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INTRODUCTION

Reasons for the Handbook

This PI Handbook consolidates most of the information needed by UCSC Principal Investigators (PIs) in the process of securing extramural support. It includes details of proposal submission and discusses items that can delay processing. PIs are encouraged to scan this handbook when contemplating the submission of a proposal, so ample time is allowed for review. Many items can be handled in advance.

This Handbook is also meant to provide a guide for meeting the audit requirements of various funding agencies and for avoiding administrative problems that can be frustrating.

The Handbook defines both University of California policies, as found in the University of California Contract and Grant Manual (<https://www.ucop.edu/research-policy-analysis-coordination/resources-tools/contract-and-grant-manual/>), and current UCSC practices. It is intended as a common reference for PIs who submit proposals and who must cope with the day-to-day administration of extramural funds.

The Handbook is organized around the life cycle of a grant, first the proposal and then the award).

Common Acronyms Used in Handbook

CARC: Chancellor's Animal Research Committee
EMF: Extramural Fund Accounting
GSR: Graduate Student Researcher
IACUC: Institutional Animal Care and Use Committee
IRB: Institutional Review Board (Human Subjects)
NIH: National Institutes of Health
NSF: National Science Foundation
ORCA: Office of Research Compliance Administration
ORU: Organized Research Unit
OSP: Office of Sponsored Projects
PD: Project Director
PI: Principal Investigator
UCOP: University of California Office of the President

FUNCTIONS OF THE OFFICE OF SPONSORED PROJECTS

The Office of Sponsored Projects is the central campus unit with the sole delegated authority to submit proposals in the name of The Regents of the University of California. Given this responsibility, the Office acts as the coordination point for information, guidance, and administration relating to extramural support for research, training, and public service projects. This includes submission of proposals to both government and private agencies where research, training, or public service is involved.

The Office of Sponsored Projects staff performs the following functions:

1. Assists prospective researchers in locating extramural fund sources suitable for the proposed research, training or public service project through the use of the Community of Science electronic database and electronic alert systems.
2. Maintains contact with officials of government and private agencies to acquire up-to-date information on funding sources and administration issues.
3. Assists the PI in preparing a budget and in navigating the internal review and approval process of submitting a proposal for extramural support.
4. Helps the PI satisfy the funding source's program announcements requirement
5. Coordinates campus administrative review of proposals when necessary (e.g., Chancellor, Vice Chancellor, Dean, Environmental Health and Safety, University Advancement) keeping the various offices informed as projects progress and advising them of the policies and procedures required by the agencies and the university.
6. Review the terms and conditions of each contract or grant to ensure compatibility with university policy.
7. Coordinates administration of contracts and grants with the PI and the various campus offices (e.g., unit business office, Accounting, Purchasing, Equipment Management).
8. Performs a liaison function with the Office of the President regarding contract and grant matters.
9. Notifies PIs of pertinent University and agency policies.
10. Coordinates the administrative requirements of research projects involving human subjects and animals.
11. Coordinates the review of proposals and contractual documents requiring Presidential or Regental approval; reviews and, when necessary, prepares items for Regents' agenda.
12. Negotiates terms and conditions prior to award acceptance.

13. Carries out post-award non-financial administrative transactions (e.g., granting and requesting no-cost time extensions) as needed.
14. Coordinates all actions required to close out contracts and grants.
15. Contributes to the university-wide administration system for recording and reporting contract and grant activity designed to provide the Regents, the Chancellors, and administrators in the Office of the President with essential management and statistical information regarding University contract and grant operations.
16. Prepares changes to the campus Policy and Procedure Manual for Contracts and Grants Administration; coordinates these changes with other campus officials, disseminates such changes.
17. Liaisons with the UCSC Office for Management of Intellectual Property and UC Office of the President's Office of Technology Transfer as needed.
18. Liaisons with the UCSC Office of Research Compliance Administration as needed.
19. Liaisons with the Research Administration Office at the UC Office of the President as needed.
20. Convenes and conducts periodic meetings of campus officials concerned with contract and grant administration.

FUNCTIONS OF THE DIVISION OFFICES IN REGARD TO CONTRACTS AND GRANTS

Deans: Deans are accountable for all funds administered by units under their control, as well as for the coordination of all programmatic elements within their departments. This includes:

1. Reviewing all proposals to assure that the proposed project is consistent with the educational and professional objectives of the division/unit.
2. Approving cost sharing and/or matching fund commitments contained in proposals.
3. Identifying appropriate non-federal fund sources in the event of any overdrafts and/or disallowances.
4. Reviewing financial transactions, where appropriate, for consistency with project purposes and award terms and conditions.
5. Certifying whether space will be available on campus for the proposed project.

Department Chairs or Organized Research Unit (ORU) Directors: The Department Chair or organized research unit director has major responsibility in reviewing proposal submitted by faculty members within that department or unit. Of particular concern to the Department Chair or Director, in the proposal review process, are the following elements.

1. Determining the eligibility of the individual designated as PI or Co-PI. (See PROPOSAL REVIEW section, A.1.)
2. Reviewing all proposals to assure that the project is consistent with the educational and professional objectives of the department or unit.
3. Determining the appropriateness of the time commitments made by faculty members.
4. Encouraging PIs to make provision for graduate students, where appropriate.

Unit Business Office: This office works very closely with PIs in providing overall administrative support services including, but not limited to, the following functions.

1. Handling all transactions involving the commitment of grant funds such as initiating personnel actions, processing payroll, reviewing all requests for equipment and supplies before orders are written or forwarded to Purchasing, processing forms for the retaining of consultants, preparing and approving travel forms and approving invoices.

2. Maintaining records of expenditures and inventory, reconciling these with the general ledger and preparing correcting forms (e.g. cost transfers for payroll and non-payroll expenditures to bring ledgers into balance).
3. Providing monthly financial summaries and projections of expenditures to PIs.
4. Ensuring all transactions are in accordance with terms and conditions of the award and with university policy.
5. Providing Accounting with information regarding expenditures on contracts and grants.
6. Assuring that, where appropriate, equipment screening procedures have been followed.
7. Reviewing cost sharing and/or matching fund commitments set forth in the proposal and making recommendations to the Dean; preparing cost sharing reports and manpower reports to be transmitted to the granting agency.
8. Reviewing proposal budgets to assure that adequate funds have been budgeted.
9. Coordinating the verification of payroll ledger certifications.
10. Maintaining payroll vacation and sick leave records.
11. Assisting with the closing of grants. .
12. Consulting with PIs to determine how best to meet their changing financial needs.

FUNCTIONS OF OTHER CAMPUS OFFICES IN REGARD TO CONTRACTS AND GRANTS

Equipment Management: Equipment Administration is responsible for tracking inventorial equipment. Contact Equipment Administration for information on:

- distinguishing inventorial from non-inventorial equipment
- property tags
- property number records
- inventory listings
- physical inventory procedure
- transfer or disposal of inventorial equipment
- new custody codes

Equipment Management is responsible for completing end-of-project property reports if required by sponsor.

Purchasing and Business Contracts: OSP informs Purchasing of every proposal that contains an equipment purchase of \$50,000 or more. A Buyer from Purchasing will contact the PI to assist in the procurement if the grant is awarded.

Extramural Fund Accounting: EMF is responsible for assigning all fund numbers to new awards (except for NSF awards which OSP does), preparing final financial reports for expired grants and contracts and draws down fund from federal funding agencies and bills nongovernmental sources for grant payments.

PROPOSAL WRITING

PIs must write proposals which present their ideas for research. The staff in the Sponsored Projects Office provide assistance with developing a budget which accurately and predictably forecasts the costs of performing the research. All levels of academic staff have access to this support including graduate and undergraduate students who may attain funding for their projects under a faculty sponsor.

Personal Contacts: There is a personal and political side to grantsmanship which can be provided only by PIs themselves. The following suggestions come from PIs on this campus as well as from resource documents:

1. Get to know, by name, the program directors of likely funding agencies for your area of interest.
2. Call the program directors to determine if they are currently funding projects similar to your proposal type.
3. Seek advice on promising areas of research.
4. Ask the program directors when the best time would be to submit a proposal as far as funding is concerned.
5. Send the program director a copy of the proposal at the same time the proposal copies are sent to the processing office at the agency. Some program directors will go out of their way to help a promising young researcher.

Research Success: The primary requirement is a serious scholarly research idea.

1. Read the proposals of other investigators in your field. Look at the strategy of the proposals.
2. Start modestly. Program directors are looking for well-defined proposals that are within your capability and that have realistic budgets. Larger schemes come with experience. Re-read the proposal through the eyes of the reviewer and rework the proposal until it is absolutely clear.
3. Seek advice from senior colleagues who have grant experience. Ask them to read and criticize your proposal. See if they understand what you are going to do.
4. Make sure that you follow agency-specific guidelines when preparing your proposal (e.g., National Science Foundation's merit review broader impacts criteria).

Potential Mistakes: Do not carry resourcefulness too far. The proposal must stand on its own merit.

1. Many investigators recommend against including “booster” letters with a proposal, i.e. letters signed by renowned colleagues, college presidents, mayors, or legislators. (Unless agencies request such letters or you are asked to include letters from University administrators indicating necessary institutional support.)
2. Send proposals through normal channels with assistance from the Office of Sponsored Projects.
3. Do not use fancy covers or elaborate ornamentation for public relations purposes. Use the agency or university format which the Contracts and Grants Office provides.
4. Be completely honest – “snow jobs” are easily detected.
5. Do not include unrequested materials, massive documentation, or excessive details. These can distract the reviewer from the point of your proposal.
6. Do not submit blank check proposals.
7. Do not pad the budget. Budget the appropriate personnel for the expertise needed. The sophistication of the PI comes through in the budget and justification of the budget. Sometimes the agency cuts items from the budget because they have not been thoroughly justified.
8. If site visits by agency representatives occur, keep them businesslike; they are not social occasions.

If your proposal is rejected, ask the agency for the reviewers’ comments on your proposal. (These are not available until the funding decision has been made.) These comments are most useful when you rewrite your proposal and submit again. Sometimes there is just one aspect of the proposal that the reviewers found objectionable.

If your proposal is funded, the reviewers’ comments are still valuable; you can take their opinions into consideration when you submit your next proposal. Sometimes the agency’s priorities aren’t the same as the PI’s priorities.

The format for many proposals is established by the funding agency. It is important to write a clear and thoughtful Research Plan - the core of the proposal. Discussions with some investigators show that reviewers are likely to use it as a basis of judging the clarity of reasoning and the skill that you bring to projects and reports. This is your opportunity to show your expertise and scholarship in your field, your knowledge of its literature and technology, and how you will bring this to fruition in your research. Here you provide details that demonstrate familiarity with related research and methodology and fit your proposal into the larger picture of your chosen field. Take time to develop your strategy and set priorities. The reviewer should be convinced that your proposal is an advancement in what has previously been accomplished, and that you can solve problems.

Established PIs at UCSC who review proposals for funding agencies explain review criteria further:

1. Evidence of a good “track record” indicates an experienced and successful PI.
2. A young investigator’s ideas must be new and not just a continuation of his/her thesis.
3. The PIs argument must be good.
4. The proposal must be neither excessively short nor long.
5. The research must be feasible.
6. Adequate preliminary data must be included.

Suggested Proposal Content:

1. Agency Cover Sheet: The PI should provide any information required. The Contracts and Grants Office should be consulted for any required institutional information.
2. Table of Contents: Many established investigators stress this is important. It is also required by many agencies.
3. Abstract: Write this last since it is a summary outlining the scope of the entire proposal.
4. Biographical Sketch: For all professional personnel who will work on the research.
Name
Official title
Education (begin with baccalaureate and include postdoctoral with institution, degree, year, and field at each level)
Honors
Major research interest
Role in the proposed project
Research and/or professional experience (start with present position, list all employment)
Personal Publications
5. Pertinent Literature References (bibliography)
6. Current Support: List all other research support of the PI; if the PI has no other support this should be stated.

Agency and grant/contract number
Title of project
Percent of time on project
Total award
Period of support

7. Applications Pending: If the PI has no other applications pending, this should be stated. If this proposal is being submitted to other agencies, state this fact.

Agency
Title of project
Total amount
Period of support

8. Budget: See PROPOSAL BUDGETING section.
9. Progress Report: To be included if the proposal is a renewal, continuation, or supplemental proposal.
10. Research Plan
- a. Some agencies have a suggested Research Plan outline.
 - b. See the following pages for typical outlines; they are divided by discipline (sciences, behavioral sciences, humanities).

Most proposals are submitted in the name of The Regents of the University of California; however the Contracts and Grants Office is prepared to assist professors in submitting proposals for individual fellowships.

Research Plan - Sciences

Write a clear and logical statement of work to be undertaken in sufficient detail to explain what the project seeks to do; present the problems, objectives, procedures, and relationships among these three. State the relationship of the objectives to the present state of knowledge in the field. Reviewers follow a fairly standard set of criteria in evaluating a proposal. Suggested outline:

A. INTRODUCTION

1. Objectives
2. Background
3. Rationale

B. SPECIFIC AIMS AND METHODS OF PROCEDURE

1. Specific approach to objectives, what is to be done and why.
2. Time schedule, general plan of work.

3. Outline of broad design of experiments to be undertaken, data to be gathered, statistical and other analyses to be made (Unclear plans, unfamiliarity with previous or other current work, or a lack of methodology are the most frequent criticisms of applications by reviewers and panelists.)

C. PERSONNEL AND FACILITIES

1. Professional competence and experience of PI and project associates.
2. Adequacy and type of facilities and equipment available to pursue the study.
 - a. Specific (project)
 - b. General (campus)

D. SIGNIFICANCE

1. Educational significance; importance of problem, soundness of theoretical basis.
2. Will project contribute something of value to community public welfare.

E. SUMMARY

1. Strong concluding statement - probable outcome is worth time and money involved.
2. Details of institutional competence and experience in similar or related fields.

- F. APPENDIX: Material auxiliary to the proposal belongs in the appendix. Such material includes pertinent publications, reports, lengthy additional research information, etc.

Research Plan - Social Sciences

Write a clear and logical statement of work to be undertaken in sufficient detail to explain what the projects seeks to do; present the problems, objectives, procedures, and relationships among these three. State the relationship of the objectives to the present state of knowledge in the field. Reviewers follow a fairly standard set of criteria in evaluating a proposal. Suggested outline:

A. PROBLEM STATEMENT

1. Explain the problem and its significance for the field.
2. State the generality of the problem.

B. RELATED RESEARCH

1. Explain how the research will contribute to previous theory or establish new theory.
2. Select studies that provide a foundation for the project.
3. Discuss studies in sufficient detail to aid the understanding of a non-specialist.

4. Describe contributions to the background of the study and show how this project will further them.
5. Show how theory is evolving.
6. Demonstrate a mastery of the field's literature.

C. OBJECTIVES

1. List specific objectives which appear concrete and obtainable; they are criteria for judging the project.
2. Hypotheses should be stated where there is a basis for prediction.
3. If research is exploratory, questions are appropriate.
4. Avoid value judgments.

D. PROCEDURE: Include information on:

1. Population and sample. Describe the group from which the sample will be drawn, the method of sampling, and the rationale for the sampling method.
2. Design. Outline the research procedure: start point, initial steps, sequence, probable results and consequences anticipated. This subsection covers control groups, testing procedures, effects, biases, validation.
3. Data and instrumentation.
4. Analysis.
5. Time schedule.
6. Expected end product.

(Unclear plans, unfamiliarity with previous or other current work, or a lack of methodology are the most frequent criticisms of applications by reviewers and panelists.)

E. PERSONNEL AND FACILITIES

1. Professional competence and experience of PI and project associates.
2. Adequacy and type of facilities and equipment available to pursue the study.
 - a. Specific (project)
 - b. General (campus)

F. APPENDIX: Material auxiliary to the proposal belongs in the appendix. Such material includes pertinent publications, reports, lengthy additional research information, etc.

Research Plan - Humanities

(Suggestions taken from National Endowment for the Humanities material.)

The project description should give reviewers a firm grasp of what the project is, how it will be carried out, and what it will accomplish. Lengthy descriptions tend to defeat their purpose. In writing project descriptions, applicants should discuss each of the following aspects of their projects with an experienced colleague:

A. PURPOSE

Explain what is to be accomplished by the project.

B. SIGNIFICANCE

Explain how the completed project will contribute to humanistic knowledge and describe the value of the contribution. Where relevant, explain how the project will contribute to an understanding of problems of national concern. Avoid overstatement here as it can distort the possible real validity of the application.

C. EXPECTED RESULT

Article, monograph, book, edition, conference or symposium.

D. HISTORY

When did the project begin? What has been accomplished? Relationship to previous or current work? Expected time of completion?

E. PLAN OF WORK

State what is to be done, where, when, how, and by whom. If the requested grant period covers only part of the entire project, show clearly what is to be accomplished within the requested grant period. The presentation of clearly defined phases for completion of a project strengthens the research aspect of the project description because unclear plans, unfamiliarity with previous or other current work, or a lack of methodology are the most frequent criticisms of applications by reviewers and panelists. Like the budget, the proposed plan of work is an acid test of an application and can alone elevate it from the level of a good idea to the status of a sound and well-designed project.

PROPOSAL BUDGETING

Preferably within one month before submission of a proposal, the PI should contact the Office of Sponsored Projects with a budget outline. Staff at the Office of Sponsored Projects work up a rough budget based on this outline. We have staff specially trained to simplify this process for you.

The PI should provide the details of the personnel needed to staff the project including himself or herself, other faculty, students, and administrative staff. Appropriate classification of employees should be provided with the percentage of time to be devoted to the project, the number of months to be worked (summer months for faculty and students shown separately). We figure all salaries (including normal promotions or merit increases and range adjustments) and associated fringe benefits based on the PI's submission. We also figure airfare cost, automobile mileage costs, and per diem from the travel requirements provided by the PI. In addition, the budget outline from the PI should show equipment items, including the cost (obtained from the most recent catalog or from price quotations), and the costs of expendable supplies, computer usage, publications, and any other miscellaneous expenses.

With the above information, we calculate the costs indicated, select the appropriate indirect cost rate, and compute the indirect costs for the proposal, complete a rough budget in the proper format for that agency, and present it to the PI for approval.

Along with the rough budget, we send a blank Data Sheet (see Attachment 1) and any other required forms such as the Principal Investigator's Statement of Economic Interests or Financial Disclosure Statement (see Attachment 2). The Data Sheet is the UC-required proposal approval form and each proposal must have one on file.

Following are the budget categories around which most budgets are organized. Minor changes to these categories do occur as agencies differ somewhat. Follow the procedures outlined below for efficient rough budget preparation.

SALARIES AND WAGES

Responsibilities of the PI:

1. The rank or title of each position.
2. The names of persons who will work under the project (if known).
3. The number of months of effort on the project and the percentage of effort for each position (Summer effort should be listed separately, if applicable.)
4. University cost sharing contributions (if required by agency). Indicate the percentage of cost sharing. (Office of Sponsored Projects will compute the dollar amount for each position.)

5. If sabbatical leave or a leave of absence is involved, it should be indicated. (It is the responsibility of the PI to have it approved by the Department Chair and the Divisional Dean.)
6. Advise the Office of Sponsored Projects if faculty members on summer salary have opted for coordination with Social Security (exceptional fringe benefits calculations are involved).
7. Advise the Office of Sponsored Projects if faculty members of projected merit or promotion increases in accordance with University policy

Responsibilities of the OFFICE OF SPONSORED PROJECTS:

1. Calculating appropriate salaries based on:
 - a. the current published University salary and wage scales.
 - b. projected range adjustments in accordance with University policy (includes percent of increase in subsequent budget years for multi-year projects).

General Information:

1. Three months summer salary has been authorized at UCSC for those 9-month faculty members being paid during the summer from extramural funds if such payment is not in conflict with the policy of the extramural agency, such as NSF, which only allows 2 months.
 2. Time and effort indicated for the PI (and others) may not, by UC policy, exceed 100 percent including the time and effort necessary to meet other University commitments.
1. When budgeting sabbatical pay, consult the unit business office.
 2. If an employee is not a U.S. citizen and is coming from a foreign country, that person should obtain a proper visa while in this country so there are no problems regarding paying that person's salary.

NIH has a salary cap in effect that changes each year. The latest NIH salary cap can be found at <http://grants2.nih.gov/grants/guide/> check "Recent Notices" and use "salary limitation" as the search term.

EMPLOYEE FRINGE BENEFITS

Responsibilities of the OFFICE OF SPONSORED PROJECTS:

1. The current fringe benefit rate for each employee category.
 - a. The actual rate should be applied to the salary for each named position; in lieu of actual rates, standard rates shall be used
 - b. Since the rates are different for some categories during the summer, the proper rate should be shown applied to the proper salary for each position in which summer effort takes place.

CONSULTANTS

Responsibilities of the PI:

1. The daily rate of pay and the number of days of pay for each consultant, and documentation supporting the reasonableness of the daily rate of pay.
2. The number of trips to be made by the consultant(s), the point of origin and the destination, the amount required for surface travel, and the number of days of per diem required in the State of California and outside the State of California.
3. Advising the consultant to obtain a proper visa if not a U.S. citizen so there are no problems paying that person's fee.

Responsibilities of the OFFICE OF SPONSORED PROJECTS:

1. Computing the costs of travel and per diem for each consultant.
2. Advising the PI about university and agency policy in regard to consultants.

PERMANENT EQUIPMENT TO BE PURCHASED

Effective July 1, 2004, the University of California defined equipment as articles of non-expendable tangible personal property having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit.

With proposals having budget periods that start after 7/1/06, those items with an acquisition price of less than \$5,000 shall be placed in the budget category of "Other Direct Costs," and therefore included in the modified total direct cost base when calculating indirect costs.

See "Expendable Equipment and Supplies" for budgeting items not defined as permanent equipment. See "Miscellaneous Costs" for rental or leasing of equipment.

Responsibilities of the PI:

1. List each item of equipment by type, example of model number and manufacturer.
2. List the cost; explain how inflationary factors were calculated if they are included. Documentation supporting the estimated inflation factor should be included in proposal justification. (Both the Purchasing Office and the Office of Sponsored Projects can aid in this process.)

General Information:

1. The current price of the equipment should be based on the latest catalog. Catalogs should be retained as supporting documentation. If catalogs are not available, written vendors' quotes should be obtained and retained. (The Purchasing Office retains written vendors' quotes for at least three years.)
2. In budgeting for equipment, university policy requires procurement by competitive quotations. A manufacturer's name and model number may be used in a proposal to establish approximate cost and to describe accurately the specific type of equipment required; however, the proposal must indicate clearly that the manufacturer is named only to provide an example of the equipment for which funding is requested. Proposal information should be presented as follows:

Microscope, similar to XYZ Manufacturing Co.'s Model No. ____, \$____.

3. If equipment or other property is purchased with grant or contract funds, and title to it will vest in the University, State sales tax must be paid on it. PIs should include sales tax in the budget for equipment which will become University property. These same purchases are tax exempt if title resides in the Federal government.
4. Equipment shipping costs and installations and/or service modification costs should also be included in the budget.
5. Maintenance expense, calculated at one percent of purchase price of equipment multiplied by number of budget months, should be budgeted under Other Costs. Maintenance expenses should be budgeted in subsequent project years.
6. Many agencies will not fund general purpose equipment (eg., typewriters, computers, air conditioners, refrigerators) Some agencies will consider funding such equipment only after thorough justification.

PERMANENT EQUIPMENT TO BE FABRICATED

Responsibilities of the PI:

1. List the nature of the equipment to be fabricated.
2. A cost analysis of the estimated cost for each fabricated item.
 - a. The analysis should include the cost of labor (rate times hours) and the cost of materials. (Several small items used in the fabrication of the equipment may be included in the cost of the equipment as long as the total cost of material and labor is \$5,000 or more.)
 - b. If the cost estimate is based on recent historical experience in fabricating similar items, have documentation available to support this.
3. Inform the Office of Sponsored Projects regarding the ultimate ownership of the fabricated item. Determination of title must be made at the proposal preparation stage to properly include or exclude the cost of the fabricated item in the calculation of indirect cost. If title does not vest with the University, the cost of that equipment will not be excluded from the indirect cost calculation and will be included in the modified indirect cost base.

TRAVEL

Responsibilities of PI:

1. List the destination of each trip (if known). If the exact location is not known, the general geographic location should be specified. (Agencies become suspicious when all trips are budgeted for east coast travel; be conservative, but at the same time ensure that enough money has been budgeted to cover your expenses.)
2. Specify the number of individuals on each trip.
3. Delineate the mode and cost of transportation:
 - a. Use coach airfare. Point of departure should be provided in addition to destination for air travel. Federal agencies require the use of U.S. Flag Carriers. (The Office of Sponsored Projects obtains airfare cost from local travel agencies or travel websites.)
 - b. List the number of miles and whether or not a University car will be used. (The Office of Sponsored Projects provides the University allowed rate per mile for a private car or University Garage recharge rate per mile and computes mileage cost.)
 - c. List the number of days of car rental and the estimated car rental rate.

d. List the number of days of per diem and location. (The Office of Sponsored Projects provides the appropriate per diem rate for the location involved and computes the per diem.

4. State the purpose of the trip. (Foreign travel should be fully justified.) Travel to Mexico, Canada and Puerto Rico is considered domestic travel.

General Information:

Foreign travel and per diem should be separated from domestic travel and per diem.

PARTICIPANT SUPPORT COSTS

This budget category is primarily applicable to National Science Foundation grants, for which there exists a waiver from the University of California Office of the President, which excludes participant support costs when calculating indirect costs for a project. Other funding sources may have other rules and regulations pertaining to participant support costs.

Definition: Per NSF's Award and Administration Guidelines, "Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia or training projects."

Responsibility of the PI:

Budget participant support costs following the guidelines of the funding agency. PIs submitting proposals to NSF are referred to a full description of participant support cost policies in NSF's Proposal and Award Policies and Procedures Guide, Part II, Award and Administration Guidelines, April 2007, Sections V.B.8, V.C.5 and V.D.1b:

<http://www.nsf.gov/pubs/policydocs/papp/aag07140.pdf>

OTHER COSTS

These costs should be supported in as much detail as possible. Written documentation should be maintained until six years after the project is completed. Please see circular A-21, Cost Principles for Educational Institutions for a information on allowable and unallowable costs.

Responsibility of the PI:

Budget all miscellaneous expenses required to complete the project.

PUBLICATION COSTS

List the number of pages to be published and the cost per page. Have documentation supporting the cost per page if possible.

COMPUTER TIME

List the number of hours of time and the rate per hour. Itemize any special services required. Specify the computer model and location.

MISCELLANEOUS

1. List the major subclasses of supplies (such as chemicals) along with the estimated cost of each subclass.
2. If animals are involved in the research, sufficient funds should be budgeted to procure and support the animal population. See your unit business office for information. (Also check with animal facilities to make sure that space is available, and have proposal approved by the Chancellor's Animal Research Committee. (See PROPOSAL REVIEW SECTION)
3. Describe how best estimates or historical estimates were arrived at for costs of supplies. (Prior year accounting documentation, or other documentation, should be available to support these best estimates. Consult your unit business office that has ledgers from previous years showing such expense.
4. Anticipate services required (maintenance and technical services, including equipment service and maintenance agreements, computer maintenance, temporary typing services, etc.). Consult your unit business officer.
5. Itemize any needed insurance. (Consult your unit business officer.)
6. Provide details about subawards. (In the award stage, these will be issued by Office of Sponsored Projects through a subaward). Amounts in excess of the first \$25,000 for each individual subaward are exempt from indirect costs. If subawards must be awarded annually for a multi-year contract or grant, indirect costs are assessed on the first \$25,000 in the first year only of each subaward. Attach the subaward budget and statement of work.

Subawards to other UC campuses do not carry any indirect costs.

7. Describe required alterations and renovations (exempt from indirect costs): Have supporting documentation from the Campus Facilities Office showing how you reached the estimate.

8. Detail rental of any off-campus facilities. (Be sure to make the necessary arrangements for such rental or obtain authorization for using any facilities off campus for which no charge is made.) Cost is exempt from indirect costs.
9. Equipment Rental (not exempt from indirect costs). Supporting documentation should indicate:
 - a. An example of each item of equipment to be rented by type, model number, and manufacturer.
 - b. The current rental rate of each item of equipment, supported by vendors' catalogs or written quotes.
 - c. If inflationary factors are included, describe how they were calculated.
10. Calculate costs involved when human subjects are used. (Refer to Human Subjects, Item A.8. in PROPOSAL REVIEW section.)
11. Include shop charges. Consult the Office of Sponsored Projects for current rates.
12. Specify recharge for electron microscope time. Check with unit business office regarding current rate. If a significant amount of time is involved, also check with unit business office regarding availability.

It is recommended that PIs consult their unit business officer in the preliminary planning stages of their proposals to ensure that appropriate and adequate costs have been budgeted. Staff at the Office of Sponsored Projects provides assistance as required.

Responsibilities of the Office of Sponsored Projects:

Budget tuition remission when appropriate. Tuition remission refers to a program at UCSC that provides payment of non-resident tuition for people employed as Graduate Student Researchers (GSRs). The policy requires that all contracts and grants that provide funds to employ a graduate student as a Graduate Student Researcher be charged a flat monthly rate during any month from October through June when the GSR is employed. The tuition remission charge is excluded from the base for calculating indirect costs, and is figured to include anticipated inflationary increases each new academic year.

INDIRECT COSTS or FACILITIES AND ADMINISTRATIVE COSTS (F & A)

These should be requested at the appropriate rate as negotiated periodically with the federal government.

Responsibilities of the PI:

1. If the PI is aware that the indirect cost rate allowed by an agency is less than the University's federally negotiated rate, a copy of the agency guidelines or a letter from the agency should be furnished to the Office of Sponsored Projects. The Office of Sponsored Projects forwards it to an authorized official at the Office of the President for review. The Office of the President may authorize a reduction or complete waiver of indirect costs. The usual criterion is whether or not the agency applies that general policy regarding indirect costs to all institutions of higher education. The campus does not have authority to do this.
2. On very rare occasions, it may be considered necessary to request an individual waiver of indirect costs for the benefit of the campus. On such occasions, the PI informs the Office of Sponsored Projects, and the request is forwarded to the Vice Chancellor for Research, if appropriate. Sufficient time must be allocated for this step, as the waiver must be approved by the Office of the President prior to proposal submission.
3. Indirect costs are applied to those awards funded from the three national labs managed by UC. They are not applied to those subawards from other UC campuses that are included in UCSC proposals because we are all "The Regents" and cannot charge twice.

Responsibilities of the Office of Sponsored Projects:

1. Different rates are used for research, training, and public service projects and for projects which are conducted on campus or off campus. If federal funds are being received through the State of California or through another agency, the Accounting Office should be made aware of this and be advised of the percentage of federal funds involved. (When given all budget information, the Office of Sponsored Projects computes the appropriate indirect costs and inserts this information in the rough budget.)

General Information:

1. Whether the on-campus or off-campus indirect cost rate is used is generally determined by where the majority of salaries are earned. The on-campus rate is used when the majority of salaries are earned at any of the UC campuses or facilities—not only the UCSC campus.
2. The University of California is on a modified total direct cost (MTDC) indirect cost base. Essentially, for this campus, this means total direct costs minus permanent equipment items, alterations, the amount of single subcontracts exceeding \$25,000, tuition remission, and off-campus facility rental.

COST SHARING

Responsibility of PI

If cost sharing and/or matching is required, the correct agency formula should be applied. The appropriate Dean or other principal officer providing the funds (other than cost sharing faculty time) should sign the cost sharing section of the Data Sheet. Because existing permanent equipment and facilities are in the indirect cost base, they may not be included in cost sharing. The PI should provide the percent of time he or she plans to spend on the project during the budget year for cost sharing. (The Office of Sponsored Projects helps in computing the cost sharing.)

Responsibility of the Office of Sponsored Projects

The OSP staff person will assist the PI in completing the “Cost Sharing Addendum” that is part of the Data Sheet. Cost-shared items must have a dollar value as well as the signature of the person responsible for those costs (e.g., chair’s signature for faculty salary). In the case of non-UCSC cost-shared items, a letter or e-mail from the source suffices in lieu of an original signature on the form.

Responsibility of Divisional Business Offices

It is the responsibility of the divisional business office to track and record actual cost sharing commitments.

Responsibility of Extramural Fund Accounting

It is the responsibility of EMF to certify to the sponsor that cost sharing commitments have been fulfilled.

OTHER INFORMATION

A revised proposal budget is usually submitted to an agency because of a request from the agency for a budget reduction. The revised budget should be submitted through the Office of Sponsored Projects with a letter signed by both the PI and the Office of Sponsored Projects. The letter should include a revised scope of work if appropriate.

The final budget should be proofread against the rough budget provided by Office of Sponsored Projects. If changes have been made on the rough budget, they should be checked for accuracy.

The final budget must cover all cost items mentioned in the narrative with no discrepancies between the budget and the narrative.

RESERVED

PROPOSAL PREPARATION

Responsibilities of the PI

It is imperative that all signatures on the Data Sheet be obtained as early as possible in the proposal process. In no case will any sponsor's award be processed or released for expenditure without all data sheet signatures, and PIs should be aware that any problematic issues identified by the Department or Division/School before their authorizing signatures could result in OSP's inability to submit the proposal, or withdrawal of a previously-submitted proposal.

Some proposals have a significant impact on many phases of campus administration and management, such as health hazards, relation to educational policies, university budget implications for continued support or matching funds, space, computer usage, purchase of computer equipment, intergovernmental and/or inter-campus cooperation, coordination of staff effort, special administrative or technical support and legal review of some terms and conditions or required forms. The Office of Sponsored Projects assists in assuring that such areas are in keeping with campus and university policy. This frequently requires additional days for the processing of a proposal. If the proposal is complex, additional time should be planned. Please try to allow adequate time for review of your proposal before the deadline for mailing.

Below is a list of proposal situations which will require review by other campus units. The PI can use this as a convenient checklist before sending a proposal to the Office of Sponsored Projects so that the necessary review is either accomplished beforehand or scheduled. Some of the reviews can be performed simultaneously.

Eligibility: Eligible PIs include members of the Academic Senate, including emeriti, academic staff in the Professional Research Series at 50 percent or more of full time on 19900 funds, and appointees at 50 percent or more of full time in the Adjunct Professor Series. All other persons require an exception to policy, for which approval must be obtained from the Vice Chancellor for Research. PIs should request such exceptions through the department chair or the organized research unit director, who must provide strong justification and assure that space is available. The request must be signed by the Division Dean to show approval. A form for this purpose can be obtained from the Office of Sponsored Projects. <https://www.cognitofrms.com/OSP10/UCSCPIExceptionToPolicy> .

Recruitment: Open recruitment is required for new positions on the campus. New proposals cannot name specific individuals without a waiver of open recruitment. PIs should route such requests for waiver through the Division Dean and Academic Human Resources as appropriate, to the Assistant Chancellor who approves the exception. This requirement includes all individuals who are non-senate academics. Exceptions have been granted for persons who have unique skill or research background essential to the proposed research. Requests should be fully justified. Contact your Division Academic Coordinator for assistance.

Individuals already employed on a contract or grant can be listed by name for the following:

A continuation or renewal proposal for the same research, submitted without personnel changes to the same agency.

A project which is discontinued by the original funding agency but is being proposed to a new agency, submitted for the same research without personnel changes.

Cost Sharing or Matching: Cost sharing or matching means that portion of the costs of a project that is not borne by the sponsoring agency. PI will tell OSP if cost-sharing/matching is involved. If so, OSP will generate the form and give to PI to get appropriate signatures. If there will be non-University matching funds, commitment letters will be required and PI will be responsible for getting these. Both voluntary and mandatory and UC and non-UC cost sharing must be recorded, quantified and signed off on by the party responsible for those resources. Under most circumstances the Director of OSP will sign off on cost-shared benefits and foregone indirect costs.

Building Alterations: Proposed alterations must be reviewed to assure that previous space commitments are not compromised. The Office of Planning and Budget makes this check. Cost estimates for alterations must be obtained from the Physical Plant Office and thoroughly documented.

Animal Research: Animals are used for instruction and research within a wide variety of UCSC facilities. The Institutional Animal Care and Use Committee (IACUC), previously known as The Chancellor's Animal Research Committee (CARC), was formed because of increasingly strict regulations, policies, and standards imposed by a number of funding and regulatory agencies. It is the PI's responsibility to obtain and complete an application for use of animal subjects and return it to the IACUC for review prior to proposal submission. If the IACUC has not yet approved the project at the time of proposal submission, it is the PI's responsibility to ensure that certification of institutional approval is submitted to the agency within 60 days. Animals are not to be used until IACUC approval has been obtained.

Human Subjects: The campus Human Subjects Activities Institutional Review Department (IRB) must review and approve all projects involving human subjects. (These include surveys, questionnaires, psychological tests and use of tissues, blood, organs) Necessary protocol forms and consent forms are available in the Office of Sponsored Projects. It is the PI's responsibility to obtain and complete the appropriate form/forms and return them to us for review by the IRB prior to proposal submission. If the IRB has not yet approved the project at the time of proposal submission, the proposal is sent to the agency indicating that the project is "pending review" by the IRB. It then is the PI's responsibility to ensure that certification of institutional approval is submitted to the agency within 60 days. Human subjects cannot be used until IRB approval has been obtained. The Office of Research Compliance Administration is

responsible for processing the human subject research requests with the campus IRB (<http://research.ucsc.edu/compliance.html>).

UC General Counsel wrote an opinion regarding the legal responsibility of the university for acts of PIs where research involving human subjects is not approved by campus review boards. Of special interest to principal investigators are the following points taken from counsel's opinion on this matter:

“If a Principal Investigator has knowledge of, or should have knowledge of, the applicable University policy which requires every activity involving human subjects to be reviewed by an Institutional Review Committee, and fails to obtain such approval prior to involvement of human subjects, the Principal Investigator would be acting outside of the scope of his or her duties. In such a case, The Regents would not be obligated to defend or indemnify the Principal Investigator if legal action were instituted by the subject. In addition, the University would have the right to seek reimbursement from the Principal Investigator for any amounts expended for medical care of any subject who suffers an injury as a result of his or her participation in an activity involving human subjects.”

Environmental Health and Safety: Proposals which involve hazards such as radiation, flammables or other hazards, must be reviewed by the campus environmental health and safety officer.

Export Administration Regulations (EAR) and International Traffic in Arms Regulations: Control (ITAR) Consult Buddy Morris, Director, Environmental Health and Safety (bmorris@ucsc.edu).

Recombinant DNA: The Campus Radiation Safety and Biosafety Committee reviews proposals which involve high-risk recombinant DNA (class 3 or greater).

Scuba Diving: When diving is involved in the research proposal, costs for diving personnel (including diving partners), associated fringe benefits, travel, per diem, physical examination, diver certification and equipment should be considered. For advice to ensure that adequate funds are budgeted, contact the Diving Safety Officer in the Earth & Marine Sciences Building early in the proposal stage. The completed proposal must later be sent to the Diving Control Board.

Division of University Relations/Development The appropriate Divisional Development Director should be consulted when submitting proposals to a private non-profit agency or foundation.

Space: Projects which require space, in addition to that already allocated the PI, should be brought to the attention of the Department Chair and Division Dean by the PI in order to assure that space is available when needed.

Released Teaching Time: Discuss release time with your department chair and have it approved by the Division Dean before the proposal is submitted.

The Regents: The Regents require review of proposals with certain conditions, including:

Proposals exceeding \$5,000,000 in any one project year for direct costs.

Proposals for a term longer than seven years.

Proposals not within established programs or policies.

Proposals including agreements by which the University assumes liability for conduct of persons other than university officers, agents, employees, students, invitees, and guests. This restriction does not apply to agreements under which the university assumes responsibility for the condition of property in its custody.

Future Resource Commitment: Proposals which involve an ongoing commitment for allocation of faculty FTE and proposals which imply or express institutional commitment to continue the program beyond the project period should be reviewed by the division dean or other unit head.

Joint Arrangements: Proposals involving more than one campus, university, or institution (with funding based on a joint arrangement) require written/email approval of the other campus, university, or institution.

Other PI Proposal Preparation Considerations

1. All proposals must be submitted in the corporate name of The Regents of the University of California.
2. Some agencies require a statement of projected residual balance in renewal or continuation proposals. This can be obtained from your appropriate business office.
3. Any particular agency guidelines for the proposal should be provided to the Office of Sponsored Projects. As much lead time as possible should be allowed for any necessary pre-proposal submission negotiations with the agency, for review and completion of necessary certifications and representations. If OSP receives the final package within 5 working days of the proposal deadline, OSP will do duplication and mailing; otherwise, both are the PI's responsibility.
4. The narrative should be checked for completeness, with all Figure numbers and Appendix numbers filled in.

5. PI's current support from other sources and pending applications should be identified if required by the agency. PI's are advised to keep up-to-date current and pending information.
6. If the proposal is being submitted to different government agencies concurrently, this should be noted in the proposal.
7. If collaboration with other institutions is an important element in the proposed program, letters showing approval of such collaboration should be furnished authorized parties from these institutions to the Office of Sponsored Projects. If the sponsoring agency also requires such letters, copies should be submitted with the proposal.
8. It is the responsibility of the PI to obtain academic approval when new courses for credit or summer programs for credit are proposed.
9. When another campus or university has a part of the research responsibility, tasks to be performed by each party should be carefully outlined, to avoid any misunderstanding.
10. At least one proposal copy should carry the official signature of the PI, the Office of Sponsored Projects (the official authorized to sign for the university), and any other persons required to sign by the agency.
11. Proposal copies should not be stapled when forwarded to the Office of Sponsored Projects in order to facilitate making corrections, changes and additions.
12. "Principal Investigator's Statement of Economic Interest" form (730-U) should be completed, signed by the PI, and submitted to the Office of Research Compliance Administration via the Office of Sponsored Projects with the proposal for a project which may be funded in whole or in part through a contract or grant of \$500 or more with a non-governmental entity; or by a gift from a non-governmental entity which is earmarked by the donor for a specific research project or a specific principal investigator, provided the amount of the gift, or the aggregate over a 12 month period from the same donor is \$500 or more. (This form should also be completed for renewal proposals, no cost time extensions or any proposals requesting additional funds.) If any of the answers to the questions is "yes," a review will be made by the campus Conflict of Interest Committee. This form and instructions may be obtained from the Office of Sponsored Projects.
13. Disclosure of Financial Interest form for all key personnel on the proposal should be completed when submitting a proposal to NIH or NSF and kept current on an annual basis. This form may be obtained from the Office of Sponsored Projects.
14. It is imperative that all signatures on the Data Sheet be obtained as early as possible in the proposal process. In no case will any sponsor's award be

processed or released for expenditure without all Data Sheet signatures, and PIs should be aware that any problematic issues identified by the Department or Division/School before their authorizing signatures could result in OSP's inability to submit the proposal, or withdrawal of a previously-submitted proposal.

Responsibilities of the Office of Sponsored Projects:

1. If the agency does not have a particular cover page format, the UCSC cover page or transmittal letter will be used, including information, when applicable, where the awarded check should be sent (i.e., Cashiers Office, Hahn Building, University of California, Santa Cruz, 1156 High Street, Santa Cruz, CA 95064).
2. OSP will review sponsor guidelines and special forms to make sure proposal conforms to them. Number of reprints, if any, to be submitted with the proposal should be provided to the Office of Sponsored Projects.
3. OSP will be responsible for generating a cost-sharing form which asks for information and signatures of person/division responsible and accountable for this. This form will be given to the PI to get appropriate signatures.
4. All proposal files and documentation resulting in an award should be retained in accordance with the university records retention schedule.
5. If OSP receives the final proposal package within 5 working days of the proposal deadline, OSP will do duplication and mailing; otherwise, both are the PI's responsibility.

Other Proposal Review Considerations

To ensure a top quality internal review process, the PI must allow adequate time for campus officials to review the completed proposal. Normally five (5) days is required to obtain the necessary signatures and allow adequate time for reviewing, copying and mailing the final version of the proposal. When time is not allowed, the review is liable to be perfunctory and of little assistance to the PI. Still, the required review at each level must be completed before the proposal can be transmitted. The Office of Sponsored Projects, if a proposal is received under five working days, will be responsible for copying and mailing; otherwise, the PI will be responsible for copying and mailing.

1. ***Division:*** The Department Chair and Division Dean review the proposal for a variety of areas such as academic merit, space and graduate students. The Division financial officers or their designee review the proposal for budgetary purposes and look at things such as cost-sharing, recruitment costs, equipment maintenance to make sure appropriate and adequate costs have been budgeted.

The Physical and Biological Sciences Division and Lick Observatory have “expedited” review which means that the Physical and Biological Sciences Division Dean reviews only those proposals that have one or more of the following in the proposal: Cost-sharing, faculty release time, renovations/alterations, additional space needs and a request for exception to policy to submit a proposal

2. *The Office of Sponsored Projects:* The proposal must be reviewed by the Office of Sponsored Projects to make sure that it complies with University policy as well as agency policy and guidelines. Lengthy agency guidelines are often involved. Even in routine proposals, the PI must often be contacted regarding a statement in the proposal, an inconsistency, or an apparent omission. If a PI cannot be contacted immediately in his or her office, there may be a delay before the proposal can be approved. If a proposal goes out without Office of Sponsored Projects review and a problem were to be found within the proposal, our recourse is to withdraw the proposal from competition.
3. *Legal Review:* Should the agency require university agreement to certain terms and clauses as a condition of submitting the proposal, a review of these terms by legal counsel is sometimes required.

Exceptions

The two major policy exceptions related to the proposal submission process concern PI status and indirect costs.

PI Eligibility

Eligible PIs include members of the Academic Senate, including emeriti, academic staff in the Professional Research Series at 50 percent or more of full time on 19900 funds, and appointees at 50 percent or more of full time in the Adjunct Professor Series. All other persons require an exception to policy, for which approval must be obtained from the Vice Chancellor for Research. PIs should request such exceptions through the departmental chair or the organized research unit director, who must provide strong justification and assure that space is available. The request must be signed by the Division Dean to show approval. A form for this purpose can be obtained from the Office of Sponsored Projects. <http://www.ucsc.edu/osp> (under OSP Forms and Guides).

Indirect Costs

If the PI is aware that the indirect cost rate allowed by an agency is less than the University's federally negotiated rate, a copy of the agency guidelines or a letter from the agency should be furnished to the Office of Sponsored Projects. The Office of Sponsored Projects forwards it to an authorized official at the Office of the President for review. The Office of the President may authorize a reduction or complete waiver of indirect costs. The usual criterion is whether or not the agency applies that general policy regarding indirect costs to all institutions of higher education. The campus does not have authority to do this.

On very rare occasions, it may be considered necessary to request an individual waiver of indirect costs for the benefit of the campus. On such occasions, the PI informs the Office of Sponsored Projects, and the request is forwarded to the Vice Chancellor for Research, if appropriate. Sufficient time must be allocated for this step, as the waiver must be approved by the Office of the President prior to proposal submission.

GENERAL ADMINISTRATION OF AWARDS

ACCEPTANCE/EXECUTION OF AWARDS

Authority to accept extramural funds and execute or modify a contract or grant is delegated to specific university officers by The Regents or the Chancellor. At UCSC, the OSP is the sole central campus unit with delegated authority to accept extramural funds that are not gifts. All awards for research, training, or public service must be submitted to the Office of Sponsored Projects for review of terms and conditions to ensure acceptability and compatibility with university policy. Often, before an award is received, a governmental agency will call the Office of Sponsored Projects to negotiate a contract or grant. Upon receipt of the award and after determination that all the terms are satisfactory, the Office of Sponsored Projects requests the Accounting Office to set up an account. Any award received by an office other than Sponsored Projects, or by the PI, should be forwarded to OSP. The PI is not authorized to accept an award on behalf of the University.

Copies of the award are sent electronically, via SlugExpress (our PDF-based e-mail distribution system) to the PI and to all university offices involved in the administration of the project (unit business office and the Extramural Accounting Office). The Office of Planning and Budget is also notified, if necessary, for space purposes; the Environmental Health and Safety Office is notified if hazards are involved, the Development Office is notified if the award is from a private foundation sponsor, and the Purchasing Office and Equipment Management Office are notified if there is equipment valued over \$50K involved. The award and budget should be read carefully to ensure they are understood—sometimes restrictions are involved, and the award often notifies the PI of when and where reports are due. Copies of subsequent correspondence regarding items such as rebudgeting, no-cost extensions, equipment purchases and permission for foreign travel are also sent to the PI and the offices involved.

TYPES OF AWARD INSTRUMENTS

1. *Grants*: Research Grants are agreements with external sponsors which are often less restrictive than contracts. Funds are provided to support some activity, however, usually there is some flexibility in the time frame for the activity; the delivery of specified products may be important but not critical; and there are generally no default or penalty clauses covering situations in which the work is not completed or completion is delayed.
2. *Cost-reimbursable contracts*: The sponsor pays up to the stated amount for the research. If any of the committed funds remain unspent, the university is not entitled to them.
3. *Fixed-price contracts*: The sponsor agrees to pay the stated amount for the product (usually a technical report). If there are funds remaining at the end of the project, the university is entitled to keep those funds. If there are no more funds available and the university has not yet completed the work, it is the responsibility of the university to complete the project. Therefore, the unit and PI should take this into consideration

before accepting a fixed-price contract.

4. *Cooperative Agreements:* As in a grant, the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the grantor(s) in order to accomplish a public purpose of support or stimulation. The main difference between a Grant and a Cooperative Agreement is that the grantor and the other parties will be substantially involved with the grantee during performance of the activity. They are partners as opposed to patrons of the grantee.

ADMINISTRATIVE COORDINATION WITH OFFICE OF SPONSORED PROJECTS

After an award has been made, any oral or written communication regarding changes or modifications to the terms of the contract (budget changes, program changes, approval of foreign travel, no-cost time extensions, etc.) should be coordinated through Office of Sponsored Projects. Written communication should provide space for the countersignature of the Office of Sponsored Projects which attests to university cognizance of the matter to the agency. (Most agencies require such countersignatures.) Delays in agency approval are often encountered when the agency must ask the Office of Sponsored Projects to submit written university approval of the PI's request.

FIRM COMMITMENTS FROM AGENCIES

Periodically the Office of Sponsored Projects receives requests to authorize the expenditure of funds for an extramurally supported project (either a new project, renewal, or continuation) in advance of the actual receipt of an award document from the sponsoring agency. The expenditures on the Firm Commitment are the responsibility of the division requesting them. Before such a request can be processed, the Office of Sponsored Projects needs a budget for the funds needed, the period of time for which they will be needed, and the purpose(s) for which they will be spent. The Office of Sponsored Projects will call a grants officer or contracting officer in the sponsoring agency and ascertain the status of the forthcoming award.

If there is documented assurance that there is a "firm commitment" from the agency, the PI should sign an Expanded Prior Approval Authorities form and get a signature from the associated business office, then return it to the Senior Research Administrator, along with the assurance. The Senior Research administrator will then advise the Business Office and the Sponsored Projects Director and recommend that the PI be allowed to expend funds, in a limited amount as justified above, as of the effective date of the award, prior to the actual receipt of the grant or contract. The decision to authorize such expenditures and in what amounts rests with the dean of graduate studies and research who has been delegated that authority by the chancellor.

CHARGES DURING AWARD PERIOD

Charges may not be made to a contract or grant prior to or after the award period without prior approval of the agency. Some agencies have delegated this approval authority to the institution.

RESPONSIBILITIES OF THE PI

1. Inform the Office of Sponsored Projects immediately of No-Cost Time Extension, Rebudgeting, Change in Scope, Pre Award Spending, Invention or other issues.
2. Fill out the necessary forms and work with your business office to come up with a budget for Pre Award Spending, Rebudgeting or No Cost Time Extension.
3. Prepare a justification for No Cost Time Extension or Rebudgeting.
4. Keep track of all necessary technical reports and submit them on time.
5. Work with your business office to keep track of spending and project when changes will be needed.
6. Adhere to high ethical standards in the conduct of all research projects.
7. Read all award documents and comply with all applicable contract terms.
8. Comply with all applicable State, Federal, and UC regulations and policies.
9. Notify the Office of Sponsored Projects if any change has occurred that would change the PI's responses to the Conflict of Interest forms.

RESPONSIBILITIES OF THE OFFICE OF SPONSORED PROJECTS

1. Negotiate awards in compliance with all applicable State, Federal, and UC regulations and policies.
2. Receive and accept awards on behalf of the UC Regents
3. Disseminate information to campus and UC departments necessary for administration of awards.
4. Be the intermediary for all requests for Pre Award Spending, Rebudgeting or No Cost Time Extension.
5. Interpret and explain contract terms to PI's and other campus departments.
6. Facilitate communications between Divisional Research Accountants and Agency Personnel.

CHANGE IN SCOPE OF WORK OR AMOUNT OF PI EFFORT

A significant change in the scope of the work or amount of effort spent on a project by the PI usually requires prior approval by the funding agency. For example, the National Science Foundation (NSF) advises that if PIs become aware that they will devote substantially less effort to the work than anticipated in the approved proposal, they shall advise both the NSF program officer and appropriate officials of the PI's organization. If either determines the reduction of effort might impair a particular project, the agency may request that the university nominate a replacement PI acceptable to the NSF, or initiate termination procedures, or negotiate an appropriate modification to the grant.

ABSENCE OF OR CHANGE IN PI

If a PI plans to be away from the project for more than three months, arrangements for oversight of the project (a substitute PI) should be sent to the agency for approval. The OFFICE OF SPONSORED PROJECTS should countersign the letter.

SUPPLEMENTAL FUNDS

If funds provided by a grant are insufficient to complete the original scope of work, and a request for supplemental funding is contemplated, it should usually be submitted *at least* two or three months prior to the need for the additional funds together with complete justification. For some Federal Agencies, such as the NIH, the request may be required as much as nine months before the end of the project. Consult the Office of Sponsored Projects about details and formats for individual agencies.

INVENTIONS AND PATENTS

1. All University Employees and all other individuals, paid or not, who are working on extramurally-funded research projects, or who are using university facilities, including unsalaried visitors, must sign the UC patent acknowledgement form. The PI is responsible for ensuring that this has been done by everyone who participates in a research project.
2. PIs should direct their research so that a potentially evolving patent occurs under a single funding agency. If development or use in research overlaps from one agency to another, conflicting patent rights could impede the development of the device, product, or process. Contact the Office of Management of Intellectual Property if such a problem is possible in your research. Explain reasoning.
3. If a device, product, or process evolves from any research project, a complete written disclosure must be made promptly and directly by the inventor to the Director of the UCSC Office of Management of Intellectual Property. Do this prior to publication or disclosure outside of the University. The form may be obtained from the Office of Management of Intellectual Property.
4. PIs should keep bound laboratory notebooks, if appropriate to the project.

RECOMBINANT DNA

Experiments involving recombinant DNA should not be introduced into the research project without prior approval of the Committee on Radiation Safety and Biohazards.

FACILITIES & ADMINISTRATIVE COSTS (INDIRECT COSTS)

Facilities & Administrative Costs (indirect costs) may not be reduced to satisfy cost-sharing requirements. Normally, the rate does not change during the life of the award. Facilities and Administrative Costs (F & A) costs are also known as indirect costs. The terms are synonymous.

EQUIPMENT AND SUPPLIES ACCOUNTABILITY

Title to equipment purchased on a contract or grant vests either in the university or in the sponsor. Such equipment should be available for inventory. If the PI wishes to dispose of equipment at the end of its useful life, it should be disposed of through the proper university process. The PI should not arrange to dispose of equipment without going through the proper channels. Please contact the Office of Equipment Management with questions about the proper disposal of equipment.

REQUIRED TECHNICAL REPORTS

It is crucial for the PI to take responsibility for filing all technical reports within the time period designated by the agency. In some cases, continued funding of university projects is dependent upon the timely submission of required reports. Federal audits include a check to see if reports were submitted on time, and if submitted late, just how late. To clarify reporting requirements for any award, check the award document and the proposal guidelines. The Office of Sponsored Projects or the agency's grant or contract administration official can help identify what is needed.

CLOSE-OUT PROCEDURES

At the termination of an award, close-out procedures are implemented to provide for an orderly end to the project. The Office of Sponsored Projects coordinates this process.

REQUIREMENTS FOR RETENTION OF RESEARCH DATA

Research Data for projects that are Federally Funded or partially Federally Funded **must be retained for a minimum of three years** after the submission of the financial status report.

The Office of Management and Budget (OMB) Uniform Guidance has been revised to provide public access under some circumstances to research data through the Freedom of Information Act (FOIA). The effective date of the revised Circular is November 8, 1999; the guidance that NIH will impose on grantees became effective on April 17, 2000. NIH is the only agency we are aware of that has published a guidance, but all Federally funded grants are subject to this new requirement.

The term, **Research Data**, is defined by NIH as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings.

It does not include:

- * preliminary analyses
- * drafts of scientific papers
- * plans for future research
- * peer reviews

- * communications with colleagues
- * physical objects (e.g., laboratory samples, audio tapes, video tapes)
- * trade secrets
- * commercial information
- * materials necessary to be held confidential by a researcher until publication in a peer-reviewed journal
- * information which is protected under the law (e.g., intellectual property)
- * personnel and medical files and similar files, the disclosure of which would constitute unwarranted invasion of personal privacy
- * information that could be used to identify a particular person in a research study.

You should know that if your research is in an area that is commonly cited in regulations, you may be able to request money in your grant applications for archiving data. You should describe the archiving plan in the study design and include information about this in the budget justification section of the application.

PI Responsibilities:

The PI is responsible for the collection, management, maintenance and retention of research data accumulated under a research project. The University must retain research data in sufficient detail and for an adequate period of time to enable appropriate responses to questions about accuracy, authenticity, privacy and compliance with laws and regulations governing the conduct of the research. It is the PI's responsibility to determine what records need to be retained to comply with Sponsor requirements. PIs should adopt an orderly system of data organization and should communicate the chosen system to all members of a research group and to the appropriate administrative personnel, where applicable. Particularly for long-term research projects, PIs should establish and maintain procedures for protection of essential records in the event of a natural disaster or other emergency.

For further information, please see the NIH guidance about this requirement:
http://grants2.nih.gov/grants/policy/a110/a110_guidance_dec1999.htm#

FEDERAL DEMONSTRATION PARTNERSHIP

The Federal Demonstration Partnership (FDP) is a cooperative initiative among 10 federal agencies and institutional recipients of federal funds. It was established to increase research productivity by streamlining the administrative process and minimizing the administrative burden on principal investigators while maintaining effective stewardship of federal funds. NSF serves as the official host of participating agency documents relating to the FDP.

Most of the streamling terms and conditions refer to waiving of prior approval requirements by the sponsor for the more common award administration transactions (e.g., requests to rebudget and the initial one-year no-cost time extension).

It should be noted that although there are several common terms agreed by all participating federal agencies, there are agency-specific terms that limit the amount of grantee authority.

The full terms and conditions, as they relate to grants authorized under the FDP authorities, can be found at:

http://www.nsf.gov/awards/managing/fed_dem_part.jsp

The award document from the federal agency will indicate whether the award is granted under the FDP authorities.

SUBAWARDS

There are two types of subawards: a Cost-Reimbursement type, which is usually preferred, and an Advance, which requires additional justification and approval from the Director of the Office of Sponsored Projects.

A. Proposal Stage

1. When preparing a budget for a proposal and there is an individual, not related to this campus, being budgeted for salary, benefits, and other costs, there should be a determination made, at that time, if this should be a subawardee. If only salary and benefits are considered, this may be listed as a consultant or a collaborator.
2. When the PI is not certain of whether a subaward is in order, the analyst should discuss it with them. Be aware that some items shown as boat time or consultants or services to be rendered end up being subawards. It is often more difficult to turn line items into subawards once the award has been received (i.e., NIH requires prior approval). In the case of boat time, additional requirements come into play such as insurance. Thinking ahead will save a great deal of time at the award stage.
3. A Subrecipient Commitment form will need to be completed and signed by the subrecipient-authorizing representative prior to the submission of the proposal. A scope of work, a detailed budget, approved facilities and administrative rate, and any committed cost sharing will need to be included with the commitment form. The Subrecipient form is necessary to document the subawardee compliance with regulations governing research with human subjects, animal subjects, conflict of interest disclosures, and OMB Uniform Guidance audit requirements.

B. Pre-Award Stage

A Letter of Intent may be issued to the Subawardee pending receipt of the award. A firm commitment must be in place before a letter may be sent. Complete the Request to Issue Subaward Form and check the "Letter of Intent" square. Reporting Requirements should be completed at the time the award is received from the Agency when the schedule has been indicated. Attach a copy of the firm commitment to the request form and obtain the review and approval of the Business Office. The letter will indicate an award will be forthcoming, stating an approximate time period and dollar amount. This letter will also indicate that any spending of funds prior to the actual execution of the agreement between The Regents and the Institution/Agency/Entity will be done so at their own risk. When time comes to actually issuing a subaward, complete sections A and part of

section B on the Request to Issue Subaward form. Under section B, check New Award and Letter of Intent squares, complete Period of Performance and Amount, if different from the form to request a Letter of Intent. Reporting Requirement should be completed at this time.

C. Initial Award Stage

Once an award has been received and accepted, the OSP analyst will process, and forward a copy of the award document, EDP, budget and a request for subaward form to the PI. The PI will complete the request form when the time comes for the subawardee to start their part in the research. Once the form is completed, it is thoroughly reviewed by the research accountant where an encumbrance will be set-up. Once this has been completed, and a subaward number has been issued, the request is sent to the OSP analyst, to check for completion.

One area of concern is how often and when does the grant and or/PI require a technical/performance report. If the UC PI needs to incorporate the data/information from the Subawardee PI, in the report to the agency, the report date will differ from the dates of the award. This needs to be indicated on the Request Form for incorporation into the subaward agreement.

The analyst also works with the PI regarding the "Payment Schedule." (In case of an Advance Payment, Financial Report Schedule must also be obtained.) Most subawards are subject to the same terms and conditions of the actual award; however, the PI may include additional terms and conditions, but may not come in conflict with the original award.

Once the Request form has been completed, the OSP analyst will attach a copy of the original award document, the subrecipient commitment form with all required documents and budgets. These attachment documents will be distributed to the subawardee and must be in their **final distribution form**. When the request package is completed, it will be sent to the Subaward Coordinator to review for the following:

- a. Check for completeness of information
- b. Check for all signatures (OSP Analyst, PI, Research Accountant)
- c. Check for completeness of budget
- d. Check for scope of work
- e. Check for sole source justification
- f. Check the reporting requirements
- g. Check for payment type (cost reimbursement, fixed-price or advance payments)

If the request package is incomplete, they will be returned to the analyst.

When the entire above-referenced requirement has been completed, the Subaward Coordinator will start the process by

- a. Gather the CCR information from the central contract Registry web site
- b. Review the audit information from the Single Audit Clearing house for findings
- c. Review the information from the excluded Parties List System

When all information has been completed and approved, the Subaward Coordinator will enter the request for new/or amendment into the OSP database and issue a Subaward EDP to the file. This Subaward EDP can be used to reference when the subaward has been issued, the amount of funding and all related information of the subawardee.

The Subaward coordinator will send the documents to the subawardee for review and acceptance, once the subaward agreement is reviewed and signed by the Subaward Contract and Grant Officer or the Director. When the subaward agreement is signed and returned by the subawardee, a "Notice of Subaward" is prepared for distribution to the Business Office, PI and OSP analyst. The "Notice of Subaward," the fully executed agreement or amendment, along with all attachments, if any, are then scanned and distributed by e-mail. This Notice is an indication to the PI and to the Business Office that a fully executed agreement has been received and payments may be made.

D. Notice of Multiple Campus Award

This method of notice is used when a subaward is granted to a campus within the UC System. The same process of completing the "Request to Issue a Subaward" form is completed with the exception of setting up the encumbrance.

The Multiple Campus Award Notice, Scope of Work, a Detailed Budget and a copy of the original award are sent to the participating campus, the UCSC PI, Research accountant and Extramural Funds Office. The entire packet is scanned and distributed by e-mail.

E. Amendments

An Amendment is issued when any changes are to be made to the original agreement, such as, additional funds, additional time, or both, etc.

A Request for Subaward form will need to be initiated by the PI to start the process for the amendment. After the PI completes the amendment, it is sent to the Business Office for the Research accountant approval. At this stage, the Research accountants will increase/decrease the encumbrance if the amendment includes an increase or decrease of funding to the subawardee. The amendment is then sent to the OSP analyst for review. The OSP analyst will attach a copy of the amended award document and any new or revised budgets that were not included in the initial Subaward request. These attachment documents will be distributed to the subawardee and must be in their **final distribution form**. When the request package is completed, it will be sent to the

Subaward Coordinator to review for the following:

- a. Check for completeness of information
- b. Check for all signatures (OSP Analyst, PI, Research Accountant)
- c. Check for completeness of budget
- d. Check for sole source justification
- e. Check the reporting requirements

When the entire above-referenced requirement has been completed, the Subaward Coordinator will process the amendment by:

- a. Review the audit information from the Single Audit Clearing house for findings
- b. Review the information from the excluded Parties List System

When all information has been completed and approved, the Subaward Coordinator will enter the request for amendment into the OSP database and issue a Subaward EDP to the file. This Subaward EDP can be used to reference when the subaward amendment has been issued, the amount allocated, cumulative funding amount and all related information of the subawardee.

The Subaward coordinator will send the amendment to the subawardee for review and acceptance, once the amendment is reviewed and signed by the Subaward Contract and Grant Officer or the Director. When the subaward amendment is signed and returned by the subawardee, the "Notice of Subaward" is revised to add any new information to the notice, and then will distribute to the Business Office, PI and OSP analyst. The "Notice of Subaward," the fully executed amendment, along with all attachments, if any, are then scanned and distributed by e-mail. This Notice is an indication to the PI and to the Business Office that a fully executed agreement has been received and payments may be made.

F. Process for Cost Reimbursement

1. Upon completion of the "Request to Issue a Subaward" form; a subaward number will need to be assigned by the Business Office with the exception of Multi Campus Awards.
2. Two copies of the Subaward Agreement is written up, signed by the appropriate individual and the two copies, one copy with all of the attachments are mailed to the Subawardee for review and acceptance.
3. Once the fully executed subaward is returned, a Notice of Subaward is issued for distribution.
4. All invoices are submitted to the Business Office and upon receipt of the invoice from the Subawardee; approval should be obtained by the PI prior to payment of the invoice.

G. Process for Advance Payments (Requires additional justification and prior approval)

1. Follow steps one and two, under F. Process for Cost Reimbursement; will require justification for the need of an advance. This advance request is reviewed by the Director of Sponsored Projects and must be approved prior to any subawards being issued with advance payments.
2. Once the fully executed subaward is returned, the agreement/amendment will be processed as usual with an e-mail message indicating approval to process the necessary paperwork to generate the check.

H. Encumbrance

The Business Office will assign encumbrance numbers for all subawards. This assignment of the encumbrance number will occur at the stage when the "Request to Issue a Subaward" form is initiated.

I. End of Project Period

At the end of the project period after the final invoice has been received and paid by the Research Accountant, should any funds remain from the total allocated to the subawardee, an amendment should be issued to de-obligate any remaining funds.

J. Close Out of Subaward

Once a subaward agreement has ended, "UCSC Subagreement Close-Out Certification" will be sent by OSP to ensure all deliverables have been successfully completed and the Final invoice has been paid. This form will be completed and signed by the Principal Investigator certifying the deliverables have been received and the Research Accountant will certify all payments have been made.

FLOW OF FUNDS

In the environment of grants and contracts, the flow of funds is almost done entirely electronically, particularly federal funds. UCSC has established letters of credit with most federal agencies and Extramural Fund Accounting (EMF) is the campus unit responsible for drawing down and requesting replenishments of these lines of credit. Unless for rare exceptions, neither the PI, the Office of Sponsored Projects nor the divisional business offices ever see any incoming cash related to the over \$100 million dollars the campus annually receives in extramural fund accounting.

Nonprofit and nonfederal governmental agencies are requested to address their checks to “The Regents of the University of California” and send them directly to:

Cashier's Office
102 Hahn Student Services Building
University of California, Santa Cruz
1156 High Street
Santa Cruz, CA 95064

Infrequently, the Office of Sponsored Projects or other units will directly receive a check from a sponsor. In such a case the following procedure should be followed:

1. write the fund number, if known, on the check and deposit to the Cashier's Office with appropriate check receipt form complete. If the fund number is unknown, write “grant” on the check to allow appropriate routing by the Cashier's Office.
2. when an agency sends their checks to a unit instead of the Cashier's Office, this unit should contact the agency and let them know that they need to send their check to the Cashier's Office instead.

The day-to-day business of managing and spending grant or contract funds is done though the divisional business offices in conjunction with the PI. Divisional research accountants are assigned to specific units and PIs and assist in processing payments, hiring personnel and generating monthly financial reports for the PI. The divisional research accountant is also the first to make a judgment about the allowability and allocability of expenditures following the federal A-21 guidelines described earlier.

AUDIT ISSUES

The federal government has been rigidly enforcing audit policies on contracts and grants awarded to universities. Numerous expenditures have been disallowed for lack of documentation, justification, and/or proper authorization on UC campuses and at other universities.

Because of the importance the federal government is attaching to audits, you are required to adequately document your actions and to retain such documentation. If in the opinion of the OSP grants and contracts officer, the allowability of a particular expenditure would be questionable, that officer has no option but to consult the agency and often must await written approval. Adequate time should be allowed for such consultation and approval if an unusual expenditure is contemplated.

Listed below are topics which frequently involve audit disallowances:

A. COST TRANSFERS

1. Costs must be reasonable, proper, and allocable to the project.
2. Costs must be supported by adequate records.
3. Costs may not be shifted merely to cover overruns, to use available funds, to avoid restrictions, or for other reasons of convenience.
4. Cost transfers to correct errors must be made promptly (generally within 120 days), the original error freely documented, and the subsequent correction justified.
5. The expense should have occurred within the period of the award and not before or after without the necessary approvals.
6. Shop time and general storeroom recharges should be identified and properly documented as to date, time, quantity, service/supply description and pricing.
7. If you have available funds in a closely related grant or contract account, be particularly careful to:
 - a. obtain prior approval when the need to transfer costs to that related fund source arises and
 - b. document the reasons for the transfer.
8. Costs should not be exceeded in any particular budget category without consulting the unit business office regarding allowability, availability, and possibility for transfer of funds from another budget category.

B. VACATION LEAVE

1. Vacation accruals may not exceed allowable proportions of salary.
2. Records of vacation accruals and vacation taken and approved must be maintained.
3. Vacation must be charged so as to apply the cost to the project where the vacation was earned.

C. CONSULTANT AGREEMENTS

1. A consultant agreement should be processed for all external consultants. Costs must be documented to demonstrate the services are needed, to evidence a proper selection process was utilized to obtain the most qualified individual available, to justify that the fee is reasonable and appropriate, and to show required approvals were obtained. Maintain documentation.
2. Prior agency approval for intra-university consultants as well as outside consultants must usually be obtained.

D. EQUIPMENT PROCUREMENT

1. Equipment Screening

Before equipment is purchased, there should be a check of equipment on hand in the division to determine whether the need can be met by using available equipment.

2. Timely Purchases

Permanent equipment purchases should be made early in the grant/contract period so there is adequate time for delivery, payment, and utilization during the course of the project for the purposes initially requested and approved. Equipment purchases during the latter part of the project budget period must be fully explained and documented. Avoid purchasing equipment during the last few months of the award.

3. General Purpose Equipment

Prior approvals for purchases of general purpose equipment must usually be obtained. General purpose equipment is permanent equipment which is usable for other than research, medical, scientific, or technical activities, whether or not special modifications are needed to make it suitable for a particular purpose. Examples include office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, freezers, refrigerators, cameras, etc. Some agencies have delegated approval authority to the institution.

4. Special Purpose Equipment

Prior approval must be obtained for the purchase of special purpose equipment when required by agency guidelines. The total cost of the equipment determines whether or not prior approval is necessary for unbudgeted equipment. This holds true even though the equipment might be purchased with funds from more than one grant and/or two or more PIs are involved. Some agencies delegate approval authority to the institution.

E. SUPPLIES

Avoid major supply purchases which could be interpreted to be of little or no benefit to the contract/grant as a result of late acquisition. Do not make these major purchases during the last month of the award.

F. SALARIES

1. Academic Summer Salaries: Academic employees charged to extramurally-funded accounts must not be paid at a monthly rate in excess of that which would apply under the employee's regular salary.
2. Time and effort reporting must always match the salary in proportion to the percent of time a person actually worked (not merely what was budgeted).
3. A PI or any other employee budgeted to work 100 percent time on a project (or a total of 100 percent time on more than one project) may not participate in any other assigned university responsibilities. (This includes teaching, cost sharing, etc.) Institutions are being faced with potential disallowances because of this.

G. COST SHARING

The PI is responsible for:

1. Ensuring that the university's cost-sharing commitment is fulfilled.
2. Ensuring the availability of information and records which will support cost-sharing certifications. (Consult the office controlling cost-sharing funds.)

H. TRAVEL

1. Travel must not exceed the amount allowed by the agency; however, some agencies have delegated approval authority for travel to the institution. Special care should be taken in retaining foreign travel expense.
2. Federal agencies require the use of U.S. flag carriers.
3. Jet economy air accommodations are required.

I. REBUDGETING

If any rebudgeting is necessary, contact your unit business office before making any commitments. Advice can be obtained from that office as to whether agency prior approval is required, whether university approval is required, whether adequate money is available in another budget category, etc.

J. BUILDING ALTERATIONS

Building alterations usually require prior approval of the agency as well as the university. Check with the Office of Planning and Budgets.

K. CONTRACTS WITH STATE OF CALIFORNIA AGENCIES

The university must await Department of General Services approval before starting work on most projects funded pursuant to contracts with the State of California or risk nonpayment of funds expended. (Another campus received a *written commitment* from a state commission chairman; however, when the Department of General Services did not approve the contract, the attorney general took the position that the state had no obligation to the university, which had already expended over \$24,000 on the project.) State agencies which fund university projects should be asked to begin contract processing as early as possible to allow UCSC and the state ample time for the necessary review and approval process before the project start date.

L. ENTERTAINMENT EXPENSES ARE USUALLY NOT ALLOWED

M. PERSONNEL ACTIVITY REPORTING (PAR)

Improperly completed Personnel Activity Reporting (PAR) forms could result in an audit disallowance.

ELECTRONIC RESEARCH ADMINISTRATION

The Federal Financial Assistance Management Improvement Act of 1999, also known as Public Law 106-107 (P.L. 106-107), was enacted in November, 1999. The purposes of the Act are to:

1. improve the effectiveness and performance of Federal financial assistance programs,
2. simplify Federal financial assistance application and reporting requirements,
3. improve the delivery of services to the public, and
4. facilitate greater coordination among those responsible for delivering services.

The 26 Federal agencies, with over 900 grant-making programs, that award grants and cooperative agreements are actively implementing P.L. 106-107 through interagency work groups. These activities include development of common data elements for applications and reports, common electronic processes, and uniform administrative rules across agencies.

Over the last several years, P.L. 106–107 has become known as “Grants.gov” (<http://www.grants.gov>) and intends to become a storefront Web portal for use in electronic collection of data (forms and reports) for Federal grant-making agencies. It has the mandate to be **the** single port of entry for all grants submitted to the Federal government. Unfortunately, over the past 10 years there has been a proliferation of individual agency systems (e.g., NSF’s FastLane and NASA’s NSPIRES) that are now operating in parallel with Grants.gov.

We are registered with Grants.gov and are submitting proposals to Grants.gov on a daily basis.

By fiscal year 2007-2008, both NSF and NIH will phase over to Grants.gov. If you are planning to apply for a NSF grant, you may want to download its guide to Grants.gov entitled, “NSF Grants.gov Application Guide” on the NSF website at <http://www.nsf.gov/bfa/dias/policy/docs/grantsgovguide.pdf>

As of August 2007, NSF has identified 23 programs that offer applicants the option to utilize Grants.gov to prepare and submit proposals or to continue to use FastLane.

NSF’s overall Grants.gov implementation strategy can be found at: <http://www.nsf.gov/bfa/dias/policy/docs/grantsgovlisting06.pdf>

If you are planning to apply for a NIH grant, you may want to visit its Office of Extramural Research website at that outlines its transition to “Grants.gov.”

There are also several UC-funded institutes that currently require electronic submission (e.g., the UC Discovery program) with their own sui generis systems.

What we have learned through dealing with all these systems and their hardware and software idiosyncrasies is that the electronic proposal submission takes significantly longer to complete than the paper-based proposal. Please contact your assigned OSP staff person as soon as you know your proposal has to be submitted electronically. There may be prerequisites you have to fulfill (e.g., become registered in the particular system) before you can even begin the application process.

What follows is an important notice from the Vice Chancellor, Research, Bruce Margon, about grants.gov at UCSC, with an appendix providing step-by-step instructions for the PIs when submitting proposals through grants.gov.

TO: All Principal Investigators and Administrators

FROM: Bruce Margon, Vice Chancellor, Research

DATE: January 10, 2007

Re: Proposal submission through grants.gov

The federal government has developed an electronic proposal submission process called “grants.gov.” This is the official Federal government website where applicants find and apply to funding opportunities from all 26 Federal grant-making agencies.

This letter discusses the impact of grants.gov requirements on UCSC faculty and staff. **There are two very fundamental changes in the way all of us involved in the proposal process must interact, regardless of the sponsoring federal agency, and in some cases these take effect immediately.**

1. Due to the sequential nature by which grants.gov identifies and permits correction of subtle proposal format problems, there can now be a substantial delay between the time that the PI and the UCSC Office of Research both deem the proposal “complete,” and when the federal agency officially accepts the proposal. If we do not allow for this externally-imposed delay, some proposals may miss the agency submission deadline and not be considered for funding. We strong urge you to submit **fully completed and assembled grants.gov proposals with all required University documentation to the Office of Sponsored Projects at least 5 working days prior to the required sponsor receipt date.**
2. As grants.gov sequentially identifies issues in proposal submissions that it deems non-compliant during this post-submission interval, there may in many cases be questions which only the UCSC Principal Investigator or his or her immediate colleagues can resolve. Therefore it is now essential that you keep us informed of a knowledgeable point of contact authorized by the PI to make decisions on changes needed to enable grants.gov final acceptance, even though you deem the proposal already “complete.”

In summary, these new, externally imposed grants.gov procedures mean that proposals which all of us – PIs, departments and units, and the Office of Research – formerly viewed as “finished,” now have an additional stage, possibly of a few days duration in the worst case, that must be accommodated before the agency accepts the proposal for review and considers it as having met the agency’s deadline. This is most certainly an undesirable situation, but one that is faced by all federally-funded researchers in the nation. These changes will be a headache for all of us, but the Office of Research will work with you to smooth the process, and help us all adjust to this new reality of proposal submission. As we learn more, we hope to streamline the campus procedures to every extent possible.

The remainder of this letter discusses the most important details of the grants.gov process and transition.

Federal agencies are transitioning to grants.gov under varying timelines but all agencies are required by law to make all of their funding opportunities available for submission via grants.gov by October 1, 2007. This is true even if the agency already has a separate, functioning paperless proposal submission system in place (e.g., Fastlane at NSF or NSPIRES at NASA); often grants.gov will be layered on top of that existing system as an additional step. For example, NSF has its first mandatory grants.gov proposal submission in January, 2007 and NIH has made the R01s for February, 2007 mandatory grants.gov submissions—no paper copies will be accepted. The UCSC Office of Sponsored Projects began submitting grants.gov proposals since early 2006.

As grants.gov is a relatively new process, we and other institutions are encountering issues such as:

- ❖ grants.gov technology is not easily usable by non-Windows computers;
- ❖ It can take up to 2 weeks for a proposal to reach the agency after Sponsored Projects has electronically submitted the document;
- ❖ There are a complex variety of rules related to on-time submission;
- ❖ We are constrained to submit only one proposal to grants.gov at a time per computer;
- ❖ At a minimum, 4 emails are generated per each submission.

One of the characteristics of the grants.gov proposal package is that it consists of multiple individual forms and attachments. The attachments, prepared by the PI, can be as few as 2-3 or as many as 10-15 or more, depending on the specific program announcement guidelines. Generally, the PI can submit these attachments as PDFs to the OSP staff person for uploading. Each attachment should have a separate and different self-explanatory title.

Sponsor agencies have varying definitions for what constitutes an “on time” submission. In most cases, the application is not considered officially received until the sponsor deems it error free. Because of this, we strong urge you to submit **fully completed and assembled grants.gov proposals with all required University documentation to the Office of Sponsored Projects at least 5 working days prior to the required sponsor receipt date**. Given the problems related to grants.gov, we cannot be assured of making deadlines if OSP does not receive all necessary attachments from the PI prior to this 5-day period. This will allow enough time for resubmission, if necessary. (Although this may be little consolation to any of us, some of our sister UC campuses are imposing substantially longer advance intervals due to grants.gov.) Completed grants.gov proposal packages, submitted to OSP in this timeframe, will receive first priority.

Proposals go through both a grants.gov and a sponsor validation process and proposals with errors must be resubmitted if they are to be considered by the sponsor. Because Sponsored Projects may not be able to correct many of the errors without the PI's

assistance, it is important that the PI or a representative fully authorized to make changes be available during this validation process, to ensure final acceptance by the sponsoring agency prior to the deadline. In addition, some sponsors require and/or recommend that PIs review the submitted proposal once the agency has received it.

It is imperative that everyone involved with the preparation of the proposal review the Sponsoring agency's RFP/RFA/FOAs (Funding Opportunity Announcements), the agency's grants.gov guidance (if available) and the grants.gov User Guide, to meet all administrative requirements, terms of submission and consideration for award.

GLOSSARY

BUDGET: The instrument which indicates the amounts, by categories of expense, on which the agency has based its support.
CLOSEOUT: The process by which the agency determines that all applicable administrative action and all required work of the grant/contract has been completed.
COST SHARING: Participation by the performing organization in more than a token amount of project costs.
DISALLOWED COSTS: Those charged to an award which the agency determines to be unallowable, in accordance with federal cost principles or other conditions contained in the award.
EFFECTIVE DATE: The date specified in the award on or after which expenditures may be charged to the award.
EQUIPMENT: Articles of nonexpendable tangible personal property having a useful life of more than two years and an acquisition cost of \$5,000 or more per unit.
EXPENDITURES: Charges made to the project during a given period for (1) goods and other tangible property received, (2) services performed by employees, contractors, and other payees, and (3) valid commitments.
EXPIRATION DATE: The date specified in the award after which expenditures may not be charged against the award except to satisfy obligations to pay allowable project costs committed on or before that date.

FACILITIES & ADMINISTRATIVE COSTS: Real costs that provide reimbursements for certain expenses incurred in conducting or supporting research. Funds paid to an institution for indirect costs of a sponsored project are reimbursement to the institution for expenditures already made. Also known as indirect costs.
FEDERAL SHARE: The portion of project costs that is borne by the Federal Government.
FINAL TECHNICAL REPORT: The final scientific report of project performance.
FOREIGN TRAVEL: Travel performed to, between, or within a country other than the United States.
GENERAL PURPOSE EQUIPMENT: Equipment which is usable for other than research, scientific, or technical activities, whether or not special modifications are needed to make it suitable for a particular purpose. Examples of general purpose equipment include office equipment and furnishings, air conditioning equipment, reproduction and printing equipment, motor vehicles, automatic data processing equipment, etc.
GRANT: An award by which money is paid by the agency under a program that provides financial assistance to accomplish a public purpose where no substantial involvement is anticipated between the agency and the grantee during the performance of the project.
GRANT PERIOD: The period of time between the effective date and the expiration date.
GRANTEE: The institution, public or private nonprofit

organization, or other legally accountable entity that receives a grant, and assumes legal and financial responsibility and accountability both for the awarded funds and for the performance of the grant supported activity.
GRANTEE SHARE: That portion of verifiable project costs that is borne by the grantee from its own resources.
MATCHING SHARE: Cost participation by the performing organization in a substantial amount of project costs as required by a specific program announcement or solicitation.
OBLIGATIONS: The amounts of orders placed, contracts awarded, services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.
PRINCIPAL INVESTIGATOR/ The chief scientist or administrator who is responsible
PROJECT DIRECTOR/PI or PD: for the research or training plan and fiscal expenditures.
PROJECT COSTS: All allowable costs incurred by the performing organization, including the value of any in-kind contributions by that organization or non-federal third parties in accomplishing the objectives of the project during the project period.
SOLICITED PROPOSAL: A proposal resulting from a document issued by an agency which specifically states that proposals are being solicited.

<p>SPECIAL PURPOSE EQUIPMENT: Equipment which is usable only for research, scientific, or technical activities. Examples of special purpose equipment include microscopes, X-ray machines, surgical instruments, spectrometers, etc.</p>
<p>TERMINATION: The cancellation of an award, in whole or in part. at any time prior to its expiration.</p>
<p>TOTAL PROJECT COSTS: The sum of the grantor and grantee shares of all costs (both direct and indirect) of a project, which are allowable.</p>
<p>UNOBLIGATED BALANCE: The portion of the funds authorized by the award that has not been obligated by the performing organization. It is determined by deducting outlays and unliquidated obligations from the cumulative funds authorized.</p>
<p>UNSOLICITED PROPOSAL: A proposal not specifically solicited by an agency.</p>