Welcome to Sponsored Projects Overview. This course provides information needed to understand the basic terminology, life cycle phases, and roles and responsibilities associated with sponsored projects.

Sponsored Projects Overview is a prerequisite for all courses associated with the pre-award and post-award departmental research administrator certification programs.

Objectives

The primary audience for this course is University employees who serve in the role of pre-award or post-award departmental research administrators. Employees in these important roles are responsible for supporting sponsored projects during the pre-award or post-award phases.

At the end of this course, you will be able to:

- Understand basic sponsored project terminology, such as types of sponsored projects and types of sponsored funding
- Understand the roles and responsibilities associated with sponsored projects
- Understand the life cycle of a sponsored project
- Identify resources available to pre-award and post-award departmental research administrators

The University of Minnesota has nearly 20,000 staff and faculty members and over 65,000 students. It prides itself on its threefold mission of instruction, community outreach, and research.

As part of your responsibility for supporting sponsored projects, you will become directly involved in the financial and administrative operations that support the University's research mission. It is crucial to understand how all the pieces fit together, including the people, processes, terminology, and the overall life cycle of a sponsored project, so that you know the important impact your role has on sponsored projects and the University.
Sponsored Project Overview

Course Content

Definition

All staff who support sponsored projects must understand the unique criteria of a sponsored project. According to University policy, the definition of a sponsored project is an externally funded activity governed by specific terms and conditions. Sponsored projects must be separately budgeted and accounted for, subject to terms of the sponsoring organization. Sponsored projects may include grants, contracts, and cooperative agreements for research, training, and other public service activities.

Click for a more detailed definition of a sponsored project (pdf).

Pre and Post Award

This course and the certification programs focus on the pre-award and post-award phases of a sponsored project. Because there are many tasks associated with the lifecycle of a sponsored project, University departments typically assign their staff specific responsibilities relating to activities that occur during either the pre-award or post-award phase of a sponsored project.

Pre-award activities support the sponsored project before the formal award is made by the sponsor. These activities typically include searching and applying for external funding opportunities and preparing the proposal, including its budget, work scope, and other proposal requirements according to the sponsor’s application or guidelines. The negotiation and acceptance of the award is also typically included in this phase.

Post-award activities support the sponsored project after the formal award has been made by the sponsor, and the University and sponsor have entered into a legally binding agreement. These activities begin once the award has been made and continue until the project has ended. Post-award activities focus on managing the project’s financial and administrative tasks, such as:

- establishing the award in the financial system
- paying people
- issuing and managing subawards
- purchasing goods and services
- providing financial oversight to the project’s budget
- reconciling financial transactions
- performing payroll- and personnel-related responsibilities

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Course Content

Sponsored and Nonsponsored

It is likely that you have heard other University employees use the terms “sponsored funding” or “nonsponsored funding” in conversations revolving around daily financial or administrative duties. It is important to know the difference between these two types of funding, as each has different restrictions, obligations, and policies that govern it.

Sponsored funding is associated with a specific formal award (sponsored project) issued by an external organization or agency. Some common criteria may include specific outcomes, a defined work scope, a budget, and spending restrictions. Typically, sponsored funding requires financial and technical reports be submitted to the sponsor.

Nonsponsored funding supports general University activities such as instruction, public service, and institutional operations and support. Nonsponsored funding typically comes from sources that do not have restricted spending guidelines such as student tuition, state or federal appropriations, the University of Minnesota Foundation, and revenue from auxiliaries (e.g., the University Bookstore). These funds are received by the University and allocated to the University’s campuses, colleges, and departments. Once allocated, the department is responsible for appropriately managing these financial resources.

Knowledge Check

Check your understanding of sponsored and nonsponsored funding by matching each scenario below with its appropriate funding type.

| 1) Biology 1001 course          | 1) Nonsponsored |
| 2) Feline leukemia clinical trial | 2) Sponsored |
| 3) Study on effects of Alzheimer’s |                 |
| 4) Convenience store in Coffman Union |            |

Check My Answers
Course Content Overview

Operating Budget

With an estimated $817 million in revenue for fiscal year 2011, sponsored projects brought in approximately 25% of the University’s total dollars in revenue. Therefore, it only do sponsored projects support the research component of the University’s threefold mission; they also greatly impact the University’s operating budget.

Sponsored Funding Statistics for Fiscal Year 2011

The University’s operating and nonoperating revenue (noncapital) for the years ended June 30, 2011, 2010, and 2009
(In thousands)

<table>
<thead>
<tr>
<th>Operating revenues</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>From 2010 to 2011</th>
<th>Percent</th>
<th>From 2009 to 2010</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contracts</td>
<td>$817,045</td>
<td>$746,870</td>
<td>$662,009</td>
<td>$70,175</td>
<td>9.4%</td>
<td>$84,861</td>
<td>12.8%</td>
</tr>
<tr>
<td>Student tuition and fees, net</td>
<td>634,042</td>
<td>576,163</td>
<td>590,648</td>
<td>57,679</td>
<td>10.0%</td>
<td>(14,285)</td>
<td>(2.4%)</td>
</tr>
<tr>
<td>Auxiliary enterprises, net</td>
<td>345,537</td>
<td>324,068</td>
<td>289,408</td>
<td>21,469</td>
<td>6.6%</td>
<td>34,660</td>
<td>12.0%</td>
</tr>
<tr>
<td>Educational activities</td>
<td>115,830</td>
<td>206,751</td>
<td>190,254</td>
<td>(90,921)</td>
<td>(40.9%)</td>
<td>1,497</td>
<td>0.8%</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>2,906</td>
<td>2,304</td>
<td>1,968</td>
<td>602</td>
<td>13.1%</td>
<td>338</td>
<td>17.1%</td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>$1,919,060</td>
<td>$1,850,356</td>
<td>$1,743,287</td>
<td>68,704</td>
<td>3.7%</td>
<td>107,069</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

Nonoperating revenues

<table>
<thead>
<tr>
<th>Nonoperating revenues</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>From 2010 to 2011</th>
<th>Percent</th>
<th>From 2009 to 2010</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal appropriations</td>
<td>69,416</td>
<td>64,948</td>
<td>22,409</td>
<td>4,468</td>
<td>6.9%</td>
<td>42,539</td>
<td>180.8%</td>
</tr>
<tr>
<td>State appropriations</td>
<td>623,300</td>
<td>651,350</td>
<td>707,806</td>
<td>(28,050)</td>
<td>(4.3%)</td>
<td>(56,450)</td>
<td>(8.9%)</td>
</tr>
<tr>
<td>Grants, gifts, and other</td>
<td>315,755</td>
<td>383,622</td>
<td>286,840</td>
<td>(67,867)</td>
<td>(42.2%)</td>
<td>66,952</td>
<td>16.4%</td>
</tr>
<tr>
<td>Net investment gain (loss)</td>
<td>180,065</td>
<td>54,301</td>
<td>(285,507)</td>
<td>126,064</td>
<td>230.0%</td>
<td>340,808</td>
<td>119.2%</td>
</tr>
<tr>
<td>Total nonoperating revenues</td>
<td>1,183,336</td>
<td>1,104,361</td>
<td>731,518</td>
<td>88,475</td>
<td>8.0%</td>
<td>373,343</td>
<td>51.0%</td>
</tr>
</tbody>
</table>

Total revenues (noncapital) | $3,112,396 | $2,955,217 | $2,473,805 | $157,179 | 5.3% | $480,412 | 19.4% |

Course Content

Managing Sponsored Projects

Because sponsored projects have many restrictions and regulations on how they are managed financially and administratively, the University has a standard business process for how they are administered. More the cursor over each piece of the triangle.
Course Content

Roles and Responsibilities

Since the University must centrally accept all sponsored awards, let’s take a look at the roles and responsibilities associated with the primary central units responsible for providing oversight of the University’s research mission and sponsored projects.

During the pre-award phase of a sponsored project, the Sponsored Projects Administration (SPA) is the primary central unit responsible for assisting departments with proposal-related questions. SPA also plays a major role in the pre-award phase by reviewing, authorizing, and submitting proposals on behalf of the Regents of the University of Minnesota.

During the post-award phase, SPA continues to have a major role by accepting the award on behalf of the University, assisting departmental staff with award setup, providing sponsored-project-related resources, and fielding sponsor-specific questions. In addition, Sponsored Financial Reporting (SFR) plays a major role in supporting departments by providing financial oversight by invoicing sponsors, depositing sponsor payments, and providing financial reports to sponsors.

Move the cursor over each box to learn more about the specific responsibilities of the roles associated with SPA and SFR.

Course Content

Roles and Responsibilities (cont. 2)

To uphold the University’s internal controls process and separation of duties, SPA and SFR report to two separate entities. SPA reports to the Office of the Vice President for Research (OVPR), and SFR reports to the Controller’s organization.

Even though SPA and SFR play the largest role in the administration of sponsored projects at the University, there are other central units that report to the OVPR or Controller’s organization that play supportive roles throughout the life cycle of a sponsored project. Depending on your role and the work scope of the projects you support, you may be in contact with one or more of these units throughout the life cycle of sponsored projects.

Move the cursor over each box to learn more about the responsibilities of the roles associated with the OVPR and Controller’s organization.
Course Content

Roles and Responsibilities (cont. 3)

Along with the central units' roles and responsibilities are roles and responsibilities for individuals who support sponsored projects at the collegiate or departmental/cluster level. Click on each person to learn more about the specific responsibilities associated with that role.

Course Content

Roles and Responsibilities (cont. 4)

It's now time to test your knowledge of sponsored roles and responsibilities. A complete list of roles and responsibilities (pdf) is available. A link to this list is also provided in the Resources section at the end of this tutorial.
Course Content

Roles and Responsibilities (cont. 6)

Which central unit and departmental roles are responsible for completing the various tasks associated with sponsored project management and oversight? Drag each responsibility to its corresponding central unit role.

- Grant Administrator
- SFP Principal Collections Representative
- SFP Accounts Receivable Accountant
- SPA
- SFP Accountant

Finish matching each of the following additional responsibilities to its corresponding central unit role.

1) helps the University develop financial processes and procedures to reduce costs and maximize value
2) identifies and protects copyrightable materials and assists with the transfer of technology for commercial use
3) oversees the internal compliance of research trials that involve animals, human subjects, controlled substances, as well as conflicts of interest
4) responsible for administration of the Certified Approver Program
5) monitors research processes involving human subjects and hazardous biological agents
6) reviews all projects involving research animals to ensure compliance
7) responsible for the oversight of all aspects of research throughout the entire University

1) Controller's Office
2) Office of the VP for Research
3) Office of Regulatory Affairs
4) Research Education and Oversight
5) Office for Technology Commercialization
6) Human Research Protection Program
7) Office of Animal Welfare

Check My Answers
Sponsored Project Overview

Course Content

External Funding

Now that you have learned what sponsored projects are and who is responsible for them, let’s further explore basic sponsored projects terminology by beginning with an in-depth look at the criteria associated with a sponsored project.

One of the criteria of a sponsored project is external funding. There are four types of external funding that the University receives from outside sources:

- gifts
- external sales
- sponsored projects
- program income

It is crucial to understand the differences among the types of external funding that the University of Minnesota receives. Accepting money from an outside source and not properly following the University’s business procedures can result in violation of policy and puts the University at risk of being out of compliance with sponsor guidelines and other regulations.

Page 17 of 50

Course Content

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Page 17 of 50

Course Content

External Sales

The second type of external funding, external sale, is a transaction involving the transfer of funds by a third party to the University. A department or college may receive support by selling supplies or services outside the University community. Income from the external sale may be subject to federal or state taxes. If the activity generating the sale is supported by sponsored funds, the income from that sale is program income (see Program Income definition later in this tutorial).

How are external sales handled?

University departments are required to have a written agreement in place to govern external sales transactions with non-University entities. Units must use the University of Minnesota Standard Services Agreement (OGC-SC102 or any other agreement identified as an external sales contract located on the Office of the General Counsel (OGC) website.

What criteria may help determine whether the external funding is an external sale?

- Funds are in exchange for services performed by the University and any tangible goods produced as a result of such services.
- Funds are in exchange for use of laboratory equipment.
- Funds are in exchange for a license to use information on University-maintained databases.
- Transaction is consistent with the scope, guiding principles, and criteria set forth in the Board of Regents Policy “Direct Sales of Goods and Service.”

Example

The sale of a computer purchased at the University of Minnesota bookstore.

Page 18 of 50
Sponsored Project Overview

Course Content

Sponsored Projects

Sponsored projects are externally funded, geared toward a specific purpose such as research, public service, or instruction, and govern by specific terms and conditions.

What criteria may help determine whether the external funding is a sponsored project?

- If any of the following are mentioned: contract, cost sharing, line item budget restrictions, overhead negotiations, prior approval required on spending, return of unused funds to sponsor, intellectual property, or period of performance.
- Sponsor is entitled to receive some consideration, such as a detailed technical report, test results, or data.
- Limitations exist on the use of project data, or details relating to patents or copyrights are involved.
- If income is earned during the life cycle of a sponsored project, it is considered program income (see next page for more information).

Example

The University receives funding to conduct research to determine the most efficient and safest bicycle behaviors among teenage bicyclists in cities with a population of greater than one million. As a result of this funding, the University must provide the sponsor with quarterly progress and financial reports.

Course Content

Program Income

Program income is a type of external funding that applies specifically to sponsored projects. It is gross income earned and received by the grantee (or subgrantee) that is directly generated by a sponsored project-related activity or earned as a result of the sponsored award’s agreement during the project period.

How is program income handled?

Program income is entered into the financial system by the local or academic department. The department brings the program income into the Bursar’s Office for bank deposit. SFR generates reports to capture the program income and apply it to the sponsored project, whereas SPA provides oversight of the program income.

What criteria may help determine whether the external funding is a program income?

- Income from fees for services performed such as laboratory tests.
- Money generated from the sale, rental, or lease of equipment purchased with project funds.
- Proceeds from the sale of software, CD’s, or publications.
- Fees from participants at conferences or symposia.

Example

A transaction involving revenue generated from the fees paid to attend the Conference on Teenage Obesity that revealed the latest findings from the obesity study.

Course Content

Knowledge Check

Answer each of the following questions by determining which of the four types of external funding best fits each scenario’s description.

Revenue generated from the rental of a University computer lab.

Which of the following types of external funding best describes this scenario?

- A) Gift
- B) External Sale
- C) Program Income
- D) Sponsored Project

Check My Answer  Question 1 of 5
Course Content

Sponsored Project Types

We've examined the difference between the four types of external funding that the University receives and how to determine whether the type of funding you are dealing with is indeed a sponsored project.

It is also important to know the difference between the various types of sponsored projects, because each type has its own specific restrictions and obligations. These types include:

- grants
- contracts
- cooperative agreements
- Unfunded Research Agreements (UFRA)

Grant

Grants are awarded to the University as assistance to support instruction, research, or public service. The PI typically requests funding from the sponsor through an application form or the sponsor’s guidelines for receiving funding. In addition, the project’s work scope is typically conceived by the PI and the sponsor typically has little or no involvement in carrying out the work scope.

Examples

- The University of Minnesota enters into an agreement with the National Science Foundation. The Foundation agrees to reimburse the University for costs in support of a PhD candidate who is analyzing samples obtained from a Chinese lake drilling project.
- The University of Minnesota enters into an agreement with the McKnight Foundation. The agreement indicates a period of performance and states that the funds must be used for the research as proposed by the PI, and the sponsor must receive quarterly progress and financial reports. Any unused funds must be returned to the McKnight Foundation at the end of the performance period.

Contract

Contracts are agreements in which the sponsor acquires work it wants accomplished. The PI typically applies for funding through the sponsor’s Request for Proposal (RFP). In addition, the project’s work scope is typically conceived by the sponsor and the sponsor typically exercises direction or control of the project’s work scope.

Examples

- The State of Minnesota would like to implement a teacher training program in a local school district. An agreement is entered into with the University that outlines specific tasks to the PI and arranges for 16 sessions of highly specialized training. The University will receive $19,000 upon completion of the training sessions.
- The National Institute of Health (NIH) enters into an agreement with the University of Minnesota. The University will receive $1,000 per kidney biopsy that is processed by the University (PI). The agreement authorizes 40 samples to be processed throughout the next year.

Cooperative Agreement

Cooperative agreements are assistance agreements in which the sponsor and University share substantial involvement in determining and completing the project’s work scope and deliverables. The PI typically applies for funding through the sponsor’s Request for Application (RFA). In addition, the project’s work scope is typically conceived by the sponsor and the sponsor partners with the PI/University to produce tangible goods and/or services useful both to the sponsor and the University.

Examples

- The U.S. Army is providing funding to the University to investigate the effects of changes in lake levels on coastal ecosystems. The PI will carry out the mutually agreed upon research and the Army will provide technical management and scientific input of the project’s work scope.
- The U.S. Department of Agriculture (USDA) will provide funding for educational programs to improve the safety of the nation’s food supply. The USDA and the University mutually agree on a satisfactory work and financial plan. The USDA will provide resources and personnel to carry out its responsibilities as outlined in the work plan.
Course Content

Unfunded Research Agreement (URFA)

An Unfunded Research Agreement (URFA) includes material transfer agreements (MTA), confidentiality agreements (CUA), research collaboration agreements (RCA), Data Use Agreements (DUA) and memorandum of understanding (MOU). Unlike other types of sponsored projects, the agreement does not involve an exchange or payment of dollars, except for small amounts of shipping or other ancillary costs.

Example:

The University of Minnesota wants to access a dataset owned by the University of Wisconsin-Madison. After an application is created and an agreement is signed by both parties, the University of Minnesota is able to access the dataset.

Knowledge Check

Answer each of the following questions by determining which of the four types of sponsored projects best fits each scenario’s description.

Harvard University and the University of Minnesota enter into an agreement for Harvard to access one of the University of Minnesota’s informational databases. The agreement does not involve an exchange of money, but ensures the University of Minnesota’s rights are protected.

Which of the following types of sponsored projects best describes this scenario?

- A) Grant
- B) Contract
- C) Cooperative Agreement
- D) Unfunded Research Agreement (URFA)

Check My Answer  Question 1 of 4

Course Content

Funding Types

After a project is awarded funding, both the sponsor and University enter into a binding agreement. This agreement includes specific details establishing the sponsor’s payment arrangement to the University. Each project enters into one of the University’s three different types of funding:

- cost reimbursable
- fixed price
- fixed fee

It is important for both the pre-award and post-award departmental research administrators to understand the differences among the three types, as each type has its own expectations and obligations. Failure to adhere to these requirements puts the University at risk.
Course Content

Cost Reimbursable

A cost reimbursable is a type of sponsored funding agreement that specifies the University will be reimbursed by the sponsor only for actual costs incurred, up to a maximum amount. If there are any unspent funds remaining at the end of the project, they will revert to the sponsor. Similarly, the University is generally not obligated to complete the work if the estimated award amount was insufficient.

Example
The PI receives funding from the Bicycle Safety Foundation for $200,000 to study teenage bicycle safety behavior. Because of the legally binding agreement's promise to fund the study, the PI will spend money to accomplish the study's work scope. Spending occurs on the sponsored project. SFR will invoice the sponsor for the expenses quarterly as the sponsor requested. The sponsor will pay the invoice for the study's actual expenses incurred.

Course Content

Fixed Price

In a fixed price award, the PI agrees to accomplish project objectives within a specific timeframe for a set dollar amount. The award amount also remains constant, even if actual costs for the project are above or below it. This type of award is risky because any overexpenditures are the responsibility of the department. If the deliverables are not completed within the award period, the sponsor is not obligated to pay the University. Unspent funds usually do not revert to the sponsor.

Example
The PI entered into an agreement with Monsanto to conduct research on barley diseases in Northwest Minnesota. Monsanto funded the University a maximum of $200,000 to complete the research within a year. At the end of the year, the University only spent $170,000 to complete the research but was able to fulfill all of Monsanto's expectations. According to the terms and conditions of the agreement, the University kept the remaining $30,000 in unspent funds.

Course Content

Fixed Fee

A fixed fee award indicates that the PI agrees to accomplish project objectives within a specific timeframe for a set dollar amount per patient, per hour, or other unit. This project is often a clinical trial or survey. The total award amount is based on an estimated number of units and is subject to downward adjustment based on the actual number of units completed. Sponsor approval is required to exceed the estimated number of units. The fee per unit remains constant even if the actual cost per unit is above or below that amount. Any overexpenditure is the responsibility of the department. In addition, any earned unspent revenue typically does not revert to the sponsor if the deliverables are not completed within the timeframe specified by the sponsor, the sponsor is not obligated to pay the University.

Example
The University/PI will conduct a clinical trial on kidney transplant anti-rejection medicine. The sponsor will fund this study for a maximum of $1.2 million dollars, paying the University $5,000 for each of the estimated 250 patients who fulfill the requirements for participating in the clinical trial in the next three years. Payment is made quarterly based on the number of patients who completed treatment during that quarter.

Course Content

Life Cycle

We have reviewed the basic sponsored terminology and the roles and responsibilities that support sponsored projects at the University of Minnesota. Next, we'll examine the life cycle of a sponsored project.

As a pre-departmental or post-departmental research administrator, it is crucial that you understand the various phases, what typical processes take place during each phase, and who is responsible for them. Knowing this information will help you see how your responsibilities fit together and complement the other roles that help support sponsored projects.
Course Content

Life Cycle Phases

Throughout the life cycle of a typical sponsored project, there are four common phases:

- proposal
- award
- project management
- closeout

Beginning with proposal, click each step below for a high-level summary of each of the four phases.
Course Content

Life Cycle Overview

The diagram below summarizes how the primary administrative and financial roles that support sponsored projects fit together throughout the life cycle of a sponsored project.

Pre-Award (Pre-Award DRA & SPA)  Proposal Phase

Award Phase

Post-Award (Post-Award DRA, SPA, SFR)

Project Management Phase

Closeout Phase

Pre-award DRA and SPA are the primary roles responsible for the proposal phase. The award phase is a partnership among SPA, SFR, and the pre-award and post-award DRA's. The project management and closeout phases fall under the responsibilities of the post-award DRA, SPA, and SFR.

Next, let's explore each of the four phases more in depth.

Course Content

Phase 1: The Proposal

The first phase of a sponsored project's life cycle is the proposal phase. The pre-award DRA and SPA will serve in the primary roles to support this phase of a sponsored project.

PI/Pre-Award DRA's Proposal Phase Responsibilities

The PI is responsible for developing the project's concept and work scope. The PI will typically request the pre-award DRA to assist with locating a potential funding source (sponsored). Once this funding source is located, the pre-award DRA will help obtain the sponsor's proposal guidelines and form, as well as assist the PI with the proposal preparation and submission to SPA to meet the sponsor's deadlines. This includes developing a project budget, completing any sponsor-required forms or attachments, and completing the mandatory Proposal Review Form (PRF). This mandatory PRF provides a high-level summary of the project, identifies any compliance risks (e.g., human or animal subjects), and provides the required University signatures and approvals. Once completed, the proposal and the PRF are submitted to SPA for review.

Course Content

Phase 1: The Proposal (cont.)

SPA's Proposal Phase Responsibilities

As the PI and the pre-award DRA create the proposal and its application materials, SPA will assist these departmental staff as needed with any proposal, budget, or sponsor-specific questions. Once the proposal and the PRF are submitted to SPA, a SPA grant administrator (GA) will review the proposal, any application materials and attachments, and the PRF. Specifically, the GA will ensure the proposal is complete and adheres to sponsor and University requirements, the budget and its justification is appropriate, the required University signatures were obtained, and any compliance considerations were adhered to.

After the proposal-related information is reviewed and meets all requirements, SPA will submit the proposal to the sponsor, as SPA is the only institutional unit that is authorized to submit proposals on behalf of the University. Once submitted, there is typically a competitive review process conducted by the sponsor that may take up to several months to complete. If any questions or negotiations should arise after the proposal is submitted, the SPA GA will serve as the liaison between the sponsor and the PI/department. Finally, SPA will be contacted when the sponsor makes the decision whether to fund the project. Proposals that receive funding will move to the next phase, whereas those that are not funded will end their journey along the sponsored project life cycle.
Sponsored Project Overview

Course Content

Phase 2: The Award

The second phase of the sponsored project life cycle is the award phase. The tasks associated with this phase fall under the responsibilities of SPA and SFR and are divided between the pre- and post-award DRAAs at the local or departmental level.

SPA and SFR’s Award Phase Responsibilities

After the sponsor decides to fund the project and all negotiations are complete, SPA will accept the award on behalf of the University. A team of SPA and SFR staff will establish project budget categories and set up the award in the financial system so that a Notice of Grant Award (NOGA) is generated and spending can begin on the project. The NOGA is an internal University document that summarizes the project terms and conditions that will serve as a management and communication tool for central and departmental staff.

The NOGA is emailed to the department contacts, the GA, and the SFR finance manager (federal or nonfederal). The SFR finance manager will assign the award to an SFR accountant based on the complexity of the invoicing/reporting requirements. Throughout this phase, both SPA and SFR will assist the departmental staff with any administrative or financial questions as needed.

Phase 2: The Award (cont.)

Pre-Award and Post-Award DRAAs’ Award Phase Responsibilities

At the local level, the award phase begins the transition of responsibilities between the pre-award and post-award DRAAs. The pre-award DRA assists the PI and SPA if the sponsor requests additional information or materials regarding the proposal and/or the project’s work scope. In addition, the pre-award DRA may assist with ensuring all protocols are in place, such as Institutional Review Board (IRB) approval if the project involves human subjects.

Once the award is accepted by SPA, the pre-award and post-award DRAAs may partner to provide SPA with an EPS (financial system) friendly budget (FD). After the project’s financial information is set up by SPA and SFR, the pre-award DRA will likely partner with the post-award DRA to review the NOGA to ensure its accuracy, note all terms and conditions, and learn the sponsor’s reporting requirements. When all of the award details are confirmed, the post-award DRA will assist the PI by arranging all of the personnel-related tasks. This may include assisting with the hiring of new employees or changing payroll data of current employees to now be paid by the project. After these important details have been completed, the project will be ready to begin completing the deliveries of its work scope.

Phase 3: Project Management

The third and often the longest phase of a sponsored project’s life cycle is the project management phase. The primary tasks associated with this phase fall under the responsibilities of the post award DRA, SPA, and SFR.

The Post-Award DRA’s Project Management Responsibilities

Once the award has been activated and its initial setup is completed, the PI and project personnel begin working on the project’s work scope and completing deliverables. The post-award DRA will assist the PI with the administrative and financial tasks that must regularly be completed to support the project to ensure it is in compliance with University policies, the sponsor’s terms and conditions, and all regulations. The administrative tasks may include assisting the PI with submission of the scientific and technical reports to the sponsor, processing payroll-related documents, securing space and other project resources, and managing the effort certification process at the local level. Effort certification is a University policy and federal regulation that requires that employees supporting sponsored projects must verify that the amount of time spent working on sponsored projects and their other institutional activities is accurate.

The financial tasks typically performed by the post-award DRA include processing financial transactions such as travel reimbursements to employees, and purchasing equipment, goods, and services that support the project’s work scope and were approved in the sponsor’s awarded budget. The post-award DRA will frequently reconcile the project’s financial accounting transactions and monitor the project’s budget and overall spending by utilizing various financial reports. If discrepancies arise, the post-award DRA is responsible for resolving them, which may include assisting the PI in requesting project changes or rebudgeting.

Phase 3: Project Management (cont.)

SPA and SFR’s Project Management Responsibilities

Throughout the project management phase, SPA will continue to serve as the liaison between the PI/Department and the sponsor. SPA will assist the PI/Department as needed with any financial, administrative, or sponsor-specific questions. If a subaward is associated with the project, SPA is responsible for establishing and processing their documents. A subaward is an agreement in which the majority of the sponsored project’s work scope is carried out by the grantee (University), yet a specific significant portion of the project’s work scope is contracted to be completed by one or more other organizations that are separate legal entities.

SFR will play a major role throughout the project management phase by invoking the sponsor according to the agreed-upon terms and conditions (e.g., quarterly). SFR will assist the PI/Department as needed with any financial, administrative, or sponsor-specific questions. SFR will accept and deposit all of the sponsor’s payments. If a sponsor does not pay the project according to the agreed-upon terms and conditions, an SFR collections representative will handle this process. Another major role that SFR plays throughout this phase is generating and submitting financial reports to the sponsor according to the agreed-upon terms and conditions (e.g., quarterly).
Course Content

Phase 4: Closeout

The fourth and final phase of a sponsored project’s life cycle is the closeout phase. The primary tasks associated with this phase fall under the responsibilities of the post-award DRA, SPA, and SFR.

Post-Award DRA’s Closeout Responsibilities

Typically, a project will begin the closeout phase when its end date arrives and/or the project’s work scope and deliverables have been met. The PI is responsible for completing and submitting all of the scientific and technical reports to the sponsor. In addition, all compliance considerations must be met.

The post-award DRA will assist the PI with the final administrative and financial closeout tasks. The administrative tasks include processing payroll-related documents to change the earnings distribution of all of the personnel being paid by the project. The post-award DRA’s typical financial tasks may include discontinuing reoccurring lab or blanket orders, closing out subawards, collecting all PCards from project staff authorized to purchase goods and services, and ensuring that all project spending was appropriate. Last, the post-award DRA may assist the PI and SFR by reviewing the final financial invoice and report to ensure their accuracy before they are submitted to the sponsor. If any cost overruns and/or discrepancies are discovered, the post-award DRA is responsible for working with the PI to resolve them.

Course Content

Phase 4: Closeout (cont.)

SPA and SFR’s Closeout Responsibilities

SPA will continue serving as the liaison between the PI/department and the sponsor. SPA will assist the PI/post-award DRA if any administrative or sponsor-specific questions should arise.

SFR plays a major role in the closeout phase, as SFR is responsible for submitting the final financial invoice and report to the sponsor. SFR will work with the PI/post-award DRA to ensure that the invoice and report are accurate. After departmental review, SFR will submit the final financial invoice and report to the sponsor within the agreed timeframe listed in the award’s terms and conditions. If payment issues exist with the sponsor, SFR will facilitate the collections process. In addition, if the project is audited, SFR will work with the sponsoring agency and facilitate the audits process on behalf of the University. Finally, when the award is closed out, SFR will deactivate the award in the financial system.

Course Content

Summary

You should now have a basic understanding of the sponsored projects process at the University of Minnesota. Specifically:

- what a sponsored project is
- the types of external funding the University receives
- the three types of sponsored projects
- the three funding types associated with sponsored projects
- who is responsible at the central and departmental levels
- the four phases of the sponsored project life cycle

The following pages summarize the primary central and departmental roles and their associated responsibilities that are part of the four phases of a sponsored project life cycle.
Course Content

Proposal Phase

The Proposal Phase

Principal Investigator
- Develops the project work scope and locates funding source.
- Prepares the proposal and any other required components. Discusses any space or project personnel (effort) considerations with department head and/or dean.

Pre-Award DRA
- Assists PI in locating funding source.
- Assists PI in preparing proposal and interpreting sponsor and University guidelines.

Department Head and/or Dean
- Negotiates any space, cost sharing, and/or effort considerations with PI.
- Reviews and approves PAF.

Sponsored Projects Administration (SPA)
- Reviews proposal for completeness and accuracy. Works with PI and/or pre-award DRA to make needed changes. Submits proposal to sponsor by the deadline.
- Performs sponsor negotiations. Assists PI in providing any additional materials to the sponsor as requested.

Submits proposal and PAF to SPA by internal deadline. Work with SPA to make any needed changes.

Submits proposal and PAF to SPA by external deadline. Work with SPA to make any needed changes.

Provides any additional documents as requested. Waits for funding decision by sponsor.
Course Content

Award Phase

The Award Phase

**Principal Investigator**
- If applicable, sends award materials to SPA.

**Pre- & Post Award DRA**
- Provides SPA with an ETS-friendly project budget for award setup.

**Sponsored Projects Administration (SPA)**
- Accepts award on behalf of the University of Minnesota.
- Works with PI and SFR to set up budget categories and establish the award in the financial system.

**Sponsored Financial Reporting (SFR)**
- Revises NOGA for accuracy, looking for reporting requirements, compliance considerations, and technical deadlines and any unusual terms and conditions.
- Assists PI in review of NOGA, ensuring its accuracy, looking for any unusual terms and conditions. Make note of reporting requirements.
- Works with post-award DRA to make personnel arrangements and any other purchasing needs.
- Sets up or changes personnel as needed in the financial system, as well as make any other needed purchasing arrangements.
- Emails U of MN Notice of Grant Award (NOGA) to departmental contact list when award is established.
## Course Content

### Project Management Phase

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Investigator</td>
<td>Begins project work scope. Authorizes purchase of supplies and equipment.</td>
</tr>
<tr>
<td>Post-Award DRA</td>
<td>Assists PI with project purchasing. Monitors project purchases to ensure they are allowable and allocable.</td>
</tr>
<tr>
<td>Sponsored Projects Administration (SPA)</td>
<td>Establishes and processes subawards, if applicable.</td>
</tr>
<tr>
<td>Sponsored Financial Reporting (SFR)</td>
<td>Serves as liaison between sponsor and department if questions arise.</td>
</tr>
</tbody>
</table>
## Closeout Phase

### The Closeout Phase

<table>
<thead>
<tr>
<th>Role</th>
<th>Task</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Investigator</td>
<td>Ensures that all project expenses are complete and submitted to post-award DRA by end date.</td>
</tr>
<tr>
<td>Post-Award DRA</td>
<td>Works with PI to ensure that project spending is complete and accurate.</td>
</tr>
<tr>
<td>Sponsored Projects Administration (SPA)</td>
<td>Assists PI in reviewing the final financial invoice and report for accuracy. If discrepancies exist, works to resolve them.</td>
</tr>
<tr>
<td>Sponsored Financial Reporting (SFR)</td>
<td>Assists PI/department if administrative closeout questions arise.</td>
</tr>
<tr>
<td></td>
<td>Prepares and submits final financial invoice and report as required by sponsor.</td>
</tr>
<tr>
<td></td>
<td>Deactivates award in financial system.</td>
</tr>
<tr>
<td></td>
<td>Works with sponsor and facilitates the audits process if the project is audited.</td>
</tr>
</tbody>
</table>

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### Course Content

#### Resources

Below are links to the central units that support sponsored projects at the University of Minnesota. There are also links to job aids that summarize the information covered in this course such as roles and responsibilities, basic terminology, and the sponsored project life cycle.

- Sponsored Projects Administration (SPA) [www.ospo.umn.edu](http://www.ospo.umn.edu)
- Sponsored Financial Reporting (SFR) [www.finsys.umn.edu/sfr/home.html](http://www.finsys.umn.edu/sfr/home.html)
- Office of the Vice President for Research (OVPR) [www.research.umn.edu](http://www.research.umn.edu)
- Controller’s Organization [www.finsys.umn.edu/controller/controllerhome.html](http://www.finsys.umn.edu/controller/controllerhome.html)

#### Job Aids

- Basic Sponsored Project Terminology (pdf)
- Life Cycle of a Sponsored Project (pdf)
- Sponsored Roles and Responsibilities (pdf)
### Basic Sponsored Terminology

The following terminology is intended to help pre-award and post-award departmental research administrators understand the basic sponsored terminology that is commonly associated with their responsibilities.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerated Work Request</td>
<td>Expenses that need to be charged to a project because work planned for a future budget period is begun in the current budget period.</td>
</tr>
<tr>
<td>Advance Account</td>
<td>A financial ChartField string established in the financial system for use after the start date of the project but before the award process has been completed. This is done to expedite the administrative establishment of the project.</td>
</tr>
<tr>
<td>Allocable</td>
<td>A cost that can be assigned to a project that meets a specific project objective based on relative benefits received. A cost may be allocable to a specific project but paid for by the University, depending on what the sponsor determines is allowable for a particular type of project.</td>
</tr>
<tr>
<td>Allowable</td>
<td>A cost that can be charged to a project per sponsor’s guidelines. A cost may be allowable per sponsor’s guidelines, but if it does not meet any specific project objectives, it is not allocable.</td>
</tr>
<tr>
<td>Budget Period</td>
<td>Internal funding period of an award, usually 12 months. The project period is divided into budget periods for budgetary and funding purposes.</td>
</tr>
<tr>
<td>Carry Forward</td>
<td>Unexpended funds carried from one budget period to another.</td>
</tr>
<tr>
<td>Collaborator</td>
<td>An individual involved with the principal investigator in the scientific development or execution of the project. This individual would typically devote a specific percent of effort to the project and would be identified as key personnel. The collaborator may be employed by, or affiliated with, either the grantee organization or an organization participating in the project under a consortium or contractual agreement.</td>
</tr>
<tr>
<td>Competing Proposal</td>
<td>Proposal for funding that is not guaranteed, and the application is pooled with other proposals for review.</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>Occurs when an employee compromises professional judgment in carrying out University teaching, research, outreach, or public service activities because of an external relationship that directly or indirectly affects the financial or business interests of the employee, an immediate family member, or an associated entity.</td>
</tr>
</tbody>
</table>
### Basic Sponsored Terminology (cont.)

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultant</td>
<td>An individual contracted to provide professional advice or services for a fee, normally not as an employee of the hiring organization. In order to prevent apparent or actual conflicts of interest, grantees and consultants must establish written guidelines indicating the conditions of payment of consulting fees. Consultants may also include firms that provide paid professional advice or services.</td>
</tr>
<tr>
<td>Continuation Application</td>
<td>An application for continued support on current projects already funded by the sponsor.</td>
</tr>
<tr>
<td>Contract</td>
<td>Agreement where the sponsor has more involvement and uses the project to achieve a specific outcome or deliverable. The PI typically applies for funding through the sponsor’s Request for Proposal (RFP). In addition, the project’s work scope is typically conceived by the sponsor and the sponsor typically exercises direction or control of the project’s work scope.</td>
</tr>
<tr>
<td>Cooperative Agreement</td>
<td>Agreement where the sponsor has substantial involvement in determining and completing the project’s work scope and deliverables. The PI typically applies for funding through the sponsor’s Request for Application (RFA). In addition, the project’s work scope is typically conceived by the sponsor and the sponsor partners with the PI/University to produce tangible goods and/or services to the sponsor.</td>
</tr>
<tr>
<td>Copyright</td>
<td>Protects an original work, set down in a fixed form or medium of expression, e.g., texts, computer software, visual and audio materials. It protects the embodiment of an idea, as opposed to the idea itself. A copyright term is 75 years from the date of publication or 100 years from the time the work was created.</td>
</tr>
<tr>
<td>Cost Overrun</td>
<td>Direct costs incurred and charged to a sponsored project in excess of the awarded amount.</td>
</tr>
<tr>
<td>Cost Reimbursable</td>
<td>An agreement in which the sponsor funds the project to the extent described in the award notice. The University is reimbursed by the sponsor only for actual costs incurred; any unspent funds revert to the sponsor.</td>
</tr>
<tr>
<td>Cost Sharing</td>
<td>Refers to that portion of the total project costs not borne by the sponsor. Generally, the University of Minnesota refers to labor-related items as cost sharing, while non-labor items as matching.</td>
</tr>
</tbody>
</table>
**Basic Sponsored Terminology (cont.)**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost Transfer</td>
<td>A direct charge expense transferred from one financial expense account to another after the charge has been posted in a financial accounting record. The most common reasons why cost transfers occur are due to errors or to change an employee's effort devoted to a sponsored project.</td>
</tr>
<tr>
<td>Direct Costs</td>
<td>Costs that are identified specifically for a sponsored project. These costs exclusively benefit the sponsored project and its deliverables, and they are generally not costs included in the F&amp;A rate.</td>
</tr>
<tr>
<td>Effort</td>
<td>Work or the proportion of time spent on any activity and expressed as a percentage of total time.</td>
</tr>
<tr>
<td>Effort Certification</td>
<td>An Internet-based system that tracks and reports effort certification data at the University of Minnesota.</td>
</tr>
<tr>
<td>Reporting Technology</td>
<td>A system that tracks and reports effort certification data.</td>
</tr>
<tr>
<td>ECRT</td>
<td>An Internet-based system that tracks and reports effort certification data at the University of Minnesota.</td>
</tr>
<tr>
<td>Electronic Grants</td>
<td>An Internet-based proposal development and sponsored project management system used and maintained by the University of Minnesota.</td>
</tr>
<tr>
<td>Management System</td>
<td>Departments use EGMS for proposal preparation, including the mandatory Proposal Routing Form (PRF).</td>
</tr>
<tr>
<td>EGMS</td>
<td>An Internet-based proposal development and sponsored project management system used and maintained by the University of Minnesota.</td>
</tr>
<tr>
<td>Encumbrance</td>
<td>Represents outstanding purchase orders and other commitments for materials or services not yet received.</td>
</tr>
<tr>
<td>Equipment</td>
<td>Any item purchased by a unit consistent with University policies for capitalization. (The capitalization level is $2500 and greater and a useful life of at least one year.)</td>
</tr>
<tr>
<td>External Sales</td>
<td>An exchange of tangible or intangible property or services between the University and external customers for monetary consideration.</td>
</tr>
<tr>
<td>Facilities and Administrative</td>
<td>In its 1996 revision of OMB Circular A-21, the federal government replaced the term “indirect costs” with “facilities and administrative costs.” According to OMB Circular A-21, F&amp;A costs are “costs that are incurred for common or joint objectives and, therefore, cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity.”</td>
</tr>
<tr>
<td>(F&amp;A) Costs</td>
<td>An interactive real-time system used to conduct NSF business over the Internet – from completing proposal forms to inquiring about the status of proposals.</td>
</tr>
</tbody>
</table>
Basic Sponsored Terminology (cont.)

Fiscal Year (FY)  Any 12-month period for which the institution monitors its annual accountability. At the University, this period is July 1 through June 30.

Fixed Fee  In a fixed fee award, the PI agrees to accomplish project objectives within a specific time frame for a set dollar amount per patient, per hour, or other unit. The total award amount is based on an estimated number of units and is subject to downward adjustment based on the actual number of units completed. Sponsor approval is required to exceed the estimated number of units. The fee per unit remains constant, even if the actual cost per unit is above or below that amount. Any overexpenditures are the responsibility of the department, and earned unspent revenue does not revert to the sponsor. If the deliverables are not completed within the award period, the contract must be extended.

Fixed Price  In a fixed price award, the PI agrees to accomplish project objectives within a specific time frame for a set dollar amount. If the deliverables are not completed within the award period, the contract must be extended. The award amount also remains constant, even if actual costs for the project are above or below it. Any overexpenditures are the responsibility of the department, and unspent funds do not revert to the sponsor.

Gift  Money or property transferred to the University via a recognized University foundation that is not intended to result in direct economic benefit, goods, or services to the donor.

Grant  Awarded to the University as additional resources to support instruction, research or public service. The PI typically requests funding from the sponsor through an application kit or the sponsor's guidelines for receiving funding. In addition, the project's work scope is typically conceived by the PI and the sponsor typically has little or no involvement in carrying out the work scope.

Indirect Costs (IDC)  See “Facilities and Administrative (F&A) Costs.”

IDC Rate or F&A Cost Rate  A composite rate applied to sponsored projects as a percentage of the sponsored project's direct costs for the purpose of charging the sponsored project its share of the University’s F&A/IDC's.

In-Kind  The University considers “in-kind” to be interchangeable with “matching” or “cost sharing,” but the term may refer to costs borne by an external organization, for example, when individuals at another organization volunteer their time.
### Basic Sponsored Terminology (cont.)

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invention</strong></td>
<td>A patentable invention is any new and useful process, machine, article of manufacture, or composition of matter, or new and useful improvement thereof (35 United States Code 101).</td>
</tr>
<tr>
<td><strong>Inventor</strong></td>
<td>All personnel who produce a development that must be disclosed to the office of Patents &amp; Technology Marketing in accordance with the Regents’ Patents and Technology Transfer Policy.</td>
</tr>
<tr>
<td><strong>Late Charge</strong></td>
<td>Expenses for items or services that are received after the project end date.</td>
</tr>
<tr>
<td><strong>License</strong></td>
<td>Legal permission from a patent owner to practice an invention. The license term is negotiated with the licensee.</td>
</tr>
<tr>
<td><strong>Mandatory Cost Sharing</strong></td>
<td>Cost sharing that is required by the sponsor, is stated on the Notice of Grant/Contract Award (NOGA), must be documented, and must be reported to the sponsor.</td>
</tr>
<tr>
<td><strong>Mandatory Matching</strong></td>
<td>Matching that is required by the sponsor, is stated on the Notice of Grant/Contract Award (NOGA), must be documented, and must be reported to the sponsor.</td>
</tr>
<tr>
<td><strong>Matching</strong></td>
<td>The terms “cost sharing,” “matching,” and “in-kind,” refer to that portion of the total project costs not borne by the sponsor. The University generally refers to matching when looking at nonlabor items. Cash funds are usually required by sponsors for equipment acquisition programs, specialized research centers, or other multi-disciplinary programs. Typically these funds are provided by the institution.</td>
</tr>
<tr>
<td><strong>Material Transfer Agreement (MTA)</strong></td>
<td>A contract between institutions that dictates the terms of transfer of research materials from the donor institution to the recipient. The purpose of the MTA is to protect the intellectual property rights, as well as other rights, of the provider while permitting research with the material to proceed. Unlike other types of sponsored projects, the agreement does not involve an exchange or payment of dollars.</td>
</tr>
<tr>
<td><strong>Modified Total Direct Costs (MTDC)</strong></td>
<td>Total direct costs less certain budget categories. Budget categories to be subtracted from total direct cost for the federally negotiated IDC rate are as follows: equipment, capital expenditures, charges for patient care and tuition remission, rental costs, scholarships, and fellowships as well as subgrants/subcontracts shall be excluded from the modified total direct costs (from OMB Circular A-21).</td>
</tr>
<tr>
<td>Term</td>
<td>Description</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Modular Budget</td>
<td>Modular application form to be used for NIH proposals applications with direct costs of $250,000 or less per year. Totals are calculated by taking the total direct cost for the project, dividing the total by the number of project years to find the average yearly cost, and then rolling the average amount up to the nearest $25,000.</td>
</tr>
<tr>
<td>Non-Competitive Renewal</td>
<td>For multi-year projects, sponsors may require annual applications for continued funding. These applications do not compete for funds.</td>
</tr>
<tr>
<td>Notice of Grant Award (NOGA)</td>
<td>An internal University document that provides information regarding the award’s important terms and conditions. It should be referred to by PI’s and departments to provide guidance in managing the project.</td>
</tr>
<tr>
<td>Office of Management and Budget (OMB) Circular A-21</td>
<td>Office of Management and Budget Circular A-21, Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions. This document establishes uniform regulations that the University must follow in regards to determining costs applicable to grants, contracts, and other agreements with educational institutions.</td>
</tr>
<tr>
<td>Office of Management Circular A-110</td>
<td>Office of Management and Budget Circular A-110, Uniform Administrative and Budget Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations. This document establishes uniform regulations for each federal agency to follow in regards to the administration of projects sponsored by the federal government.</td>
</tr>
<tr>
<td>Other Support</td>
<td>All financial resources, whether federal, nonfederal, commercial, or institutional, available in direct support of an individual's research endeavors, including but not limited to research grants, cooperative agreements, contracts, or institutional awards. Training awards, prizes, or gifts are not included.</td>
</tr>
<tr>
<td>Patent</td>
<td>A grant of property by the United States government to the inventor giving the owner the right to exclude others from making, using, offering for sale, or selling the invention in the U.S. or importing it to the U.S.</td>
</tr>
<tr>
<td>Pre-award Account</td>
<td>A sponsored financial account established to begin working on a project before the project start date.</td>
</tr>
<tr>
<td>Pre-award Costs</td>
<td>Costs incurred prior to the start date of an award.</td>
</tr>
<tr>
<td>Program Income</td>
<td>Gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award.</td>
</tr>
</tbody>
</table>
### Basic Sponsored Terminology (cont.)

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Period</strong></td>
<td>The total time for which support of a project has been programatically approved. A project period may consist of one or more budget periods.</td>
</tr>
<tr>
<td><strong>Proposal</strong></td>
<td>A complete document that contains all the information necessary to describe proposed project plans, staff capabilities, and requested funds.</td>
</tr>
<tr>
<td><strong>Proposal Routing Form (PRF)</strong></td>
<td>Used by the University for the internal proposal review and approvals process, and it is never transmitted to a sponsor.</td>
</tr>
<tr>
<td><strong>Rebudgeting</strong></td>
<td>Shifting or rebudgeting dollars among budget lines within the same financial account.</td>
</tr>
<tr>
<td><strong>Request for Application (RFA)</strong></td>
<td>Announcement that indicates the availability of funds for a topic of interest to a sponsor.</td>
</tr>
<tr>
<td><strong>Request for Proposal (RFP)</strong></td>
<td>Announcement that specifies a research topic, methods to be used, product to be delivered, and appropriate applicants sought.</td>
</tr>
<tr>
<td><strong>Sponsor</strong></td>
<td>Individual or organization that provides funds to a project.</td>
</tr>
<tr>
<td><strong>Sponsored Project</strong></td>
<td>An externally funded activity that is governed by specific terms and conditions. Sponsored projects must be separately budgeted and accounted for subject to terms of the sponsoring organization. Sponsored projects may include grants, contracts, and cooperative agreements for research, training, and other public service activities.</td>
</tr>
<tr>
<td><strong>Subaward</strong></td>
<td>An agreement whereby a research project is carried out by the grantee and one or more other organizations that are separate legal entities. In this arrangement, the grantee contracts for the performance of a substantial or a significant portion of the activities to be conducted under the grant. These agreements typically involve a specific percent of effort from the consortium organization’s principal investigator and a categorical breakdown of costs, such as personnel, supplies, and other allowable expenses, including facilities and administrative costs.</td>
</tr>
<tr>
<td><strong>Supplemental Proposal</strong></td>
<td>A proposal requesting additional funds to complete an already approved project.</td>
</tr>
<tr>
<td><strong>Total Direct Cost (TDC)</strong></td>
<td>All of the project’s direct costs.</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td>The total allowable direct and indirect costs of a project.</td>
</tr>
</tbody>
</table>
### Basic Sponsored Terminology (cont.)

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<tr>
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<tbody>
<tr>
<td>Trademark</td>
<td>A name, work, symbol, or device which allows the trademark owner to dictate its use in identifying a product, e.g., logos and brand names.</td>
</tr>
<tr>
<td>Unallowable Cost</td>
<td>A cost that cannot be charged to a project per the sponsor’s guidelines.</td>
</tr>
<tr>
<td>Unrestricted Funds</td>
<td>Funds having no requirements or restrictions as to use. Grants, contracts, and cooperative agreements are considered to be restricted funds.</td>
</tr>
<tr>
<td>Unsolicited Proposal</td>
<td>Proposal submitted to a sponsor that is not in response to a RFP, RFA, or program announcement.</td>
</tr>
<tr>
<td>Voluntary Cost</td>
<td>Cost sharing that is not required by the sponsor, is stated on the Notice of Grant/Contract Award (NOGA), and although not reported to the sponsor, must be documented through established procedures.</td>
</tr>
<tr>
<td>Voluntary Matching</td>
<td>Matching that is not required by the sponsor, is stated on the Notice of Grant/Contract Award (NOGA), and although not reported to the sponsor, must be documented through established procedures.</td>
</tr>
</tbody>
</table>