**Tennessee Technological University**

**Policy No. 516**

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**Grants, Contracts and Cooperative Agreements**

*Effective Date:* **GRANTS, CONTRACTS AND COOPERATIVE AGREEMENTS POLICY**

**Policy No: 516**

**Policy Name: Grants, Contracts and Cooperative Agreements**

**Policy Subject: Post-award responsibilities of the Grant Accounting Office for grants, contracts, and cooperative agreements**

**Effective Date: TBD**

**Date Revised: January 19, 2016**

1. **Purpose**: To document post-award policies and procedures for externally sponsored agreements.
2. **Review**: This policy will be reviewed every four (4) years or whenever circumstances warrant, whichever is earlier, by the Grant Accounting Manager with recommendations for revision presented to the Associate Vice President for Business and Fiscal Affairs.
3. **Scope**: This policy applies to all externally sponsored grants, contracts, and cooperative agreements for the University. Sponsored program funding is awarded to Tennessee Tech University – not to individuals or subunits of the institution. Grant Accounting manages the financial post-award activities. The Office of Research & Economic Development is responsible for the review and submission of proposals for sponsored program support, the negotiation of sponsored and research-related agreements, and all non-financial post award functions not handled by the Principal Investigator’s department.
4. **Definitions:**

 **A**.Fringe Benefits - Fringe benefits are direct costs associated with salaries and wages and include the following items: FICA (Social Security); retirement; insurance for medical, dental, life, unemployment, long-term disability coverage; worker's compensation.

**B**. Principal Investigator/Project Director (PI or PD) - An individual designated by the grantee institution to direct the project or activity being supported by the grant and who is responsible and accountable to the institution for the proper conduct of the work.

**C**. Program/Project Officer - A sponsor's designated official responsible for the technical, scientific or programmatic aspects of the award, including monitoring progress and working with PIs on project-related issues.

**D**. Project Period - The total time approved by the funding agency for a supported project, including any extensions approved by the institution or the funding agency. The project period consists of one or more budget periods, which are usually 12 months each.

**E**. Banner – Tennessee Tech’s online financial system

**F**. FOAPAL – Acronym for Banner indicating Fund Code, Organization Code, Account Code, Program Code, Activity Code, and Location Code

**G**. EagleBuy- Tennessee Tech’s online procurement system

1. **Policy:**
2. **General**
	1. For funding awards on or after December 26, 2014 project expenditures on all federally sponsored projects are governed by the Office of Management and Budget’s Federal Register’s [2 CFR 200 Subpart E Cost Principles](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=1d4a112e0ad04f55a6a125dfd570d324&n=pt2.1.200&r=PART&ty=HTML#sp2.1.200.e). In addition, each federal agency publishes a guide or policy statement on its grants that generally encompasses the requirements of the Federal Register. The Principal Investigator must be familiar with these publications. Expenditures must conform to the federal guidelines as well as all Tennessee Tech requirements.
	2. Awards prior to December 26, 2014 are governed by OMB A-21 as stated in the following link to [Direct Costs Policy](https://www.tntech.edu/research/policies/direct-costs-on-contracts-and-grants).
	3. Each federally sponsored project is assigned a distinct fund code and index number in the University’s Banner accounting system. The FOAPAL has all the elements to separately track each sponsored project. The Banner database allows for all required attributes to track each specific federal project as required by [CFR 200.302](http://www.ecfr.gov/cgi-bin/text-idx?SID=83d18992724f7866f669c82bee562c80&node=se2.1.200_1302&rgn=div8).
3. **Acceptance of Grant Award and FOAPAL Setup**
	1. The Principal Investigator will be notified by the Office of Research once a grant award has been accepted.
	2. The Principal Investigator shall submit a line item budget via the Departmental Chair and Associate Dean to the Office of the Associate Vice President for Research.This budget should correspond to the final approved budget in the grant document.
	3. The Research Office will send to Grant Accounting a Grant Activation Form along with the signed document for the grant, the budget, and other documents necessary to establish the responsibilities of the University. The initial activation may or may not include funds for the entire period of the grant.
	4. Grant Accounting will establish a FOAPAL after receipt of an approved activation.
4. **No obligations or expenditures are authorized until the activation of the grant is prepared and approved by the Associate Vice President for Research.**
	1. Pre-activations must follow the same procedure as activations except that a memo must be sent to the Associate Vice President for Research via the Center director (if applicable), chair of the department responsible for the expenses, and the dean responsible for the expenses.
	2. The memo must accompany the Grant Activation Form and state why the pre-activation is justified and that the department will be responsible for expenses if the contract is not approved.
	3. It is the Principal Investigator’s responsibility to ensure that a fully executed contract is received within a ninety (90) day period.
	4. If the contract has not been received within ninety (90) days of the pre-activation date, a stop work order will be issued by the Office of Research until the agency can be contacted and an executed contract obtained.
	5. The procedures for contract activation can be found at: <https://www.tntech.edu/research/policies/contractapprvl>.
5. **Policies and Procedures Governing Incurrence of Obligations and Expenditure of Funds**
	1. Policies and procedures of the University relating to obligations and expenditures (TTU [Policies 502 and 570-579](https://www.tntech.edu/policies/)) must be observed on grants as they apply to any Tennessee Tech account.
	2. Exceptions may be made if the grant or contract specifically budgets for normally unallowable University items.
	3. Furthermore, grant or contract terms may be more restrictive than Tennessee Tech policies.
6. **All requisitions are routed through the appropriate personnel in Eaglebuy.**
	1. The Principal Investigator must approve all requisitions and invoices.
	2. These requisitions must have the approval of the Principal Investigator and the Grant Accounting Office. Line items of the grant budget must be observed when requisitions are prepared. The Grant Accountant will verify project end dates and available funds remaining on the project by line item. Budget revisions must be made in accordance with the grant agreement. (See TTU Policy 502 [Accounting for Expenditures Section B 2 & B 3](https://www.tntech.edu/assets/userfiles/resourcefiles/17/1421790304_502%20Accounting%20for%20Expenditures.pdf)).
7. In accordance with TBR and Tennessee Tech policy appropriate documentation shall be submitted for all salaries and wages paid on grants. Salaries of administrative and clerical staff should normally be treated as indirect costs unless an exception is approved by the Associate Vice President of Research.
8. Cost of benefits paid by the employer for personnel on grant funded projects will be charged monthly based on actual amounts.
9. In addition to all other required approvals, all foreign travel shall be approved by the grantor in advance of the travel. Travel expenditures should follow the [TTU Travel Policy No. 506](https://www.tntech.edu/assets/userfiles/resourcefiles/17/1405531296_506%20General%20and%20Group%20Travel.pdf) as may be amended from time to time. All travel charged to federal projects must be necessary for that specific project fulfillment and reasonable as described in [CFR 200.474](http://www.ecfr.gov/cgi-bin/text-idx?SID=83d18992724f7866f669c82bee562c80&node=se2.1.200_1474&rgn=div8).
10. All purchases with grant funds must be acquired in accordance with TTU’s Policies [570 – 576](https://www.tntech.edu/policies/) (Purchasing Policies and Procedures). All purchases must be necessary and directly allocable for completing the project. Any office supplies not directly related to an externally-funded project must be treated as indirect costs (not charged directly to the grant).
11. **Consultants**

Any Tennessee Tech interdepartmental consultant costs must follow [CFR 200.430](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=0de6c29c4021dbcee206edcb65e4afd1&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_1430). Additional regulations apply, including prior approval from the awarding agency. Contact the Office of Research for specific guidance.

1. **Time and Effort Reporting**

The Principal Investigator is responsible for ensuring the preparation and timely submission of the required University forms delineating the total effort of all personnel working on federally funded projects, whether charged directly to the grant or contract or used as University cost-sharing. Effort Certification Reports are distributed by Grant Accounting to project bookkeepers. The employee identified on the Effort Certification Report is responsible for reviewing, signing, and returning to Grant Accounting. If an employee is unavailable due to extenuating circumstances, the Principal Investigator may sign on their behalf. Time on both federal and nonfederal duties must not exceed 100% of effort. The following is a link to the TTU [Policy on Effort Certification](https://www.tntech.edu/research/policies/effortcertpol) found under Award Management in the Research & Economic Development Office.

1. **Unallowable Costs**

 A [Uniform Guidance Implementation Guide](https://www.tntech.edu/assets/userfiles/resourcefiles/17/1418423047_UNIFORM%20GUIDANCE%20IMPLEMENTATION%20GUIDE2.pdf) is available for review of transition rules for awards on or after December 26, 2014. A more extensive list of allowable and unallowable costs can be found in the following [Quick Reference Guide](http://www.orsp.umesp.maine.edu/ORSPDocs/Info/ORSPTraining/104AllowCostsQuickRefGuide.pdf). 2 CFR 200.420 through 475 shall determine allowable costs on federally funded projects.

1. **Indirect Costs**

The indirect cost rate for federal awards on or after December 31, 2014 should follow the [Uniform Guidance Implementation Guide](https://www.tntech.edu/assets/userfiles/resourcefiles/17/1418423047_UNIFORM%20GUIDANCE%20IMPLEMENTATION%20GUIDE2.pdf) Page 6 as address in [CFR 200.331](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=8be9a8618b1d29ce893d1ba2e1e8f6d3&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_1331) and 200.414. See the Office of Research website for other [negotiated rates](https://www.tntech.edu/files/research/TTU_INDIRECT_COST_RATE_AGREEMENT_2013.pdf).

1. **Disposition of Unauthorized or Excess Obligations and Expenditures**

Care should be exercised so as not to exceed available grant funds when making expenditures or to incur obligations not authorized by the grant. If such obligations or expenditures are inadvertently made and are allowed to become general University obligations and expenditures, they must be requisitioned from appropriate unrestricted departmental funds using account code 79850 – unallowable costs.

1. **Approvals Required to Modify, Cancel, Discontinue and Closeout of Contract**

If a grant or contract is to be modified, cancelled or discontinued, the same approvals must be obtained as in Section B. In case of termination, either willingly or unwillingly, each Principal Investigator is responsible for completion of all grant work and reports that are due to be made which are under his/her jurisdiction. The leader of the administrative unit is responsible for seeing that these requirements are met. A [Proposal Monitoring & Closeout Form](https://www.tntech.edu/assets/userfiles/resourcefiles/12344/1436381648_Project%20Closeout%20Form_7_8_15.pdf) must be submitted to the Office of Research at the end of the contract.

1. **Requirements for Reporting Loaned and Donated Equipment**

All equipment loaned or donated by a grantor to the University must be clearly identified and reported to the Grant Accountant and Property Officer.

See TTU Policy 509.1 I.V. B. for requirements on equipment purchased with grant funds.

1. **Reconciliation of Requisitions/Purchases to Monthly Expenditure Reports Required**

Reconciliation of requisitions/purchases to Banner expenditure reports are to be made monthly by the project bookkeeper.

1. **Cost Sharing**

External agencies require auditable cost-sharing. Tennessee Tech cost sharing must be recorded in a unique FOAPAL by project for all externally sponsored projects that require cost share. Documentation to support the cost sharing must be kept by the department, e.g. release time, graduate assistants, etc. For employee release time, the signed Effort Certification Form is sufficient. For in-kind contributions that do not require a separate FOAPAL, detailed records must to be kept in the various departments. Departmental chairpersons and deans are to monitor these records for correctness. With awards after December 31, 2014 and the implementation of 2 [CFR 200.306](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=3f5a2a2a60f2cd49dcca1f0507c71165&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_1306) as explained in the [Uniform Guidance Implementation Guide](https://www.tntech.edu/assets/userfiles/resourcefiles/17/1418423047_UNIFORM%20GUIDANCE%20IMPLEMENTATION%20GUIDE2.pdf) Page 4, voluntary cost share is not expected for federal research proposals and is not a factor in the review of applications unless specifically stated in the funding opportunity.

1. **Conflict of Interest**

Conflict of interest guidelines and procedures are established in [TTU Policy 132](https://tntech.policytech.com/dotNet/documents/?docid=406&mode=view) and in [TTU Policy 735](https://tntech.policytech.com/dotNet/documents/?docid=368&mode=view) Conflict of Interest in Research as may be amended from time to time. In order to report fraud, waste, and abuse of any such conflicts please see [TTU Policy No. 131](https://www.tntech.edu/files/policies/131%20Preventing%20and%20Reporting%20Fraud%2C%20Waste%2C%20or%20Abuse.pdf) Preventing and Reporting Fraud, Waste, or Abuse as may be amended from time to time.

1. **Prior Approval**

Prior Approval from the cognizant or awarding agency must be received for items as described in 2 [CFR 200.407](http://www.ecfr.gov/cgi-bin/text-idx?SID=83d18992724f7866f669c82bee562c80&node=se2.1.200_1407&rgn=div8).

1. **Interpretation:** The Vice President for Planning and Finance or his/her designee has the final authority to interpret the terms of this policy.

**VII. Effective Date:**

**VIII. Citation of authority for policy:** OMB Circulars A-21 and OMB Circular A-110; TBR Purchasing and Travel policies, Uniform Guidance 2 CFR 200.

**RESPONSIBLE PROPOSER(S) AND REVIEWER(S)**