

# Agenda and Overview

- Objectives:
  - Basic Grants and Contracts overview
  - Provide resources for effective, accurate management of awards

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# Sponsored Projects Lifecycle

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- Sponsored Projects – aka “Restricted Funding”
- Grants | Contracts | Cooperative agreements
  - Grants – reasonable effort
  - Contracts – specific deliverable
  - Coop agreement – joint venture





# What is (and is NOT) a Sponsored Project?

## SPONSORED PROJECT

- a research, service, or instruction project
- conducted with support provided by some entity external to the campus (the sponsor, governmental or private organizations).

## GIFTS

- Donor funds with few restrictions (irrevocable)
  - Recipient has freedom to manage the project
  - No (or very few) required deliverables or reports
  - No detailed financial reports
- **INTERNAL FUNDS**
    - Ledger 1– State operations funds
    - Ledger 2 – DRIF funds



# Roles and Responsibilities

- Roles
  - Central
  - “Departmental” – at USG
  - Project level – with PI
- Awards are made to institutions, rather than individuals.
- the investigator is accountable to the sponsor, the university, and the school and department in which the program is conducted for all aspects of the program,
- investigators must be aware of and observe all of the terms and conditions of the award
- Roles and Responsibilities

# Sponsored Projects Lifecycle

## Pre-Award

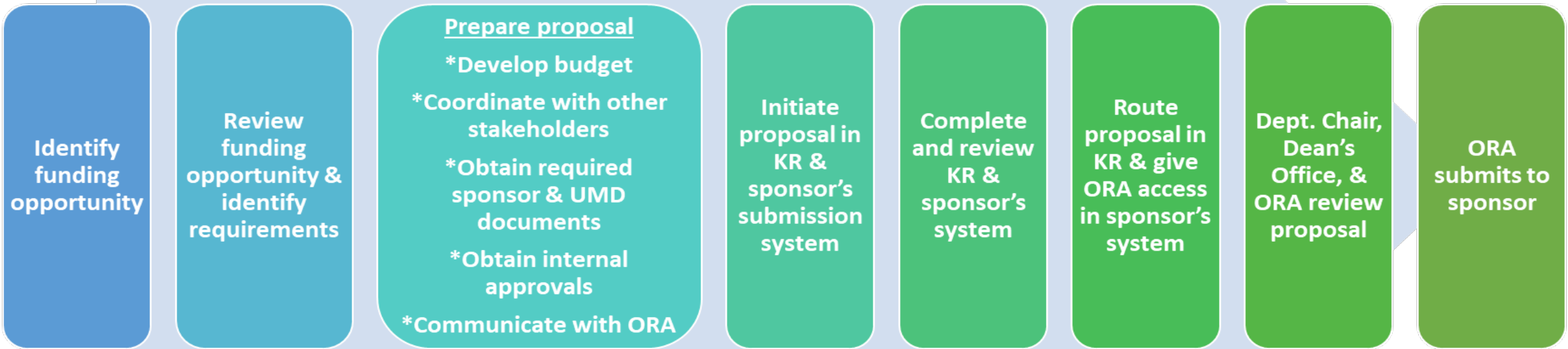
- Define Opportunity
- Proposal Development & Submission
- Award Negotiation & Acceptance
- Award Setup

## Post-Award

- Award Administration & Management
- Closeout



# Proposal Process



Identify  
funding  
opportunity

Review  
funding  
opportunity &  
identify  
requirements

Prepare proposal  
\*Develop budget  
\*Coordinate with other  
stakeholders  
\*Obtain required  
sponsor & UMD  
documents  
\*Obtain internal  
approvals  
\*Communicate with ORA

Initiate  
proposal in  
KR &  
sponsor's  
submission  
system

Complete  
and review  
KR &  
sponsor's  
system

Route  
proposal in  
KR & give  
ORA access  
in sponsor's  
system

Dept. Chair,  
Dean's  
Office, &  
ORA review  
proposal

ORA  
submits to  
sponsor

# Identifying Funding Opportunities

- Solicitations
- Other opportunities
- Resources:

<https://research.umd.edu/development>



# Starting a Proposal

- Identify the Principal Investigator (PI)
- Read the solicitation and identify the sponsor's requirements
  - If no solicitation, written documentation from sponsor about the project (period of performance, SOW, funding level)
- Establish a timeline
- Begin proposal in [Kuali Research \(KR\)](#)





# Proposal Development: Common Proposal Elements

- Institutional information
  - Reference the [ORA Quick Reference Guide!](#)
  - Remember that the applicant is UMD/USG (not individual PIs)
- Letters (Commitment, Intent, Support, Collaboration ...)
- Scope of Work (e.g., Abstract, Project Narrative, Technical Proposal, etc.)



# Common Proposal Elements

- Budget & Budget Justification
- Biosketches/Resumes/CVs
- Current & Pending Support
- Sponsor Specific Documents



# Common Proposal Elements

- Subaward Documents
  - [Subrecipient Commitment Form](#)
  - Scope of Work
  - Budget
  - Budget justification
  - Indirect Cost Rate Agreement
  - Other required documents



# Common Proposal Elements

- Representations & Certifications (Reps & Certs)
- Compliance-related Documentation - Human & animal subjects, biological materials, etc.
- Institutional Documentation - Audits and Financial Statements, Board of Regents Members, Demographic Info, Insurance, UMD Budgets, etc.



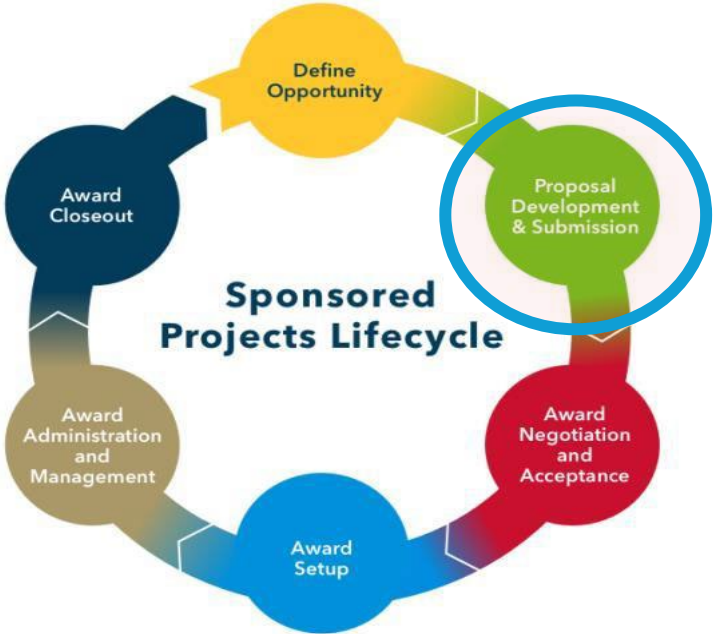
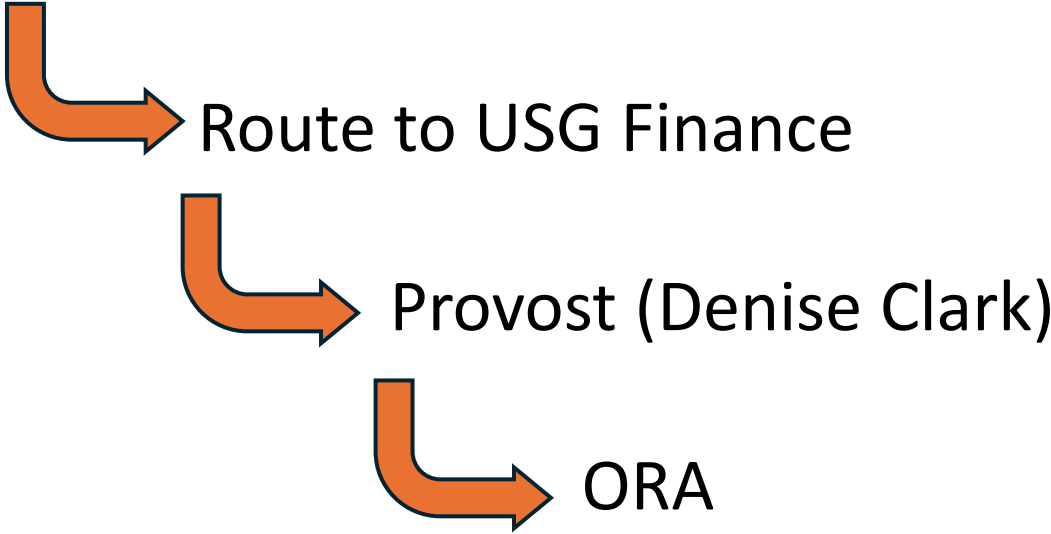
# Internal Approvals

- F&A Waiver
- Cost-share
- Significant Project



# USG Proposal Routing

Proposal initiated in KR by USG



# Proposal Submission

Per MOU between UMD and USG:

- ORA is the authorized organizational representative (AOR) for USG
- ORA approves and submits all USG proposals for sponsored projects



# Award Negotiation & Acceptance

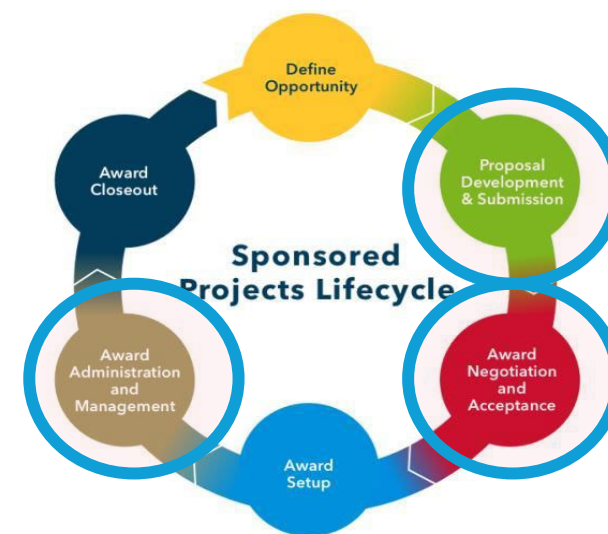
- ORA is the only authorized unit to negotiate and sign sponsored projects agreements on behalf of USG
- ORA reviews and redlines agreements to ensure that the terms and conditions align with University and state policies, regulations, and laws
- ORA will coordinate with the PI and USG as needed





# Research Compliance

- Intellectual Property
- Human Subjects
- Conflict of Interest
- Export Control
- Responsible Conduct of Research
- Data Use



# Award Set-Up

- ORA sets up the award in KR, which feeds into KFS
- SPAC has access to KFS, but ORA does not
- Update PI and settings
- Team meeting – review SOW and budget and initiate first actions
  - Changes to budget plans
  - Personnel charges
  - Procurement actions
  - PI management



## Post-Award Award Admin & Mgmt

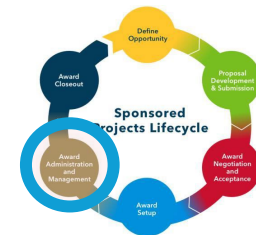
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- Hiring people
- Buying things
- Fixing things
- Changing award
- Repeat until close-out



# Hiring People

- Payroll and Effort
- Effort Certification
- Not Supplemental Compensation
  - Paid when the service involves **work outside of normal role**
  - **Must be** included at the proposal stage or must obtain prior sponsor approval
- Administrative staff:
  - Must be
    - integral\* to a project or activity;
    - can be specifically identified with the project or activity;
    - explicitly included in the budget or have the prior written approval; and
    - costs are not also recovered as indirect costs



# Buying Things

- Pre-approvals
- Comply with UMD Procurement and Travel policies (State of MD)
  - Pcards
  - Concur Travel
  - Shell Shop
- Services:
  - Contracts/Procurement
  - No 'After the Fact' agreements
- Subawards



# Buying Things - Documentation

- Have appropriate approvals & detailed documentation
- Provide source documentation to support the costs
  - Who, what, where, when, why (explain the purpose)
- Required to support the
  - Expenditure approval by financial manager
  - Invoice backup
  - Audit



# Subaward or Independent Contractor?

**Subaward** = A formal written agreement made between the university and another legal entity (subrecipient) to **perform substantive programmatic activity** under one of the University's sponsored projects.

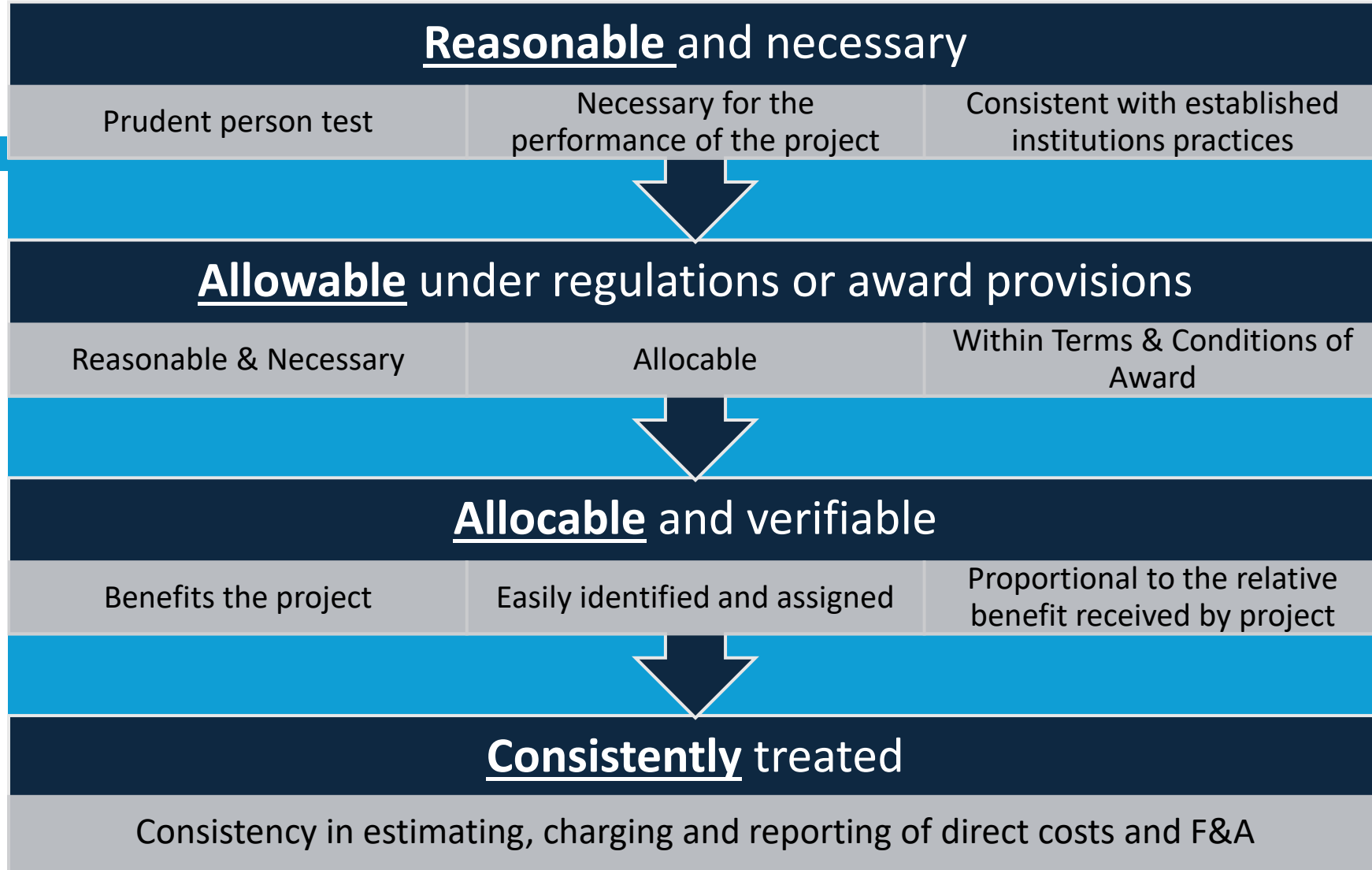
**Contractor** = A consultant or contractor that **provides goods or services** under terms specified in a contract

## Requirements for Subawards

- Scope of Work (SOW), including:
  - Responsibilities of the sub
  - Set list of deliverables or research outcomes
  - Projected specific aims/task list
  - Description and timing of reports, deliverables, milestones
- Technical Performance Terms
- Budget
- Budget justification
- Period of performance
- Payment terms
- Technical and financial reporting requirements
- Prime award flow-down terms including compliance
- Administrative terms and conditions
- Other parts as required



# Cost Principles





# Allowable vs. Unallowable Costs

Costs that are **allowable** are not prohibited by law, regulation, policy or the award terms. Allowable costs may be eligible for Federal reimbursement directly or indirectly

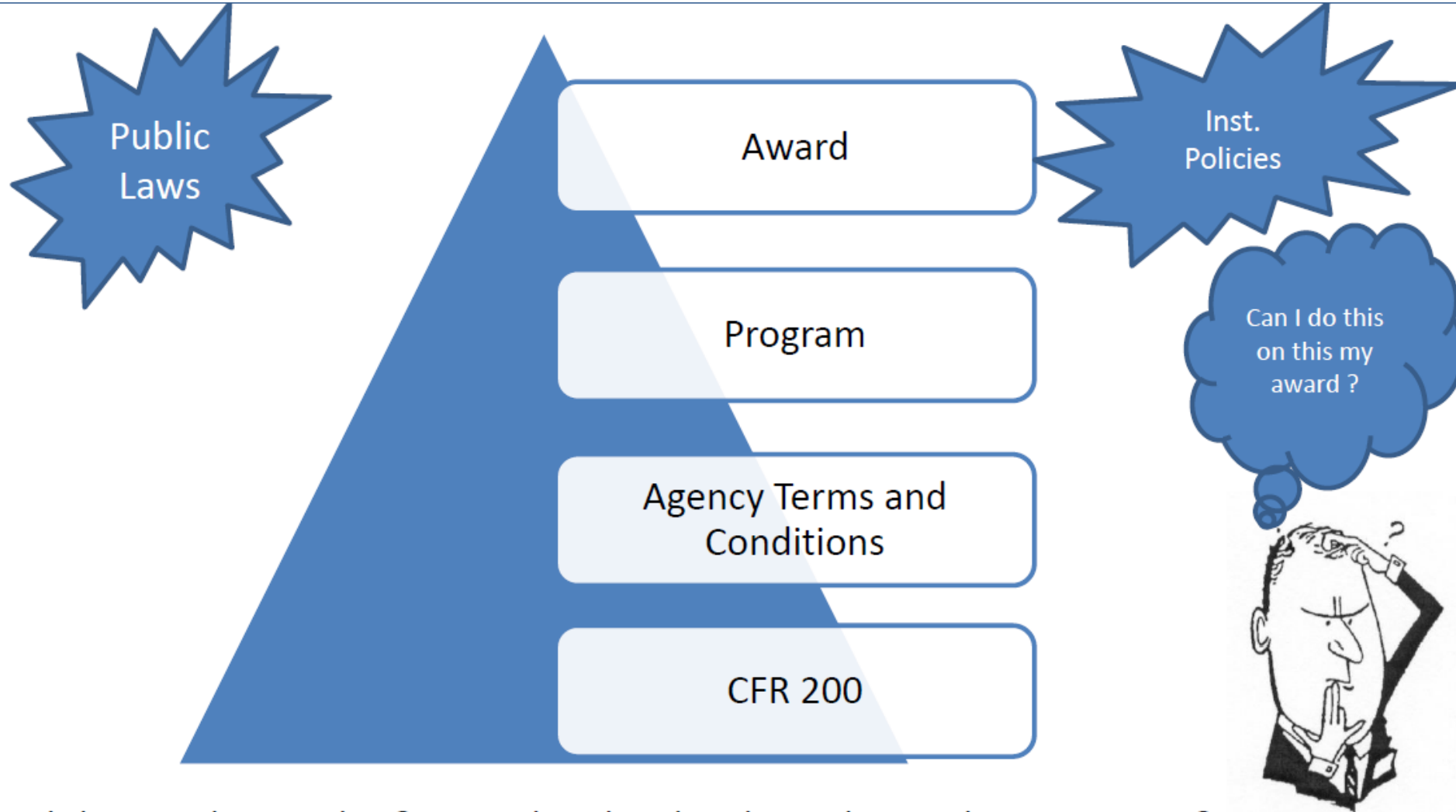
- Labor
- Travel
- Supplies
- Equipment
- Subrecipients
- Consultants
- Student Support

Costs that are usually **unallowable**

- Alcohol
- Entertainment
- Gifts
- Unusually high salary increases
- Salary greater than any agency salary cap
- Costs with insufficient documentation
- Non-travel related Meals and Refreshments



# Order of Precedence



I don't know what applies? How do I decide what rules apply to my grant?



# Common Errors

- **Rotating** charges among projects
- Assigning charges to a **project on the basis of the remaining balance**
- **Charging the budgeted amount** rather than charging based on actual usage
- Assigning charges to an award **before the cost is incurred**
- Identifying a cost as something **other than what it actually is** (e.g., classifying an item of equipment as a supply)
- **Charging exclusively to sponsored agreements** when expense supported non-sponsored agreement activities
- **Assigning charges that are part of normal administrative support (indirect costs) for sponsored agreements** (e.g., toners, paper, general purpose computers)



# Fixing Things: Transfers

- After-the-fact re-allocations of costs, either labor or non-labor, on a sponsored project.
- Monthly review and reconciliation
- Completed within 90 days after initial charge
- Not between restricted funds
- **Sufficient documentation** should be provided for all transfers

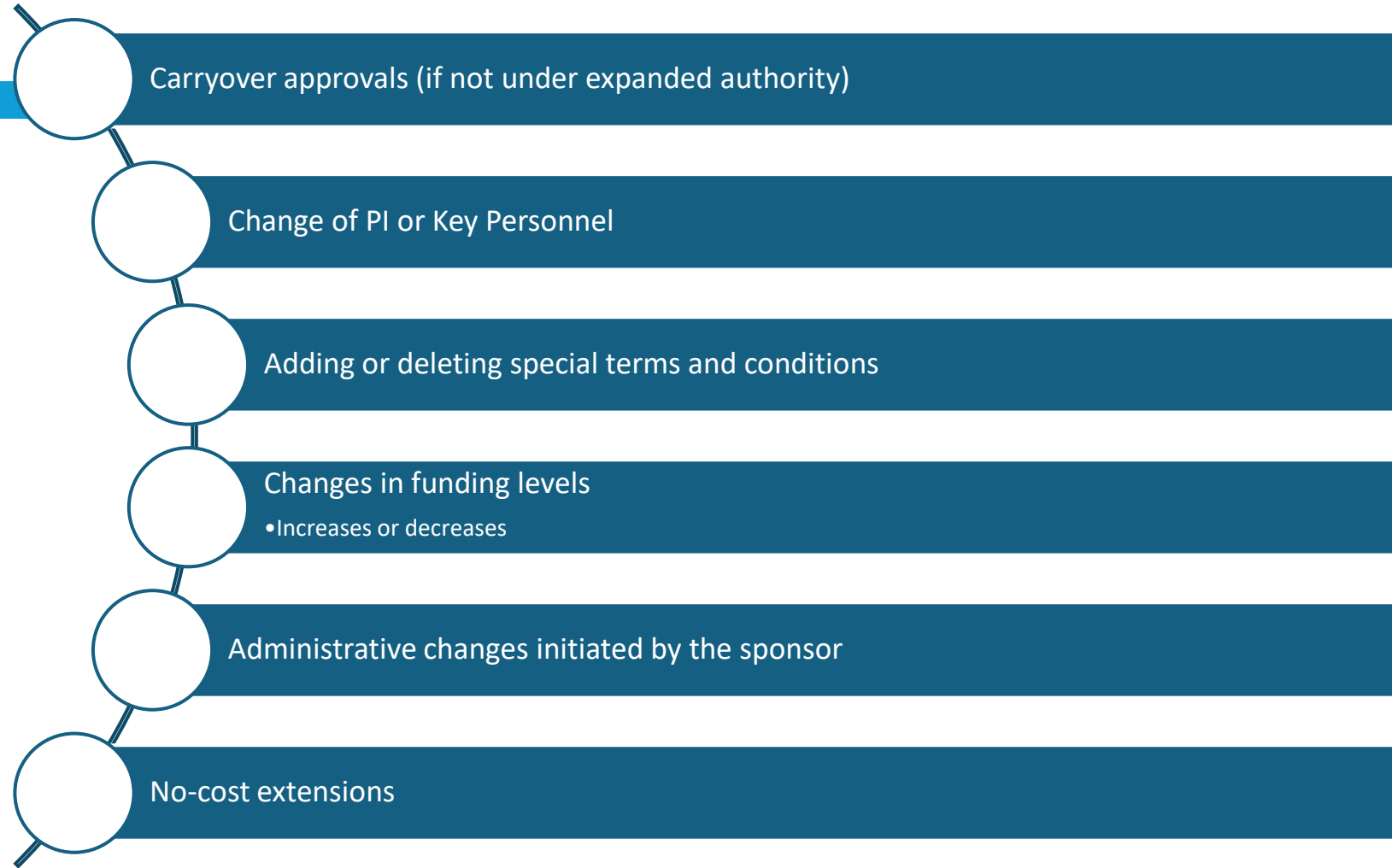


# Consequences of non-compliance

- Disallowance of charges
- Reduction in award amounts by Sponsors
- Withholding of payments
- **Withholding of awards (for an individual PI or the entire institution)**
- Suspension and debarment (for an individual PI or the entire Institution)
- Prosecution under the False Claims Act
- Jail time



# Award Modification/Amendment



# Award Close-out

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- 90-days before review and final charges/transfers
- PI – Final Technical Report
- ORA – property/patent reports
- SPAC – Final financial and invoicing/ Close in KR
- USG – KFS close-out



# Review

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# Resources



## Gifts

[Office of Donor Relations](#)

[Gift Criteria](#)

[Gift Routing](#)

[Limited Submissions](#)

[Project Types & Indirect Cost Rate \(F&A\) Information](#)

[Roles and Responsibilities for Sponsored Projects at UMD](#)

[Subawards](#)

[Subcontracting Plan Information](#)

## UMD/USM Information

[USM Single Audit and Financial Statements](#)

[USM Board of Regents](#)

[UMD Budget](#)

[UMD Demographic Information](#)

[Internal Approvals](#)

[F&A Waivers](#)

[Cost-share](#)

[Significant Project/Organized Research Unit](#)

[General ORA Resources](#)

[ORA Quick Reference Guide](#)

[Sponsored Research Handbook](#)

[KR Resources](#)