Administration of Sponsored Projects

Overview

The University is legally accountable to the sponsor as the official recipient of a grant, contract or cooperative agreement; however, the PI, acting through the department/school/college, is responsible for the proper fiscal management and conduct of the project. To assist the faculty member in this very important responsibility, the University provides supporting administrative services and has established procedures to help meet both sponsor and University administrative requirements. Without the full cooperation and vigilance of the PI, the department, and the college, the University would fail in its stewardship role. In the truest sense, therefore, the sponsored programs process is a joint effort between the PI, the department, the college and the University. Each must do their part well in order to achieve success.

The Vice President for Research is designated as the Institutional Official with the authority to deal directly with funding agencies, both federal and non-federal, relating to any aspect of sponsored projects at Kent State University. The Division of Research and Sponsored Programs promotes the creation and maintenance of a University environment that encourages and supports research productivity and compliance. The Vice President for Research is responsible for directing and guiding KSU's research mission and for oversight of the Division of Research and Sponsored Programs where, among other things, policies, procedures, and business decisions related to research and sponsored project administration are formulated and monitored.

The Offices of Sponsored Programs and Grants Accounting work cooperatively with the PI and the sponsoring department in the administration of the funded project. The components of the grants management manual have been designed to serve as a reference for all personnel who have any involvement in, or oversee faculty or staff who administer, funded projects.

Grants Accounting is a unit of the Controller's Office and oversees the accounting and financial management aspects of sponsored projects for all Kent State campuses. Sponsored Programs, working with Grants Accounting, assists with the implementation and management of the funded project.

University policies have been established to comply with State and Federal laws and regulations. The U.S. Office of Management and Budget (OMB) guidelines generally known as the 'Uniform Guidance' that reside in 2 CFR 200, lay the basic framework for the management of sponsored projects. Most awards have additional terms and conditions set by sponsor guidelines as well. In all cases Kent State University policies and procedures still apply to externally funded activities. PIs should be aware that when federal, sponsor, and/or University regulations overlap, the most restrictive regulations apply. The PI is responsible for reviewing federal, sponsor, University, and departmental guidelines, policies, and procedures that are applicable to each project, in order to maintain compliance throughout the life of the project.

The order of precedence then is:

OMB [2 CFR 200](#)

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**Agency Policy Manuals and/or other Federal Regulations
(i.e. NIH, NSF, Selected FAR and DFAR Clauses)**

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Terms and Conditions of the Award Notice

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University Policy and Procedures

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Principal Investigator/Project Director
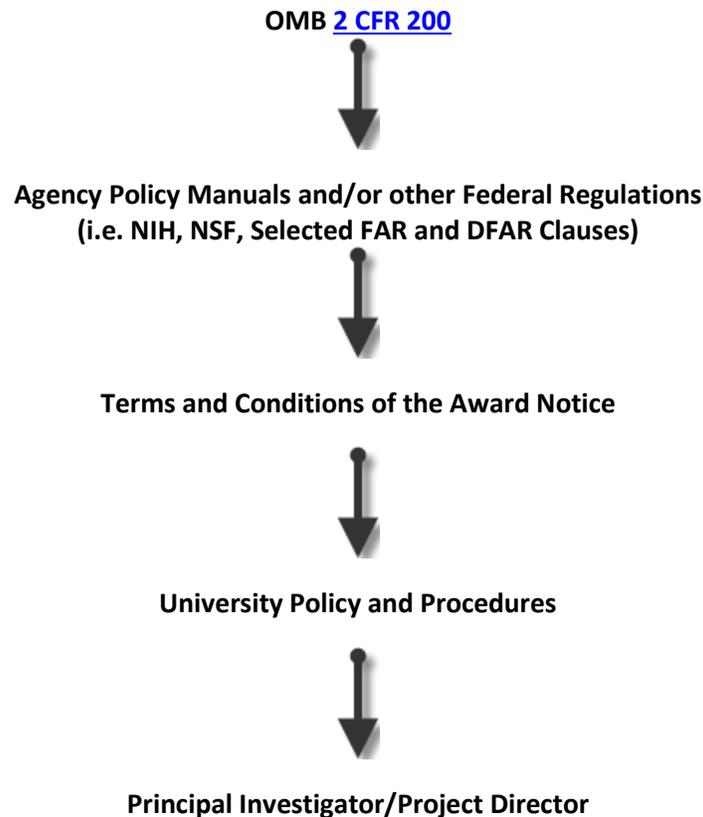
What is a Sponsored Project?

A sponsored project is defined as any externally funded research or scholarly activity that has a defined scope of work or set of objectives. These objectives provide a basis for sponsor expectations. Sponsored projects involve research, demonstration, professional development, instruction, training, curriculum development, community and public service, or other scholarly activity involving funds, materials, other forms of compensation, or exchanges of in-kind efforts under awards or agreements. The presence of **any one** of the following conditions normally identifies the activity as a sponsored project:

- The proposal is submitted in response to an RFP (request for proposals) or similar solicitation. All proposals are to be submitted via Kuali for review and approval.
- The proposal commits the University to a specific line of scholarly or scientific inquiry typically documented in a statement of work to be performed.
- The proposal includes a set of objectives which provides a basis for sponsor expectations.
- The proposal commits University resources, such as personnel effort or use of equipment, facilities, or other resources.
- The proposal includes a detailed budget.

- The proposed project involves the use of human subjects, laboratory animals, radioactive or hazardous materials, recombinant DNA, carcinogens, pathogens, or proprietary materials.
- There is a written agreement for a commitment of resources between a sponsor (person, corporation, foundation, or government agency) and the University.
- There is a specified period of performance, typically defined by "start" and "end" dates.
- The sponsor requires deliverables stated in an agreement, such as reports, financial accounting, or intellectual property ownership.
- The award includes conditions for specific formal fiscal reports and/or invoicing.
- The award restricts or monitors publications or use of results or requires protection of confidential information.
- The award provides for the disposition of tangible or intangible property that may result from the project such as equipment, records, formal activity reports, theses and dissertations, rights in data, software, copyrights, inventions or research-related materials.
- The award specifies fiduciary responsibilities such as adherence to a line item budget, project audit, payment contingencies, and the return of any unexpended funds at the end of the project.
- The sponsor is involved in making decisions regarding project performance or stands to derive benefit from the work performed.

Sponsored grants and agreements are made to the University or Kent State University Foundation on behalf of the PI, who is primarily responsible for overseeing the execution of the project.

In developing a proposal and administering an award, the PI represents the University and is responsible for upholding the high standards expected of University projects. The PI is responsible for obtaining all required University approvals by submitting the proposal through Kuali. The PI also serves as fiscal officer of the project, with all the attendant responsibilities of project fiscal management.

Sponsored projects are subject to facilities and administrative costs (F&A) at the University's rate applicable to the type of project being conducted. If the sponsor has a published federally negotiated policy, uniformly applied, prohibiting or restricting the payment of F&A costs, the University will accept the reduced F&A rate in accordance with the sponsor's policy. This policy does not apply to for-profit sponsors that are expected to provide full F&A recovery.

In cases where there is a question whether a particular project should be treated as a sponsored project contact the Director of Sponsored Programs for guidance.

Notification and Negotiation of Award

The notice of award is typically sent from the funding agency to the Sponsored Programs office or PI. If the funding is reduced from what is proposed and the PI determines that the proposed work can be accomplished for the reduced amount, a revised budget will be required. The Sponsored Programs office will assist in preparation of the budget and if required, submission to the agency. In the case of a significant budget reduction, a reduced scope of work based on the reduced budget must also be described and submitted to the agency. On no occasion should a

PI negotiate directly with sponsor staff regarding a project. PIs are not empowered to represent the University, and cannot make commitments regarding cost sharing, waiver of facilities and administrative (F&A) costs, or use of other University resources such as space or personnel.

Award Acceptance

The grant award or agreement should be sent to Sponsored Programs. The Director is authorized to accept awards on behalf of the University. Prior to official acceptance of a grant, contract, or subaward, the reporting requirements and terms and conditions imposed by the grant/contract agreement are reviewed. Unusual requirements and/or special conditions are noted and communicated to the PI with a copy of the award notice.

Collaborative sponsored projects involving other universities and organizations require a subaward outlining expectations, budget, reporting requirements, etc. When Kent is the prime recipient of an award, Sponsored Programs prepares the subaward document(s), secures appropriate investigator, director, and University endorsements, and submits to the cooperating institution for execution.

When Kent is the subaward recipient, the prime recipient prepares the subaward documents. Sponsored Programs reviews the terms and conditions, negotiates objectionable terms when necessary, secures appropriate University endorsements, and returns the fully executed agreement. Copies of all agreements are distributed to the PI and other University offices as appropriate.

Project Spending Plan

Following acceptance of an award, Sponsored Programs prepares a Spending Plan that translates the approved budget into the University account codes against which expenses will be charged. This spending plan is entered into the Banner information system as the budget displayed on the report entitled "Grant Report by Principal Investigator," and is available online through Flashline. A copy of the spending plan is sent to the PIs, the Department Chairs, and the Business Manager and/or Department secretary.

If the approved budget is substantially different from that in the proposal, the PI must work with the Sponsored Programs staff to determine changes in budget categories so that the spending plan accurately reflects planned expenditures. The spending plan will also show the expenses to be cost-shared by the University, when required.

Project Initiation

Upon acceptance of a grant or contract, Sponsored Programs forwards the spending plan to Grants Accounting in the Controller's Office, along with a Request for New Restricted Fund form. A unique 6-digit restricted grant index is assigned to the project. A cost share index is also established if University funds have been committed in support of the project. The Request for a New Restricted Fund form, containing the assigned grant index, fund, organization and program number(s) is sent directly to the PI and includes the name of the grant accountant responsible for the restricted fund. All financial transactions related to the project are to be charged directly to the appropriate grant index in a timely manner.

Budget Revisions

If at any time during the project period the PI anticipates expenses will differ significantly (10% variance) from the approved budget, a request to revise the budget must be sent to Sponsored Programs. This is accomplished through submission of an Institutional Prior Approval Form, available from the Forms Library on the Sponsored Programs website. This form requires a description of the amounts to be reallocated and a justification describing the benefit to the project. Depending on sponsor requirements, Sponsored Programs will then revise the spending plan and send it to Grants Accounting to input into the Banner system. Copies will also be distributed as above.

Introduction to FOAP

The Banner Finance chart of account structure is based on fund accounting principles. The chart of account elements in Banner Finance are: fund, organization, account, and program. The chart of account elements are known as "FOAP".

What is a FOAP?

Fund – (Where) A six character, hierarchical (roll-up) code that identifies a self-balancing set of accounts and the type of funding (Education & General – E&G, Designated, Auxiliary etc.). Each grant will have its own fund.
Organization – (Who) A six character code that identifies a budgetary or department unit.
Account – (What) A five character code that identifies revenue source, balance sheet and expenditures. Account will be structured to have sight recognition for different account types (revenue, salary, expenditure, etc.). Account will also have roll-up capability for reporting.
Program – (Why) A four character code with roll-up capability that identifies a function for expense categories (research, academic support, instruction, etc.)

 The Index, although not part of the FOAP, plays a large role in data entry. Consider an index as a convenience tool, replacing the need to enter the entire FOAP string, generally, with the exception of account.   The index is a six digit number. The first number of a grant index will always be "4". The first number of a cost share index will start with a "C" followed by five digits.

Grant index numbers begin with the following sequence:

"40XXXX" – Letter of Credit Grants
"41XXXX" – Kent Campus
"42XXXX" – Ashtabula Campus
"43XXXX" – East Liverpool
"44XXXX" – Geauga Campus
"45XXXX" – Salem Campus
"46XXXX" – Stark Campus
"47XXXX" – Trumbull Campus
"48XXXX" – Tuscarawas Campus

A new index and FOP will be assigned to the grant for each new grant year during a multi-year grant, unless the award automatically carries forward at the end of the grant year.