support to another institution, specific written approval must be obtained from Lipscomb, the anticipated recipient institution, and the funding agency. If the principal investigator becomes unable to serve as the lead investigator on a grant and wishes to relinquish the grant, and nominate another Lipscomb faculty member as the lead principal investigator, written permission from both Lipscomb and the sponsor must be obtained.