INTRODUCTION

Each year American University receives awards for research, training, and technical assistance from outside sources, including the federal government and private organizations. Sponsored programs are diverse and complex. Those planning to submit a proposal or have an existing sponsored program/award should become familiar with this handbook.

This handbook will assist faculty, staff, and administrative officers with the administration of sponsored program proposals and management of sponsored program awards. In addition to answering the most common questions, this handbook lists several policies affecting sponsored program administration. The full texts of many of these policies appear as attachments in the appropriate sections.
OFFICE OF SPONSORED PROGRAMS

The Office of Sponsored Programs (OSP) is responsible for all pre-award and non-financial post-award functions including proposal submissions, the negotiation and acceptance of all sponsored awards and agreements on behalf of American University.

OSP assists American University faculty and staff with proposal preparation, interpretation of sponsor policies/guidelines, including applicable regulations, sponsored programs training, education, and communication. OSP works closely with the Grants and Contracts Accounting (GCA) in managing all externally funded sponsored awards. Specific OSP services include:

- Assistance with the proposal budget preparation and development;
- Research and disseminate funding opportunities;
- Facilitate institutional routing/approvals of proposals;
- Submission of proposals and other required documents to sponsors;
- Assist with electronic proposal development and submission;
- Provide institutional certification and/or assurances when required;
- Serve as liaison between the University and sponsor to resolve sponsored award related concerns/issues;
- Initiate sponsored award account set-up;
- Facilitate sponsored award close-out functions;
- Host regular events to educate faculty and staff on sponsor related policies and procedures;
- Develop resource documents to aid faculty/staff with the administration of sponsored awards;
- Ensure compliance with applicable federal, state, local and University policies and regulations.
GRANTS & CONTRACTS ACCOUNTING

The Controller’s Office – Grants & Contracts Accounting (GCA) oversees the management of post-award administration-sponsored project funds activity for the university. Our office commitment and support is to provide sound financial reporting to our research community as well as to our funding agencies (federal and non-federal).

Some (but not all) of GCA’s major functions include:

- Establishment of policies and procedures for best practice and ensuring compliance with federal regulations as well as signed contractual agreements and non-federal contracts.
- Preparation and dissemination of all sponsor research activities internal and/or external financial reports, invoicing and the collections effort on behalf of the university, letter of credit drawdowns to federal and non-federal funding agencies, etc.
- Management of the initial sponsored project account setup, budget setup and/or modification and final project account close-out (with coordination of OSP [Pre-Award]).
- Coordination of the Annual OMB Circular A-133 audit as well as the A-133 certification to sub recipients.
- Negotiation of the university’s facilities and administrative and fringe benefit rates with our Federal Cognizant Agency (DHHS).
- Coordination of the Time & Effort reporting.
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SECTION I – PROPOSAL AND DEVELOPMENT ACTIVITY

A proposal is a request for external financial support of a research, training or technical assistance project. The Office of Sponsored Programs (OSP) assist faculty and staff with specific phases of proposal preparation and submission, including:

- identification of potential funding sources;
- pre-submission procedures;
- budget guidance and review;
- internal review, routing, and institutional approval, and
- timely submission to a sponsor.

OSP staff is assigned to specific colleges, schools, and research centers. Faculty and staff are encouraged to contact the OSP staff member assigned to their respective unit when seeking or considering external funding to support research, training, or technical assistance projects.

Office of Sponsored Programs Mission Statement

The Office of Sponsored Programs (OSP) provides a supportive, proactive, and dynamic environment for conducting research, training, and technical assistance by: (1) stimulating interests in the intellectual life of the AU community; (2) encouraging creative approaches to the development of new opportunities; (3) promoting interdisciplinary and interdepartmental cooperation; and (4) fostering the enrichment of students and teaching. OSP is committed to reducing the administrative burden on faculty, administrators, and staff by providing efficient, effective, personal and professional service, while safeguarding the University by ensuring compliance with internal and external regulations, policies and procedures.

Grants and Contracts Accounting Mission Statement

As a unit of the Controller’s Office, Grants and Contract Accounting (GCA) provides accounting and post award administration support services for the university’s sponsored programs including developing policies and procedures and related education programs to ensure compliance. Our commitment is to provide service to the research community in an efficient and professional manner.
# OFFICE OF SPONSORED PROGRAMS - STAFF ASSIGNMENTS

## PRE-AWARD TEAM – *(for matters related to proposals prior to submission to the sponsor)*

Provides budget development services as needed, reviews proposal budgets for compliance with AU and federal guidelines, and initiates and coordinates the AU routing process with PI, Dept. Chair, Dean and Vice Provost. Reviews proposal components for responsiveness to RFPs, completes sponsor online forms and budget forms, handles just-in-time requests and other pre-award requests and submits proposals when institutional submission is required.

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<td>202-885-3449</td>
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## POST-AWARD TEAM – *(for all non-financial post-award matters)*

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Negotiates award terms and conditions to ensure compliance and institutional acceptance, submits carry-forward and re-budgeting requests, obtains the signature of authorized institutional official, facilitates award start up meetings to advise of award special terms, conditions and/or restrictions, produces project briefs for sponsored awards, reviews and processes non-financial award modifications, supplements and amendments, drafts and issues sub-recipient and subcontractor agreements, facilitates close out of awards, submits non-financial award/project reports: technical, progress and final reports when institutional submission is required.

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Those units not assigned should contact **OSP@american.edu**
GRANTS AND CONTRACTS ACCOUNTING - STAFF ASSIGNMENTS

POST-AWARD TEAM – (for all post-award project funds activities)

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For general requests and communication contact **GCA@american.edu**
For communication related to JE requests and Cost Transfers contact **grantje@american.edu**
THE PRINCIPAL INVESTIGATOR/PROJECT DIRECTOR

The Principal Investigator/Project Director is the individual designated by the University, and approved by the external sponsor, who will be responsible for the scientific or technical direction of the sponsored project or program. The term "Principal Investigator" (PI) is generally used in research projects, while the term "Project Director" (PD) is generally used in technical or program related projects. For purposes of this handbook, PI and PD are used interchangeably. The PI/PD agrees to manage the sponsored grant or contract in compliance with the terms, conditions, and policies of both the sponsor and the University.

In general, only one individual is named Principal Investigator/Project Director to permit clear lines of responsibility for project management. In some instances, a colleague with equal or significant project management responsibilities is designated as a Co-Investigator, Co-Principal Investigator/Director, or other similar title.

University Affiliation and Resources

The Principal Investigator/Project Director must be a full-time faculty member, professional, or senior staff, or an administrative officer of the University. Depending on the nature of the proposal, individuals with other University appointments may serve as principal investigators or project directors with the approval of the individual's unit head (i.e. the Dean), and the Vice Provost for Research and Dean of Graduate Studies (VPRGS). Exceptions to this must have the written approval of the applicable Dean and VPRGS.

On rare occasions, it may be in the best interest of the University to have an individual who is not an employee of the university to serve as the Principal Investigator/Project Director. All such occasions should be discussed and approved by the applicable Dean and VPRGS well in advance of the sponsor's proposal submission deadline.

Unless otherwise indicated in the proposal, Principal Investigators/Project Directors are expected to be in residence at the University during the period of the sponsored project/program operations. Principal investigators/Project Directors seeking a leave of absence during this period must obtain written authorization from the sponsor through OSP. Principal Investigators/Project Directors must also secure the approval of their Dean.

All sponsored projects that utilize campus facilities (laboratories, classrooms, equipment, etc.), involve human or animal subjects, radioactive materials, or toxic substances, involve any University faculty, staff or students, are subject to all University policies and compliance regulations and must be submitted through OSP.
Individual Fellowship Awards

Faculty and staff members may submit proposals for individual awards and fellowships to such organizations such as the Woodrow Wilson International Center for Scholars—Woodrow Wilson Center Fellowship program. Unless specified by the sponsor, an application or proposal for these awards does not require University approval or routing through the Office of Sponsored Programs. When these fellowship awards are made directly to individuals as remuneration for research or administrative fellowship assignments during sabbatical, or other approved leave, the University, through the Office of Sponsored Programs, will not accept or assume administrative or financial obligations on behalf of individual fellowship award recipients.

When the sponsor requires or allows the fellowship to be administered by the University, or when the purpose of the fellowship provides funding for a course(s) release, the fellowship proposal or application is required to be routed through the Office of Sponsored Programs (OSP) prior to submission.

Conflicts of Interest

Conflicts of interest arise when employees use or appear to use their positions with the University for private or financial gain at the expense of the University. Members of the University faculty and staff must avoid such conflicts of interest. The University has adopted the principles set forth by the American Council on Education in “On Preventing Conflicts of Interest in Government-Sponsored Research at Universities.” The University has also implemented a Financial Conflict of Interest Policy (FCOI) governing financial conflicts of interest of faculty and staff conducting or involved in research/project activities sponsored by the Public Health Service (PHS), National Science Foundation, and other federal funding agencies. The FCOI policy can be found at http://www.american.edu/provost/osp/upload/FCOI-policy-approved_001.pdf

Without the consent and approval of the Dean and VPRGS, an AU faculty or staff member cannot submit a proposal/application through another institution, or serve as a Principal Investigator, Project Director, or other role, on behalf of another institution, while employed or under contract with American University.

The AU Faculty Manual, Section 26-f, states that:

“Faculty members must ensure that outside activities and interests do not conflict with responsibilities assigned to them within the University. Examples of such conflicts include, but are not limited to, situations where a research or service activity is conducted elsewhere to the disadvantage of the University and its legitimate interests; or situations where consulting or other services are provided to an organization that would put the University at a competitive disadvantage.”

Clarification regarding specific circumstances should be discussed with the Dean of the School/College and the VPRGS.
PROPOSAL DEVELOPMENT AND SUBMISSION RESPONSIBILITIES

In the course of developing and preparing a proposal, Principal Investigators/Project Directors, OSP, School/College Deans, and the Vice Provost for Research and Dean of Graduate Studies, work together to ensure all applicable institutional and sponsor requirements are adhered prior to submissions of the proposal/application to sponsoring agencies. Specific collaborative responsibilities are delineated below.

Principal Investigator/Project Director

- Contacts OSP at early stages of project conceptualization.
- Writes the technical narrative/scope of work sections of the proposal.
- Provide list of resources and anticipated costs needed for the proposed project.
- Develop and designate staff to develop a preliminary proposal budget.
- Completes all applicable University proposal routing documents.
- Discusses with teaching unit head and School/College Dean the intent to submit a proposal, its benefits and implications, and anticipated course release needed to do the project.
- Secures (when applicable) approval of compliance committee(s) (for animal subjects, human subjects, or radioactive materials).

The Office of Sponsored Programs

- Identifies possible funding sources.
- Provides guidance and reviews proposal budgets and budget narratives to verify allowability of proposed costs, to ensure the correct fringe and F&A (indirect cost) rates are used.
- Coordinates with all University offices as needed (Risk Management, Development, etc.).
- Completes all proposal forms requiring institutional information, certifications and assurances.
- Reviews and advise the PI/PD of all relevant sponsor guidelines.
- Ensures the proposal/application is prepared in accordance with sponsor requirements.
- Drafts required and requested proposal transmittal letters to the sponsor.
- Compiles complete proposal packages.
- Coordinates the University review process, securing necessary approvals and signatures.
- Submits proposals/application to sponsor.
- Arranges for courier service to deliver proposals/applications when needed.
- Follow-up with sponsor when needed to monitor status of proposals.
- Coordinates budget revisions and re-submissions when necessary.
- Arranges for debriefings with prospective faculty, staff and sponsors as appropriate.
The College/School Dean’s Office
- Reviews substantive content of proposal and examines proposal objectives related to the goals of the college/school.
- Approves allocation of cost share resources when applicable.
- Allocates college/school resources to ensure adequate space, facilities, equipment, and support services will be available to perform proposed research project/program.
- Approves course release time and determines teaching replacement needs.
- Verifies accuracy of faculty and staff salary as proposed in the proposal budget.

The Vice Provost for Research/Dean of Graduate Studies
- Presents all requests for unilateral waivers of indirect costs requested by deans and principal investigators/project directors to the Provost for consideration.
- Approves exceptions to research related policies in consultation with the Provost.
- Confirms all faculty appointments pursuant to existing appointment procedures.
- Reviews proposals to determine that academic, legal, and financial interests of the University are preserved.
- Reviews and facilitates distribution of proposals/applications that require the Provost and/or President’s approval.
RESEARCH DEVELOPMENT

Funding Opportunity Resources

The identification of potential funding sources for a research, training, or technical assistance project is the first step in designing a funding strategy. OSP provides a number of valuable services to assist faculty and staff to seek external funding in support of research, training and technical project/programs.

OSP maintains a library of federal and private funding resources and subscribes to numerous funding opportunity databases. The library contains program descriptions, bulletins, newsletters, and funding opportunity announcements. A brief description of the library sources are found in Attachment I-A.

A central component of the funder identification process at OSP is the use of a web-based database and matching service. Grant Forward is a database that houses federal and non-federal funding sources, updated twice a week. The powerful and sleek interface allows for a truly intuitive searching experience. Its flexible management tools allow users to easily track, customize and save funding opportunities effortlessly. Build ‘Researcher Profiles’ based on publications and/or keywords, which can then be synched to the database, allowing users to receive related funding opportunities e-mailed on a daily, weekly, or monthly basis.

To use Grant Forward, go to https://www.grantforward.com/index and perform a one time search from any computer on campus, or start your search by choosing from a pre-selected list of subject categories. Instructions for database use and profile creation and editing are available on the OSP website. You can also access Grant Forward from the OSP home page at http://www.american.edu/provost/osp/Fund-Opzs-online-resources.cfm#Forward. If you need assistance with Grant Forward, please call OSP at x3994.

After a library review or computer search, faculty will be prepared to choose one or more sponsors from whom they may wish to request financial support. In most cases, copies of program descriptions, application guidelines, and application forms will be available in OSP. Otherwise, the assigned OSP staff member will request the necessary application information from the sponsor.

Faculty and staff may visit OSP to browse the library resources and/or contact the OSP Communications and Operations Manager to schedule individual informational sessions for an overview of resources available or to schedule individual training to learn how use the funding opportunity databases.

The Office of Sponsored Programs (OSP) has an External Funding Opportunities webpage on the OSP webpage to assist faculty and staff to search and review external funding opportunities and programs in real-time. In addition to distributing specific funding opportunities on a monthly basis,
OSP will maintain a list of federal and non-federal/private funding opportunities and programs via the OSP website. The list contains direct links to specific federal and non-federal funding opportunities and programs, as well as other helpful information such as application basics, contact directories, and guidelines. Accessing funding opportunities and programs via the list will ensure updates or changes to specific funding opportunities and programs are always available.

In addition to these resources, OSP distributes a monthly e-newsletter that contains a listing of funding opportunities for multiple research and program discipline areas. Faculty and staff can send an e-mail to listserv@listserv.american.edu with the following information to receive the monthly OSP e-newsletter: Subscribe, Newsletter-L (name of listserv), and their first and last name.

**Proposal Types**

A proposal to a funding agency for sponsored research may either be solicited or unsolicited.

Solicited proposals are usually government-generated “Requests for Proposal” (RFP) or “Requests for Quotation” (RFQ) on a specific research, training, or technical assistance project. In such cases, the intended scope of work is pre-determined by the soliciting agency, and specific requirements for the format and content of both technical and cost proposals are presented in the published requests. A contract is generally awarded for solicited proposals selected for funding. RFPs and RFQs are widely advertised and are monitored regularly by OSP. Because RFPs and RFQs often contain specific institutional certifications and voluminous contractual terms and conditions, Principal Investigators/Project Directors should contact their assigned OSP staff person as soon as they decide to submit a proposal/application in response to an RFP or RFQ. To ensure timely review, routing and handling of RFPs and RFQs, PIs/PDs are encouraged to contact their assigned OSP staff representative at least two (2) weeks before the sponsor’s proposal/application submission deadline.

Unsolicited proposals typically allow the PI/PD to determine the technical scope and direction of the proposed research project or program. Generally, unsolicited proposal may be initiated at any time. However, PIs/PDs should contact their respective OSP staff representative at least five (5) business days before the proposal/application submission deadline. To ensure timely review, routing, and institutional approval, OSP requires PIs/PDs to complete all necessary technical sections of proposals/applications at least two (2) business days for the proposal/application submission deadline.

**OSP cannot guarantee submission of proposals/applications that are not completed at least two (2) business days before the sponsor’s submission deadline.**

Regardless of type, all proposals/applications must be prepared in accordance with the sponsor’s specific requirements. Many funding agencies have specific requirements regarding formatting, page limits, components, etc. OSP will assist faculty and staff to understand these requirements and will contact the sponsor on behalf of faculty and staff if additional clarification regarding requirements is needed.
Pre-Submission Communication

PIs/PDs are encouraged to contact the program officer referenced in RFPs/RFPs and funding opportunity announcements to discuss a project idea before submitting a formal proposal. Most program officers welcome advance contact of this nature to help potential principal investigators/project directors to focus and strengthen their proposed research project/program. **In no case, however, should a PI/PD contact a private or corporate entity to request gift related support without the concurrence of the Development Office.** OSP is available to assist faculty and staff to determine the appropriate office (OSP or Development) should review/submit a proposal/application.

Agency contacts are made through (1) a telephone inquiry or agency visit; (2) a letter of inquiry; (3) a letter of intent; or (4) a preliminary proposal:

(1) Individuals are encouraged to make telephone inquiries and/or visit a potential sponsor to discuss a particular project/program. However throughout the course of such calls or visits, no commitments of University resources should be made, nor should detailed project/program budgets be provided without the review and approval of the individual’s academic unit and OSP.

(2) A Letter of Inquiry is a general presentation of a project idea designed to elicit feedback from a potential sponsor. As in telephone inquiries or agency visits, no formal commitments should be made without institutional approval. Letters of Inquiry do not require review from OSP, and no formal routing is required necessary, unless required by the individual’s academic or business unit head or dean. Individuals are encouraged, however, to forward a copy of such correspondence to their assigned OSP staff member so that OSP may be prepared for proposal development resulting from such inquiries.

(3) A Letter of Intent (LOI) expresses the intention to submit a proposal in response to a particular program announcement or Request for Proposal (RFP). LOIs are generally solicited by the sponsor in conjunction with announcements expected to generate widespread interest. Agencies generally require that such letters present only a general statement of the intended research theme or project. **If the letter of intent contains budget estimates, it is required to be reviewed by and routed through OSP prior to submission.**

(4) Preliminary proposals, like Letters of Intent, are generally solicited by sponsor agencies. A pre-proposal usually includes a one- to five-page description of the project. It may also require an outline budget and some indication of the University's willingness to support the project through a commitment of resources. **Any document that mentions budget figures or commits University space or resources is subject to the review and approval of academic/business units.** The review and approval process is coordinated through OSP (see “Processing of the Proposal” for more information).

**Note:** The various sponsor approaches described above, while applicable to many situations, do not reflect the multiplicity of sponsor options. Unless the potential Principal Investigator/Project Director has had previous experience with a particular agency, or unless the program announcement/RFP states a specific course of action, the Principal Investigator/Project Director...
should contact their OSP assigned staff member to determine the most appropriate method of approach.

**Limited Submission Guidelines**

When sponsors restrict or limit the number of proposals or applications it will accept from American University for sponsored funding consideration, AU’s Limited Submission Policy will apply. [View AU’s Limited Submission Policy here.](#)

Sponsors vary on how they impose such a limitation, for example, limiting an institution to 1-3 applications for the entire institution. Due to the variations in sponsors’ specification of limited submission requirements, OSP coordinates all limited submissions processes for all academic units at AU.

- OSP will provide an announcement summarizing the program and disseminate to all academic units. The announcement will outline the internal deadline and submission of required materials.
- Interested faculty or staff will be required to submit an abstract of the proposal to OSP.
- After the internal deadline has passed, OSP will submit all abstracts to the Vice Provost for Graduate Studies and Research so that an internal faculty review can be held to determine which proposal or proposals will be submitted to the sponsor.
- Members of the internal review group will go over the submitted materials and rate them using criteria that ensures the abstract’s overall quality of the proposal is feasible, innovative, likely to be selected by the sponsor, and has the potential to leverage additional external funding. The Vice Provost for Graduate Studies and Research will also consider applicants’ histories of past proposal submissions and awards.
- Once final selections are made, OSP will notify all candidates of the outcome of the internal review.

**Special Types of Funding**

**Intergovernmental Personnel Assignment Agreements (IPAs)**

Under the Intergovernmental Personnel Act of 1970, University faculty and staff may arrange to work with government agencies on a temporary basis, or federal government employees may arrange to work at the University. Since such assignments may incur fiscal commitments and liability on the part of the University, IPAs must be signed by an authorized University official.

To ensure accuracy and completeness, all IPAs must be directed through OSP for review, processing, and submission to the appropriate agency. The IPA should be forwarded with a Sponsored Programs Approval Form (used for routing proposals) and be signed by the appropriate institutional official(s), with an acknowledgment of any cost-sharing commitments that may be required.
When government personnel come to work at the University under an IPA arrangement, such individuals serving in a faculty capacity are subject to the same appointment processes as other individuals being considered for faculty status. In all cases, teaching unit heads and college deans must be consulted to determine the impact of proposed IPA arrangements.

**Government Fellowships**

Some graduate fellowship programs sponsored by government agencies (such as the Fulbright-Hays through the U.S. Department of Education) require submission through the University. Students cannot serve as principal investigators/project directors, even if the fellowship is intended for them.

**Compliance Issues**

Important restrictions govern the use of human and animal subjects, radioactive isotopes, controlled substances, toxic materials, and hazardous chemicals, and research involving such items must adhere to federal, District of Columbia, and University policies. For more information and for the full texts of relevant policies, see Section IV-Compliance Policies of this Handbook.

As a standard practice, the University will not accept sponsored awards that restrict the publication of the research, program or projects results, or prohibiting the free exchange of ideas. Investigators and the University may however, be required to protect product or by-product proprietary rights against disclosure.

Many funding agencies require that results and reports be submitted to the sponsors for review and comment before publication. The University accepts this practice, provided the period for review and/or comment does not prevent publication for an unreasonable amount of time. As a general practice, the University will not accept sponsored awards that require the University and/or PI/PD to obtain the sponsor’s “approval” prior to publication. Exceptions are made when the proposed publications seeks to disclose information identified as confidentiality and/or proprietary.
THE TECHNICAL PROPOSAL

When preparing proposals, remember to FOLLOW SPECIFIC SPONSOR INSTRUCTIONS regarding length, subject matter and organization. Your assigned OSP staff member will ensure that all instructions for duplication, presentation and submission of the proposal are followed.

Preparation of the Technical Proposal

In general, proposals consist of two parts: the technical proposal, and the cost proposal or budget. The Principal Investigator/Project Director (PI/PD) is responsible for preparing the technical proposal in accordance with sponsor guidelines and requirements. OSP assists with preparing internal budgets, required sponsor budget forms, institutional certifications and assurances, and internal routing forms explicating important financial arrangements of University resources.

A good technical proposal is a concise and coherent explanation of a research or programmatic plan with specific and reasonable goals. These goals, and the methods that will be used to achieve them, must be stated clearly. Project objectives should conform to the interests and guidelines of the sponsoring agency. The technical proposal must also demonstrate a convincing need for the proposed activity, either by showing that it fills an important gap in existing knowledge, or by showing that it serves the needs of a specific clientele of particular concern to the funding source.

Concurrent with the preparation of a technical proposal, the PI/PD should contact their respective academic/business unit to seek approval and support for the proposed project. Issues of time commitments, space, facilities, course releases, overload, and overbase situations should be resolved prior to submission.

OSP will obtain all required institutional commitment or collaboration letters in support of the proposal. When applicable, OSP will also review and execute Teaming Agreements. A Teaming Agreement is an understanding between AU and another organization working together to submit a proposal. AU may be the “lead” (or prime) institution or proposed subcontractor institution. The decision regarding which institution will serve as lead or subcontractor is often determined by the sponsor’s guidelines, or by the respective institutions in the absence of specific sponsor guidelines.
Guidelines for Principal Investigators/Project Directors

To ensure the quality of the technical proposal, principal investigators/project directors should consider preparing answers to the following:

- What title or project name will reflect the name of the proposed research?
- What is the research problem or need for this activity? Have you reviewed current literature to determine the need for such a project or conducted a needs assessment?
- What do you hope to accomplish specifically as a result of this project?
- How will you accomplish the project goal? Why is your approach particularly suited to the problem? Discuss the activity concept, project structure, and/or formal methodology.
- How will you prove your results? An evaluation plan complete with measures of efficiency, effectiveness, or outcomes as appropriate to the project design and methodology should be described.
- What special compliance issues and risks are associated with the project? Discuss plans for IRB and/or Animal Care and Use Committee Approval, use of hazardous materials, or other risk management issues.
- Where will the project be conducted? Have space needs been evaluated?
- When will work on the project begin? When will it conclude?
- What are the qualifications for serving as the principal investigator/project director on this particular project? Identify other skills and qualifications necessary to the activity and where/how you will provide that expertise.
- How much will it cost for you to perform this work? (This question can be fully answered only after the cost has been prepared with the assistance of the OSP staff. Effective technical proposals, however, should indicate bottom-line costs, along with the levels of effort to be invested by principal investigator/project director and other key project personnel.)

American University Institutional Information

Please click here to access information commonly requested by sponsoring agencies.

General Format

Most sponsoring agencies have specific format guidelines for preparing proposals. In the absence of such guidelines, the following format may be useful.

Title Page

The title page should include:
- the title of the proposed research;
- the name and address of the sponsor to whom the proposal is submitted;
- the name and address of American University;
- the University department where the work will be carried out;
- the proposed period of performance;
- total requested support (in multiyear projects, include the total for the Year 1 as well as the total request);
- name and title of the principal investigator/project director (see Attachment I-B for title page example.)

Abstract

While an abstract is not required by all sponsors, it is a highly effective means of presenting a project to a reviewer or review board. The abstract should highlight the scope of the proposed research, including its objectives and the intended methodology, the anticipated results, and a statement of potential significance. Unless otherwise required by the sponsor, abstracts should not exceed one typed, double-spaced page. In general, the abstract should stand alone as a complete description of the proposed project.

Table of Contents (List of Illustrations/Tables)

A table of proposal contents should be included immediately following the abstract page. A list of illustrations or tables should also be prepared, if appropriate. Since the abstract precedes the table of contents, it is not listed there.

Introduction to Proposal

While usually brief, the proposal introduction is one of the most important parts of the grant application. The introduction should engage the reviewer's attention, encouraging a full reading of the proposal. Statistically, proposals that are read through at one sitting have a higher rate of success. Here are some general guidelines for the preparation of the proposal introduction:

- tailor the introduction and the technical narrative to the specific guidelines or funding criteria of the sponsor;
- state the problem, but emphasize why you and/or the University should be funded to address the problem;
- mention your previous accomplishments in the area of research proposed;
- describe your ability to carry out the project proposed;
- construct the final paragraph of the introduction to lead into the next section of the proposal.

Note: Follow sponsor guidelines on length; in the absence of detailed guidelines, the introduction should generally not exceed two pages.
Description of Proposed Research/Project

This description is a detailed extension of the proposal abstract. It should include a statement of past work that has suggested or made possible the proposed study, as well as a specific description of recent research. Indicate how the research will relate to and reflect the current state of the art. Explain project goals and methodology carefully. To the extent possible, describe in detail a research plan for six to twelve months.

It may be appropriate to justify certain budget requests in the technical proposal, especially if they are unusual or expensive (such as equipment that reviewers might expect to be part of the University’s facilities), or if the proposed research will require an unusual amount of costs for travel, publications or supplies.

Explain the tasks to be completed by all project personnel. Include current curricula vita for all senior project personnel. If postdoctoral associates and/or graduate or research fellows are known, submit their vita as well. OSP recommends that all curricula vita submitted follow a similar format. Always check sponsor guidelines for vita requirements with regard to required information, presentation, and page limitations.

Bibliographies, tables, charts, illustrations, reprints and other supplementary materials may be included if they enhance the effectiveness of the presentation. Many sponsors, however, limit the number of pages of text; check to see if supplemental materials, such as appendices, are included in the page limit.

Data Management Plans

Some sponsors require proposals to include plans for managing data and sharing of the results of research that it funds. The Data Management Plan should detail how the proposal will conform to the sponsor’s policy on the dissemination and sharing of research results. If no data are involved in a particular proposed project, the Data Management Plan can be very short and simply state this fact. The Plan should reflect best practices in the area of research, and it should be appropriate to the data produced. The process of preparing a Data Management Plan gives the PI/PD and collaborators an opportunity to address matters prior to the starting of the project. View more information regarding guidelines for developing Data Management Plans here.

To view and access all of our sample Data Management Plan templates, please go here.
THE PROPOSAL BUDGET

Procedure

The principal investigator/project director should begin estimating costs as soon as the parameters of the technical proposal are established. Proposal budgets detail the budget necessary to meet the objectives of the project. Principal Investigators/Project Directors, with the guidance of OSP, is responsible for preparing the budget. OSP will ensure that the proposal budget complies with specific sponsor requirements and University policies and practices. Budget formats vary according to sponsor guidelines. In addition to budget forms required by the sponsor, OSP has developed an “internal budget” for review and routing purposes.

The internal budget may include more or less categories than the sponsor's budget form. The internal budget can also be used if the sponsor does not require a specific budget format.

In preparing budgets, there are University guidelines that must be followed. A sample budget is provided in Attachment I-C.

Components

Budgets include two categories of costs: Direct and Indirect Costs.

Direct Costs

Usually, Direct Costs consist of the following:

Salaries & Wages: All personnel who will devote time to the project are listed in the budget. Include titles, the percentage of time to be spent on the project, base salaries, and the amount the sponsor is asked to pay to support each person for the budget period (or their individual period of performance).

Proposed salaries are estimates and are paid in accordance with established University guidelines. When the sponsor allows, salary estimates beyond the current fiscal year should include merit increases (which are not guaranteed). Pursuant to federal regulations issued by the Office of Management and Budget (OMB), salaries charged to sponsored agreements may never exceed the proportionate share of the employee's base salary for that period (based on level of effort applied to the project). OMB regulations further instruct that rates of pay may not be other than the employee's base salary with the University. These regulations apply to federal awards and to Principal Investigators/Project Directors who have a combination of federal and non-federal awards.

Staff positions committed at 80 percent or more of time to a sponsored project and on some other university supported work is considered full-time. New staff must be classified and recruited via the process as determined by the Office of Human Resources. The twelve-month salary for a
staff person is the base salary. Staff supported by sponsored funds may be permanent or temporary appointments hired specifically for the sponsored project/program.

Faculty salaries are based on nine months of full-time service during the twelve-month academic year (AY). This income is the base salary. Sponsors differ on whether they provide funds during the summer months. Please contact OSP for any questions you may have regarding whether or not summer salaries are allowed.

Some proposals involve course releases, a reduced workload, or a workload reallocation for a faculty member to work on an externally funded project. The faculty and staff that are requesting course release or workload reallocation are encouraged to contact their respective academic/business unit as guidelines vary from unit to unit. They can also seek guidance from their OSP staff member for general requirements. For budget preparation and research planning purposes, the University uses the following assumptions about the allocation of a faculty member's time:

- teaching, 60%
- research, 30%
- service, 10%

Based upon the University’s average five (5)-course load for tenured and tenure track faculty a course release can be calculated in two ways. The first is done by allocating 24% of effort during a semester to a sponsored project. The second is done by allocating 12% of effort for the entire academic year to a sponsored project. If more than one course release is requested in a year, the allocations will change. These are guidelines, however, and the final decision regarding course releases are made by the respective dean, based on the teaching unit's needs.

University sponsored graduate financial aid awards do not include a service requirement; however, graduate students working on a sponsored project will be required to work to receive a stipend and up to eighteen (18) hours of remitted tuition. Monthly stipend and tuition remission are appropriate charges to some sponsors.

**Fringe Benefits:** Fringe benefits consist of the University's contributions to Social Security (FICA), retirement programs (such as TIAA/CREF), health insurance, disability insurance, life insurance, and workers' compensation, unemployment compensation, and tuition remission. Fringe benefits are calculated as a percentage of salary.

The fringe benefit rates are predetermined for a specified period from the University’s cognizant government agency; the current rates are in effect until April 30, 2016 and are provisional after that time. [View current fringe rate benefit rates here.](#)

**Subcontractors:** Subrecipients have responsibility for programmatic decision-making and for adherence to applicable program compliance responsibilities. Unlike consultants, subcontractors are responsible for performing a substantive portion of the proposed project/program. If 50% or more of the requested funding will go to a subcontractor, a justification should be prepared by the PI/PD and included on the routing form. The proposed subcontractor should provide a scope of work and
a detailed budget for its portion of the proposed sponsored project/program. If the proposal is awarded, OSP will draft a subcontract to be signed by the subcontractor.

When developing proposal budgets that involve foreign subcontractors, PIs/PDs must be aware that American University is not responsible for changes in currency rates that occur after the proposal is submitted and awarded by the sponsor (federal and non-federal). Please keep this in mind as proposed foreign subcontractors may request payment in their respective currency. Use the applicable rate at the time that the proposal budget is created when calculating exchange rates. In the event that currency rates change after an award is given by the sponsor, AU may not be able to request additional funding from sponsors. An exception may be granted when the sponsor allows additional funding and/or re-budgeting requests to accommodate foreign currency adjustments that occur after the proposal is submitted and awarded.

Consultants: Consultants provide expertise from outside the University. Consultants can be either an individual or an organization that provides goods and services within normal business operations. Consultants provide similar goods and services to many different purchasers; operate in a competitive environment; and provide goods and services that are ancillary to the operation of the sponsored program. Consultants may not be subject to all compliance requirements. Consultant rates may be subject to approval by the sponsor. Rates should be consistent with rates of other consultants providing similar services. If the proposal is awarded, the consultant will enter into a consultant agreement with American University. Attachment I-D is an example of a consultant agreement. Click here to access the agreement on the OSP website. Additional clauses may be necessary depending upon circumstances.

Intra-university consulting is normally undertaken as a University obligation with no additional compensation. In some instances, when consulting is performed in addition to one's regular teaching unit load, compensation above base salary may be possible if approved in writing by the sponsor and the Vice Provost for Research/Dean of Graduate Studies.

The following are some helpful guidelines used for accounting purposes. These guidelines do not apply to non-sponsored arrangements such as occasional overload teaching, which is discussed in the Faculty Manual.

- **base salary** - the amount of salary a faculty member is paid for nine months of full-time service during the academic year.

- **overbase situation** - when a faculty member performs additional work during the summer months (June, July, and August) resulting in payment beyond the contracted salary base. Overbase beyond 133% of base salary is not permitted for faculty working all or in part on federally sponsored projects. Faculty working on projects with non-federal sponsors (and not having any concurrent federally sponsored activity) may exceed 133% during the summer or academic year.

- **overload payments** - when a faculty member commits more than 100% of their time to teaching, research, and consulting activities. Overload for teaching is discouraged, as stated in the Faculty Manual. Overload payments for sponsored activity are not permitted during the academic year without advance approval of the Vice Provost for Research/Dean of Graduate Studies, with the concurrence of the School/College Dean.
**Capital Equipment:** Principal investigators/Project Directors should discuss potential equipment purchases with the OSP staff to ensure adherence to University and sponsor policies. Capital equipment is defined as equipment valued at $5,000 or more. And any equipment that is not valued at $5,000 should be considered materials and supplies.

**Travel:** Sponsors will generally pay international or domestic airfare if such travel is necessary to the project and is so justified and approved. For federally sponsored projects, all international travel must be on U.S. carriers. If a U.S. carrier is not available, PIs/PDs need to check with their assigned OSP staff member to seek sponsor approval or to check the sponsor’s requirements when a non-U.S. carrier is not permitted. Travel includes local transportation costs, such as mileage and parking. The mileage rate is set by the federal government on a yearly basis. [View current standard mileage rates here](#). In accordance with University policy, food and lodging must be shown as reimbursable expenses as incurred through travel.

University employees are required to report international travel in advance of the trip to their academic units so that special international travel insurance may be arranged for them at no additional cost. In the case of students traveling abroad on a sponsored project, this insurance must be arranged for them through the university and the cost of the insurance must be charged to the grant budget. Please see [Attachment I-E](#) for further details.

**Other Direct Costs may include:**
- Supplies and other expendable materials, such as film;
- Computer software;
- Equipment maintenance and repair;
- Printing and publishing;
- Photocopying;
- Publication costs, such as page charges and reprints;
- Communications: telephone, postage, express mail, fax, and courier service costs;
- Meeting expenses;
- Conference registration costs;
- Space (lease or rental of off-campus space);
- Insurance.
- Remuneration to research participants/subjects

**Indirect Costs (Facilities and Administration Costs) – Commonly referred to as Overhead**

Indirect Costs (F&A Costs) are expenses incurred by the University for use of its facilities and administrative services. Indirect costs are not profit, but are real costs to the University to support sponsored activities. Examples include building maintenance and operation, utilities, libraries, computer services and other facilities, payroll, accounting, purchasing, research
administration, departmental administration, personnel services, and general administration. The University attempts to recover all of these costs, in accordance with guidelines in the Office of Management and Budget Circulars, through the inclusion of indirect costs in proposal budgets.

Indirect costs must be included in the budget of every proposal. The University uses a separate indirect cost rate for on and off campus sponsored projects. The University’s actual rate agreement with DHHS states, “For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s) the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.”

**Test One:** Is the proposed effort of AU personnel on campus (including cost shared effort) greater than the proposed effort of those working off campus?

If yes, then use the on-campus rate.

**Test Two:** Are the total direct costs incurred off-campus greater than those incurred on-campus?

If yes, then use the off-campus rate.

Responsibility for demonstrating that the off-campus rate is appropriate rests with the PI/PI’s unit. However, final determination and communication with the sponsor regarding the applicability of the proposed IDC rate rests with OSP in coordination with GCA.

The University and the U.S. Department of Health and Human Services (DHHS), which is its cognizant federal agency for indirect rate negotiation, have agreed on the current negotiated indirect cost rate for federal contracts and grants in specified fiscal years. The same or equivalent rate must be applied to projects that are funded by private and nonfederal sources, pursuant to the agreement with DHHS and the Office of Management and Budget (OMB), Circulars A-21 and A-110.

**American University’s Negotiated Indirect Cost Rate Agreement.** AU’s negotiated rate assesses indirect costs on a Modified Total Direct Cost basis. The OMB Circular A-21 G.2 states that the Modified Total Direct Costs basis excludes assessment of indirect costs on tuition, capital expenditures, space rental, sub grants or subcontracts in excess of $25,000, and participant support costs. Participant support costs are defined as pass-through costs to support program participation directly attributable to an individual who is not an employee of AU or a consultant providing a service.¹ To see a detailed listing of items that are excluded from indirect cost assessment, click here.

Some sponsors, particularly some foundations, have specific written policies that preclude or restrict indirect costs. Some agencies limit indirect costs for instructional (or training) programs.

¹ Please note participant support costs are not the same as research participant/subject cost. Consult OSP for clarification.
Pursuant to approval of the Provost, the Director of OSP will honor a sponsor’s policy, or limitations on indirect cost; however, such policy or restriction is required to be provided in writing by the sponsor. Requests to waive indirect costs should be submitted in writing from the PI/PD and submitted to OSP for initial review. After initial review, the Vice Provost for Research/Dean of Graduate Studies will submit the request to the Provost for final decision.

**Cost Sharing**

 Occasionally, sponsors require the University to make a contribution to a project's total cost needs. Any proposed cost share is subject to AUs cost share policy which can be found here. **Proposed cost share obligations must have the concurrence and the approval of the teaching unit head and School/College Dean. OSP has no resources for direct cost share.**

Since cost sharing is examined and audited by the sponsor organizations, the budget proposal must specify the exact amount of contributions anticipated. The term “in-kind services” (for example, in the case of a third party’s resource that’s being donated to the proposed project) is difficult to audit and should be avoided. Instead, the budget proposal should include the dollar value of all such services, to ensure the project receives full credit. Contact the OSP staff member for assistance for questions on how to show the cost share on the proposal budget. For questions regarding documenting or tracking cost share, please contact a Grants and Contracts Accounting (GCA) staff member.
PROCESSING THE PROPOSAL

After the technical components and proposal budget are complete, the principal investigator/project director prepares the other forms to be included in the application packet to be submitted to the sponsor. Prior to submission to the sponsor, the proposal is routed for institutional approval and routing. The University has a standard Sponsored Programs Approval and Routing Form that must accompany each proposal through the University's approval process. A copy of the forms for reference is provided in Attachment I-F and Attachment I-G. Click here to access the OSP Routing and PI Assurance form on the OSP website.

Routing and Approval Process

Once the approval form, the technical proposal, the budget, and all attachments are completed, OSP will initiate routing to obtain institutional review and approval.

As the certifying official for the university, the Institutional Signatory (OSP Director or Vice Provost for Research/Dean of Graduate Studies) requires sufficient time to review and sign proposals. A proposal must be in the office of the Institutional Signatory forty-eight (48) hours before it is due. Proposals that reach the Institutional Signatory on the day they are due will not be approved for submission unless an exception is granted by the Institutional Signatory.

Signatures required vary with the type of project being proposed. When the principal investigator/project director signs and approves the form via Cayuse, he or she is approving the entire proposal and assuming responsibility for

- the scope of scientific and technical effort,
- preparation of required technical reports, and
- management of the project within the budget and time constraints of the proposal in compliance with sponsor regulations and University policies.

The principal investigator/project director may not delegate his or her authority to approve proposals.

The PIs/PDs Department and College/School Deans certify the academic soundness of the project, facility and space availability, cost sharing (other than any indirect cost waiver that is a documented sponsor policy), course release arrangements, and the compatibility of the project's goals with the teaching unit's objectives.

A proposed project/program involving faculty or staff from more than one unit must be routed through all units involved.

OSP will draft a transmittal letter if required by the sponsor.
The final submission represents an offer by the University to perform the activities specified in the proposal. The review and approval process ensures compliance with both sponsor and University policies.

**Proposal Submission**

After a proposal has gone through an institutional review and approval (i.e. routing and approval), OSP will submit the proposal in the manner required by the sponsor.

**Electronic Proposal Submission**

Due to the difficulties inherent in the electronic submission process, OSP cannot guarantee the timely submission of proposals that are sent less than 48 hours before the due date. Proposals that do not meet the advance submission requirement of 48 hours will be accepted and OSP will attempt to send the proposal. Missing the advance submission requirement will mean that, should the sponsor system be having difficulty, OSP may not be able to make alternative arrangements with the sponsor in time for the legal due date.

Please see the [OSP Process Memo](#) for more information regarding deadlines for submitting proposals at the University.

**Submission of Revisions**

In the event revisions are needed after the proposal has been submitted to the sponsor, depending on the nature and scope of the revisions, it may require another internal review and approval. The ability to submit revisions is contingent upon whether the sponsor will allow it as well as if the revisions can be made before the sponsor's proposal deadline.

Please contact your assigned OSP staff member to confirm whether the revised proposal needs to be routed.
Attachment I-A: FUNDING OPPORTUNITY
RESOURCES AVAILABLE IN OSP

The following source materials are among the most widely used in OSP by faculty and staff. Files for each federal agency and department, with application packages and recent announcements, are also maintained in the OSP library.

Databases

*COS Pivot* -
COS Pivot combines the most comprehensive, editorially maintained database of funding opportunities with a system of pre-populated scholar profiles. Its proprietary algorithm compiles pre-populated researcher profiles unique to AU and matches them to current funding opportunities in the COS Pivot database. Simple searching for funding opportunities and viewing matching faculty from inside or outside the university is also instantly accessible.

*Foundation Directory Online* -
Find and access funders quickly with the most comprehensive and current online database of foundations, grantmakers and their grants. *The Directory* includes weekly information updates, direct links to foundation and other nonprofit tax returns and websites, daily search tips and quick-links to free web resources, a subscribers-only message board to share tips and strategies, and search tutorials that give you step-by-step instruction on how to develop effective search strategies and reliable prospect lists.

*Grant Forward* -
Grant Forward is a powerful and robust database that comprises a continuously growing inventory of foundation, federal and other funding sources. The interface provides a truly intuitive searching experience, and its flexible management tools allow users to easily track, customize and save funding opportunities effortlessly.

*SciVal* -
SciVal funding is an innovative web-based tool that helps find new funding opportunities. In addition, reviewing award history can help enhance awareness of new sponsors that match research interests. It also provides researchers, administrators and research development professionals with valuable information about grant opportunities and award recipients.
Publications

*Chronicle of Higher Education* -
The *Chronicle* has a regular grants feature in this weekly publication. The grants section highlights a range of opportunities and recent awards and summarizes recent legislation and regulations affecting higher education. It is also a source for identifying individual award opportunities.

*Federal Acquisition Circular* -
This publication is issued by DOD and NASA as an update on Federal Acquisition Regulations (FAR) applying to sponsored contracts. The updates focus on clarification of the FAR for DOD/NASA contractual issues, although the FAR is applicable to all federal agencies and departments.

*Federal and Foundation Assistance Monitor* –
Source for new public and private grant opportunities, policy news and fundraising tips.

*Federal Grants Management Handbook* -
How to comply with federal requirements for non-discrimination, environmental, historic preservation, labor standards, drug-free workplace, freedom of information, privacy, disclosure, and patents and copyrights. Reviews prohibited activities, the judicial and administrative process, and procedures and controls.

*Federal Grants and Contracts Weekly* -
Published by Capitol Publications, Inc., Alexandria, VA. Lists grants offered by the Department of Education, HUD, DOD, HHS, NEA, NRC, EPA, and offers basic rules for grant applications.

*Report on Research Compliance* -
A monthly newsletter (and free email versions of the monthly) with practical news you can use on your campus with the best information there is to help institutions avoid the negative publicity, financial setbacks, and management problems that compliance requirements can create.

Webpage

*External Funding Opportunities Webpage* –
The Office of Sponsored Programs (OSP) has an [External Funding Opportunities](#) webpage on the OSP webpage to assist faculty and staff to search and review external funding opportunities and programs in real-time. In addition to distributing specific funding opportunities on a monthly basis, OSP will maintain a list of federal and non-federal/private funding opportunities and programs via the OSP website. The list contains direct links to specific federal and non-federal funding opportunities and programs, as well as other helpful information such as application basics, contact directories, and guidelines. Accessing funding opportunities and programs via the list will ensure updates or changes to specific funding opportunities and programs are always available.
Attachment I-B: SAMPLE TITLE PAGE

“Creating Clean Waters in the Tributaries of the Potomac River”

A Proposal Presented to

Environmental Protection Agency
401 M Street, SW
Washington, DC  20460

by

American University
College of Arts and Sciences
Department of Biology
4400 Massachusetts Avenue, NW
Washington, DC  20016

Period of Performance: September 1, 2005 - January 15, 2007

Amount Requested: $244,562

Principal Investigator: Dr. Mary Jones, Professor
Attachment I-C: PROPOSAL BUDGET TEMPLATE – FORTHCOMING
Attachment I-D: SAMPLE CONSULTANT AGREEMENT

PROFESSIONAL SERVICES PROVIDER CONSULTANT AGREEMENT

WORK MADE FOR HIRE

FOR PRINCIPAL INVESTIGATORS (PIs) OF GRANTS AND FEDERAL FUNDS

PART I: GENERAL INFORMATION

Professional Service Provider Information:

Name: ______________________________________________________________
Address: ____________________________________________________________
Email: ______________________________________________________________

*A completed W-9 is required if Service Provider is not an active vendor in Datatel

Check One: ___ U.S. Citizen
___ Foreign National - If you checked this box please contact payroll regarding tax classification.

Is the Professional Service Provider a current ___ or former ___ AU employee? Neither ___

*Service Provider warrants it is not a current employee; otherwise the Office of Finance must approve*

American University Information:

Department: __________________________________________________________
Contact: ____________________________________________________________
Telephone: ____________________ Email: ________________________________

PART II: TERMS AND CONDITIONS

1. **Introduction.** This Agreement is dated, ________________, 201__ between American University (AU) and the Professional Services Provider (the "Service Provider").

2. **Representations and Certifications.** The Service Provider represents the following:
a. The Service Provider has no family relationship or business affiliation with AU, other AU employee or third party that would lead to a conflict of interest. All potential issues should be disclosed prior to signing this Agreement.

b. Services to be performed are essential and cannot be provided by persons receiving salary support from AU in the area of responsibility.

c. During the performance of Services, the Service Provider shall comply with all applicable local, state, district and federal laws.

d. Service Provider certifies that he/she is currently not listed on the U.S. Government’s Excluded Parties List Systems and/or is not specifically debarred from federal procurement and non-procurement programs, which identifies parties excluded from receiving certain types of federal financial and non-financial assistance and benefits.

e. Service Provider certifies that he/she is authorized to provide the services identified below and described in the Statement of Work attached hereto and incorporated herein by reference as Exhibit A.

3. **Services to be Performed.** “Services” shall mean the services and tasks to be performed and the various items to be prepared and/or delivered by Service Provider more specifically described in the Statement of Work (SOW) attached hereto and incorporated herein by reference as Exhibit A. If no SOW is attached, this Agreement is null and void.

AU reserves the right to make changes to the Services to be provided which are within the attached Statement of Work. Such changes and any added cost or cost reduction to AU must be agreed to in writing and signed by an authorized representative of both parties prior to proceeding with any changes.

4. **Term and Termination.** The performance period of this Agreement shall begin on the effective date ________________, 20__ (“Effective Date”), and shall continue until the Service Provider has completed the Services in accordance with the Statement of Work or on ________________, 20__, whichever occurs first, unless this Agreement is terminated earlier, as provided below.

AU may terminate this Agreement, in whole or in part, for its convenience at any time upon thirty (30) days prior written notice to the Service Provider. In case of such termination for convenience, AU shall be responsible for any portion of the compensation owed to Service Provider under Section 5 for any Services properly provided up to the day that notice of termination is delivered and that no work be performed thereafter without the express written permission from AU. If either Party commits a material breach of any provision of this Agreement, the other Party may terminate this Agreement, in whole or in part, after providing fifteen (15) days’ prior written notice and an opportunity to cure; provided, however, that, in addition to the other legal and equitable remedies that AU may pursue to redress such breach, Service Provider shall promptly reimburse AU the fees paid by AU to Service Provider for the deficient Services giving rise to such breach in addition to any additional expenses incurred by AU for satisfactory completion of the Services.
5. **Payment.** AU shall pay the Service Provider the following compensation for services performed under this Agreement: The Service Provider shall submit a ________ [monthly/quarterly/other frequency] invoice for services rendered by the Service Provider to Accounts Payable, American University, 4400 Massachusetts Avenue, NW, Washington, DC 20016-8020. In consideration of the Services to be performed by Service Provider under this Agreement, AU shall pay to Service Provider fees according to the payment schedule set forth in the Statement of Work. In the event that the Statement of Work does not specify a payment schedule, AU shall pay all undisputed invoices within thirty (30) days of receipt. Each Service Provider invoice will accurately itemize the services performed, including as necessary, hours worked, service fees, other fees, materials with no markup, and all charges, travel, and other expense reimbursements. Service Provider agrees to obtain AU’s advance written approval for all expenses. Service Provider will provide itemized original receipts for all expenses, including transportation, lodging, and meals as a condition of reimbursement. Service Provider agrees to be responsible for any and all expenses not defined herein or in the attached SOW. Total compensation and reimbursement of expenses during the term of this Agreement are not to exceed [provide written and numerical expression] dollars.

6. **Independent Contractor.** The Service Provider is retained by AU and shall perform the services under this Agreement as an independent contractor as defined in IRS code, section 3509. The Service Provider shall not be considered under the provisions of this Agreement or otherwise as having an employee status or be extended coverage under unemployment and Workers' Compensation insurance or other group insurance plans and temporary disability, or be entitled to participate in any plans, arrangements or distributions by AU pertaining to or in connection with any pension, bonus or similar benefit plans. The Service Provider has no power or authority to act for, represent, or bind AU in any manner. The Service Provider is solely responsible for the payment of his/her self-employment, income and social security taxes. Affirmative Action Programs of AU and applicable Federal regulations are binding on the Service Provider.

   Service Provider shall not have the authority to enter into any contract to bind AU and shall not represent to anyone that Service Provider has such authority.

7. **Intellectual Property Rights.** All intellectual property rights in the Services, including but not limited to, any deliverable furnished to AU as part of the Services or any modifications, customizations and interfaces developed with respect to a deliverable (the “Deliverables”), in whole or in part, provided to AU by Service Provider under a Statement of Work and this Agreement shall be solely the property of AU. Service Provider hereby assigns all right, title and interest in and to and exclusive ownership of such Services and Deliverables to AU and Service Provider shall take all actions necessary to transfer exclusive ownership of the same to AU. AU and the Service Provider agree that any product created, conceived, and/or prepared by the Service Provider in the performance of the services contained in this Agreement shall in all respects be considered a “work made for hire” within the meaning of the federal copyright and patent laws and that no other right in the Deliverables shall inhere in the Service Provider, or in the Service Provider’s representatives, heirs, or assigns. The Deliverables shall be owned by AU and AU may, at its option and expense, seek copyright or patent registration for the Deliverables. As owner of the copyright or patent, AU shall have all rights attendant to that ownership, including, but not limited to, rights of reproduction, preparation of derivative works, distribution, and display. The Service Provider warrants and
represents that the Service Provider is the sole owner of the Deliverables and all the rights herein
granted, and has full right and power to make this Agreement; that the Service Provider has not
previously granted the rights to the Deliverables to another third party; that Deliverables has used all
reasonable care to ensure that all facts and statements in the Deliverables are true; that the Service
Provider has obtained the necessary releases of subjects and locations identified in the Deliverables;
that AU’s inclusion and use of the Deliverables will not violate any copyright, proprietary or
personal rights of any third party; that the Service Provider has not in any manner disposed of any
of the rights herein granted to AU or granted any rights, adverse to or inconsistent therewith; nor
are there any rights outstanding which would diminish, encumber, or impair the full enjoyment or
exercise of the rights herein granted AU. The Service Provider shall indemnify and hold harmless
AU, its successors, assigns and licensees, and the respective officers, directors, agents and
employees, from and against any and all claims, damages, liabilities, costs and expenses (including
reasonable attorneys’ fees), arising out of or in any way connected with any breach of any
representation, warranty, or covenant made by the Service Provider herein.

8. Indemnification/Hold Harmless. The Service Provider shall indemnify and hold AU
harmless from any and all loss or damage to persons or property which AU or its employees may
suffer on account of any accident or occurrence caused by the Service Provider. In consideration of
the mutual agreements set forth in this Agreement, the Service Provider relieves, acquits, and forever
discharges AU of and from any and all liabilities, causes of action, claims, costs, damages, expenses,
suits, demands or other amounts (including reasonable attorneys’ fees) arising from or relating to
any claims (i) for loss, injury or damage to a person, property, or business resulting from
the Service Provider’s negligent or willful acts or omissions in connection with the Services or (ii) resulting
from the Service Provider’s breach of any of its obligations, representations or warranties under this
Agreement, except to the extent where the same is caused by the negligence or willful misconduct of
AU.

9. Warranties. The Service Provider warrants that all services performed under this
Agreement shall be performed in a good and workmanlike manner and shall conform to the
specifications, drawings, samples, other description, and terms and conditions contained or
referred herein. All services shall be subject to the AU’s inspection before acceptance, and
payment for services rendered shall not constitute a waiver of any of the rights granted to AU under
this section.

10. Insurance. If Service Provider is to perform any of the Service on AU premises, then
Service Provider shall, at its sole expense, purchase and maintain the following minimum insurance
for the duration of this Agreement:

a. Commercial General Liability against all claims of bodily injury, death, personal injury,
coverage for contractual employees, or property damage with a combined single limit of
$1,000,000 each occurrence, $2,000,000 general aggregate, and $1,000,000 products and or
completed operations aggregate.
b. Workers’ Compensation and Employer’s Liability as required by law with statutory limits. Employer’s Liability shall be provided in the amounts of not less than $500,000 per each accident for bodily injury, $500,000 per disease per each employee, and $500,000 policy limit per disease.
c. Commercial automobile liability, for bodily injury and property damage of $1,000,000 each accident combined single limit with respect to Service Provider’s owned, non-owned, hired, or borrowed vehicles, assigned to or used in performance of this Agreement.

Policies shall be endorsed to include AU, its agents, officials and employees and additional insured’s for ongoing and completed operations. Service Provider and its insurers shall waive all rights of subrogation or recovery against AU. Insurance policies shall be issued by reputable insurance companies duly authorized to engage in the insurance business in the District of Columbia with an A.M. Best’s rating of A-, VII or better. Certificates of Insurance shall be mailed to the Purchasing Department at the following address PRIOR to any Services being performed: American University, 4400 Massachusetts Ave., N.W., Brandywine Building 2nd floor, Washington D.C., 20016-8020. AU reserves the right to waive or reduce the insurance requirements at AU’s sole discretion.

If allowed under section 16 below, subcontractors of Service Provider must provide and maintain the same levels of insurance as Service Provider must under this section 10.

11. Confidential Information. In the course of performing services under this Agreement, AU may communicate information to the Service Provider or the Service Provider may have access to University information, which may or may not be related to this Agreement. The Service Provider shall treat all such information as confidential, whether or not it is identified as confidential. The Service Provider shall not disclose to any third party or use, for purposes not set forth in this Agreement, any reports, recommendations, opinions, and/or conclusions which Service Provider may provide to AU as part of his/her services or may have received from AU. Except as expressly permitted by this Agreement, for a period of three (3) years from the termination of this Agreement, the Service Provider shall protect the Confidential Information of AU from unauthorized dissemination, using the same degree of care which Service Provider ordinarily uses with respect to its own proprietary information, but in no event with less than reasonable care. “Confidential Information” will not include information that: (i) is or becomes generally known or available by publication, commercial use or otherwise through no fault of the Service Provider; (ii) is known and has been reduced to tangible form by the Service Provider at the time of disclosure and is not subject to restriction; (iii) is independently developed by the Service Provider without use of AU’s Confidential Information; (iv) is lawfully obtained from a third party who has the right to make such disclosure; or (v) is released for publication by AU in writing. Service Provider may disclose the terms and conditions of this Agreement or its existence to third parties having a need to know, such as auditors, banks, financial advisors or other third parties entering into or considering entering into a material transaction with AU, provided such third parties are bound to an obligation of confidentiality. Service Provider acknowledges that the unauthorized disclosure or use of any Confidential Information could cause irreparable harm and significant injury to AU, the extent and consequences of which may be impossible to assess. Therefore, the Service Provider agrees that if AU believes its Confidential Information is about to be, or has been, disclosed contrary to this Agreement, that AU has the right to seek an immediate injunction enjoining any, or any further, breach of this Agreement in addition to any other legal or equitable remedies AU may be entitled to pursue.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia.
13. **Marks and Publicity.** Neither party may use the name, logo, trademarks, service marks, publications or other proprietary identifying symbols of the other party in any press release, press related or advertising media without the prior written consent of the other party.

14. **Non-assignment.** This Agreement is personal to the Service Provider and may not be assigned, without the prior written consent of AU.

15. **Force Majeure.** The parties hereto shall not be responsible for any failure or delay in the performance of any obligations hereunder caused by acts of God, fire, flood, war, riot or public enemy.

16. **Subcontracting.** None of the services to be provided hereunder, or any portion thereof, shall be subcontracted by Service Provider without the prior written consent of AU.

17. **Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of the Agreement shall be valid and enforceable to the fullest extent permitted by law.

18. **Conflict of terms.** All of the terms and conditions of this Agreement are deemed incorporated into any Service Provider’s agreement or proposal. In the event of a conflict between the terms of this Agreement and the Service Provider’s proposal, the terms of the AU Professional Services Agreement shall prevail to the extent necessary.

19. **Patient or Student Information.** In the event that the Services involve access to patient care areas and/or access to or use of protected health information OR access or involvement with student records, then Service Provider agrees to comply with all applicable federal, state and local laws, rules and regulations including the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) and Family Educational Rights and Privacy Act (“FERPA”) in the respective performance of Service Provider’s obligations hereunder.

20. **Non-Discrimination.** The Service Provider agrees not to discriminate in any manner on the basis of sex, race, creed, age, color, national origin, religious belief, disability, status as a disabled veteran, or veteran of the Vietnam era, and to comply with all non-discriminatory laws and policies which University promulgates and to which University is subject.

21. **Signatures.** With the consent of AU and the Service Provider, facsimile signatures will be considered originals in the execution of this Agreement.

22. **Entire Agreement/Amendments.** This Agreement contains the entire agreement of AU and the Service Provider and no terms may be modified or waived except by the mutual written consent of both AU and the Service Provider.
AMERICAN UNIVERSITY

Signed: __________________________

By: ____________________________
    Brian Blair
    Director, Procurement & Contracts

Date: __________________________

Service Provider Name

Signed: __________________________

By: ____________________________
    ____________________________

Title: __________________________

Date: __________________________
Exhibit A-
Scope of Work
w/ Payment Schedule
Professional Services Provider Agreement (PSPA)  
Professional Services Consultant Agreement - Work Made for Hire For PI’s of Grants and Federal Funds  
Contract Guidelines

a) PSA terms and conditions may NOT be changed.

b) Value of the PSA must not exceed $10,000. If over $10,000, PCD must review and sign.

In order to comply with current Procurement and Contract’s policy, the competitive bid threshold for purchases is $5,000. A sole source justification may be considered when mutually agreed to between PCD and the PI and the funding grant/contract doesn’t require it.

c) Use the PSA “Work Made for Hire” form when the university hires an independent contractor to complete a specific task that will result in a product or deliverable and you want that product to belong to the university, including all intellectual property rights (e.g., design and content of brochures, web pages, etc.).

d) Be sure to complete all requested information, including: (1) service provider information, (2) AU contact information, (3) date, (4) services to be performed, (5) term of agreement, and (6) payment amount. The term of the agreement entered in Section 4 (Term and Termination) should not exceed the term (period of performance) referenced in AU’s grant award. Do not leave any blank spaces.

Be detailed in description/scope of work and/or attach any required documents to the contract. The Scope of Work described in or attached to Attachment A should include a payment schedule.

For the termination date (or end date of the Agreement), insert the date of one year from the effective date of the Agreement or if less the end date of the Agreement or final day for services.

e) Who may sign- The head of the school, division, or unit within the school may sign a PSA, typically a Dean, Assistant Dean or their designee at a Director or above level. Sign and print your name at the bottom of the PSA document only, under American University and write “for” before the Director of Procurement & Contract’s name and title. Write your name and Title. Attach a Statement of Work as Exhibit A. *Please note- Never sign a vendor or independent contractor’s proposal or Statement of Work without having prior PCD or legal review.

f) The term of the PSA should never exceed one (1) year without review by Procurement & Contracts.

g) PSA’s may not be renewed more than twice in a year without review by Procurement & Contracts.

h) To determine if the service provider is a US citizen, include either the (1) Social Security Number, (2) permanent address and/or if a (3) W9 must be supplied- (if the vendor is new or does not have a current W9 on file in relation to Datatel). Check the applicable foreign national box on the PSA if it applies. If service provider is a foreign national, you must contact the payroll office (x6171) to
determine if the United States has a treaty with the service provider’s home country that would
eliminate the requirement to withhold taxes. Absent such a treaty, payment must be made through
payroll and applicable taxes withheld. In that case do not use this PSA.

i) Determine that service provider is truly an “independent contractor” (applies to individuals, not
corporations) as defined by the IRS (see IRS Publication 15-A, Employer’s Supplemental Tax
Guide- http://www.irs.gov/pub/irs-pdf/p15a.pdf), and therefore eligible to be paid as a non-
employee.

The following questions will serve as a guide. If you answer ANY ONE of them “Yes”, then the
individual should NOT be hired using a PSA:

   a. Is the service provider a current AU employee?
   b. Is the service provider directly supervised by an AU employee (does AU define the service
provider’s work hours and schedule)?
   c. Will you provide training to the service provider in order for him/her to complete the
scope of work?

j) For audit purposes, a fully executed copy of the PSA must be kept on file in your department for
six (6) years.

k) PSAs should not be used as an after the fact vehicle to pay an invoice. If this is found to be the
case, the signer may be held responsible and the invoice will be prioritized according to other work
that has been processed within PCD policies and guidelines.

l) If the vendor is not a current and active vendor in the Datatel database, the PI must contact and
work with PCD during strategic supplier selection and prior to awarding the agreement with the
vendor and execution of the PSPA.

m) Any questions associated with these guidelines should be addressed to the Procurement and
Contracts Department at x2842.
Attachment I-E: GLOBAL ACCIDENT AND HEALTH PROTECTION

American University students, faculty, and staff traveling abroad, not in their country of permanent residence, need protection that will help them in the event of sudden illness or serious injury. In some countries, U.S. health insurance is not accepted in lieu of payment prior to treatment. While a claim for reimbursement can be filed once the traveler returns home, paying cash before receiving medical attention can cause a hardship for the traveler. In extreme cases, medical evacuation might be necessary and those prepaid costs would most likely be significant.

For those students covered by student health insurance purchased through AU's Health Center, that policy includes a very helpful traveler's assistance service, Europ Assistance USA. However, Europ Assistance USA is a service provider, not an insurance company. Any third party expenses incurred through arrangements made by Europ Assistance USA are the responsibility of the student.

To make sure that all American University international travelers have adequate insurance, with coverage that might not otherwise be available, all participants are required to enroll in the ACE Travel Assistance Program. Please contact your school or department's contact person or call 202-885-3284 for more information on how to enroll in the program.

The university will pay premiums for faculty and staff. As of 09/01/01 departments are being charged for students' coverage.

Contact Information for ACE USA and Europe Assistance:
Please refer to the Travel Assistance Contact Information Document: http://www.american.edu/finance/rmehs/upload/Travel-Assistance-Program-Contact-Information.pdf

AU INTERNATIONAL TRAVEL INSURANCE

Health Insurance

All faculty travel must have prior approval by their dean before insurance is arranged. Once AU travelers complete and submit the required documents as outlined above in the Travel Policy, they are eligible to be covered by an international travel insurance policy that covers certain medical expenses and expenses associated with emergency evacuation or repatriation. This insurance is only available to AU faculty, staff or students while traveling on AU business as an individual or participating in a scheduled AU program abroad. Since this coverage is supplemental, travelers also need to be covered by their own health insurance plan. Full information regarding the international insurance policy, benefits and claims procedures is available on the Office of Risk Management website.

When receiving medical treatment abroad, travelers will likely be expected to pay in full at that time, often in cash. Those seeking reimbursement from an insurance carrier for this treatment, should remember to get translatable itemized receipts or descriptions of the treatment received. For more information or questions, email RMO@american.edu.
REQUESTS FOR COUNTRY-SPECIFIC INFORMATION

Country-specific information is also available by request. The information includes, travel warnings, weather conditions, country customs, documentation needed to enter the country, risk analysis, immunizations needed, etc. Please contact the assistant vice president of Risk Management and Safety Services to obtain a country-specific report.

For more information or questions, email: RMO@american.edu.
Attachment I-F: SPONSORED PROGRAMS
APPROVAL FORM

OSP Contact:OSP Proposal No.: Deadline:
Proposal Status:Sponsor:
Principal Investigator:Co-Principal Investigator:
Project Title:
College/Department:
Project Period:
Ultimate funding source for sub-grant/sub-contract or pass-through:
Budget Type:Est. Award Date:
Type of Award Anticipated:Project Location:
Project Type:
Submission Type:
Relevant AU Acct:

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I-42
Attachment I-G: ROUTING AND PI ASSURANCE FORM

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**This section to be completed by the PI**

1. The proposed project will require
   - [ ] new space or alteration of existing space
   - [ ] hiring of new personnel
   - [ ] purchase of new equipment
   If you checked any above, please explain below and indicate if such will be accommodated with funds requested by the sponsor.

2. Have equipment costs been cleared with Purchasing? [ ] yes [ ] no
   If yes, please attach the quote.

3. Will you be requesting a course release? [ ] yes [ ] no
   If yes, please describe.

4. Does the proposal involve the use of consultants or subcontracts? [ ] yes [ ] no
   If more than 50% of the funding is going to another organization, please explain why AU is not the lead.

5. Please check if this project involves any of the following:
   - [ ] Human Subjects:
   - Protocol Status: [ ] pending [ ] exempt [ ] approved
   - [ ] Vertebrate Animals:
   - Protocol Status: [ ] pending [ ] exempt [ ] approved
   - [ ] Use of Radioactive Materials
   - [ ] Use of Bio hazardous Material
   - [ ] Use of Infectious Agents
   - [ ] Does the project involve work with special insurance, or work overseas? [ ] yes [ ] no
   - [ ] Will the program be intended for minors (e.g. Summer Camp)? [ ] yes [ ] no
   - If yes, list the date of coordination with the Risk Management and Safety Office. For overseas projects, attach the country risk report from the Office of Risk Management.

10. What level of academic year effort (as percent) will be required by the PI and Co-PI to conduct the proposed project?

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<tr>
<th>PI</th>
<th>Co-PI</th>
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<tr>
<td>AV Summer</td>
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**Will salary support be requested from the sponsor to fully reimburse the level of proposed effort above?** [ ] yes [ ] no
   (If yes, voluntary cost share is proposed and question 15 is applicable.)

11. Will the project involve payment to foreign nationals? [ ] yes [ ] no

12. Responsible, indicate where the funding opportunity for the project/program that you are applying was obtained:
   - [ ] Federal: [ ] School: [ ] Foundation: [ ] Corporate: [ ] Other: [ ]

13. Will the proposed sponsored project/program take place in any of the following?:

   - [ ] Basic
   - [ ] Applied
   - [ ] Developmental

provide a brief abstract of the proposal (REQUIRED). There is a 500 character limit. Attach additional sheet if needed.

I certify that the information provided in the routing form and in the application/proposal is true, complete and correct to the best of my knowledge.

I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties.

I understand as the Principal Investigator, I have ultimate responsibility for the scientific and ethical conduct of the proposed project, the data reported and interpreted in the proposed project, and the protection of the rights and welfare of human subjects, and adherence to any stipulations imposed by the applicable NIH and/or DOE. I accept responsibility for compliance with all applicable regulations, laws, and policies of sponsor and American University, including those governing the confidentiality of research data, data protection, data sharing and financial management of the proposed project. I understand that I must notify American University of any change of information provided in the routing form or application/proposal, but not limited to, changes in the project scope.
SECTION II – AWARD ADMINISTRATION

WHEN A PROPOSAL BECOMES AN AWARD

Award Negotiation and Acceptance

The Office of Sponsored Programs (OSP), on behalf of the University, has primary responsibility for reviewing all sponsored award documents as well as reviewing and negotiating sponsored award terms and conditions. OSP will notify the Principal Investigator (PI)/Project Director (PD) and the sponsor of any necessary and/or requested changes.

The basic objective of almost all award negotiations is to ensure that the University and the PI/PD do not relinquish the right to make the ultimate decisions on the manner in which the project/program is to be conducted or the project/program results are to be disseminated. Guiding principles are both academic and financial. Specifically, OSP, on behalf of the University and the PI/PD, seeks to guarantee that the sponsor cannot unilaterally amend, suspend, or terminate the project; that there will be no prohibition on the publication of results; and that the ownership or control of intellectual property resulting from the research not be relinquished. Other matters that may require negotiation concern the handling of confidential information, and/or conditions on the disclosure of some or all of the research findings. American University’s policies on these matters are consistent with its peer institutions.

There are fewer post-award administrative and legal/compliance difficulties when OSP is primarily involved in award negotiations. However, PIs/PDs are encouraged and may be asked to work with OSP during award negotiations to resolve technical and programmatic issues. OSP will keep PIs/PDs and respective units in the loop of negotiation communication with sponsors when requested. OSP will consult with PIs/PDs prior to accepting sponsored awards when confirmation is needed on any of the following matters:

- Payment Schedule (to ensure the proposed payment schedule is satisfactory)
- Technical Reporting (to ensure the proposed technical reporting requirements and frequency are satisfactory)
- Acknowledgement and Understanding of Award Terms/Conditions (when the sponsor requires such from PIs/PDs)
- Scope of Work (if changed after proposal submission)
- Period of Performance (if changed or inconsistent with the period in the proposal)
- Intellectual Property (when the sponsor proposes ownership or limits use of intellectual property development during the performance of the project/program)
- Data Sharing/Security (IT)
• Increase/Decrease in Funding (if modified after proposal submission)

OSP, on behalf of the University, reserves the right to determine the extent to which it will continue or terminate negotiations with any sponsor.

The OSP Director has signature authority to accept awards up to $100,000. Awards valued 100,000-$249,999 require signature of the Vice Provost for Research/Dean of Graduate Studies. Awards valued $250,000-499,999 requires the signature of the Provost. Awards valued $500,000 or more require the signature of the President.
AWARD ADMINISTRATION RESPONSIBILITIES

After a proposal is awarded and accepted by the University, the principal investigator/project director, OSP, Grants and Contracts Accounting (GCA) and the dean (or designee) of the school/college work together to manage the award. In general, the PI/PD is responsible for the technical and programmatic aspects of the award, while OSP and GCA, in partnership with the dean’s office, handles the administrative and financial aspects of the award.

The Principal Investigator/Project Director:

- Ensures that the program/project is carried out in a timely fashion.
- Ensures the appropriate level of effort is devoted to conduct the project/program.
- Consults with teaching unit heads and the school/college dean, as appropriate.
- Manages the award budget.
- Recruits and hires the appropriate personnel in accordance with university policies to work on the program/project.
- Initiates requests for subcontracts and prepares consultant agreements.
- Ensures adherence to university policies and procedures.
- Supervises project personnel according to the criteria required by the award.
- Prepares and submits interim and final non-financial project reports to the sponsor with copies to the dean of the school or college and to OSP.

The Office of Sponsored Programs:

- Informs principal investigator/project director, teaching unit head and school/college dean of an accepted award.
- Reviews terms/conditions of an award with principal investigator/project director when appropriate.
- Negotiates sponsored award and financial arrangements with sponsor.
- Prepares and distributes the Project Brief and authorized budget.
- Serves as a resource to the dean’s office regarding whether school/college approved project expenditures adhere to sponsor and university guidelines.
- Serves as liaison with sponsor as the primary point of contact.
- Coordinates matters with academic and business offices when applicable.
- If needed, coordinates with other departments to resolve sponsor related award issues.
- Ensures that project expenditures adhere to university and sponsor guidelines.
- Prepares subcontracts/subawards.
- Handles negotiations in areas of property disposal or transfer at conclusion of project.
- Advises on project closeout.

**Grants and Contracts Accounting:**
- Prepares and submits invoices and financial reports to sponsor.
- Monitors expenditures for allocability and allowability.
- Coordinates financial audits by sponsors.
- Directs compliance with OMB Circular A-133 Audit and Reporting Requirements.
- Prepares OMB Circular A-21 Cost Rate Studies (F&A Rate).

**The School/College Dean’s Office:**
- Develops sponsored program and research action plan.
- Achieves revenue goals.
- Allocates college and teaching unit resources involved in implementing research proposals and resulting from research awards.
- Reviews and revises college proposal commitments.
- Ensures that all principal investigators follow university policies and assume project administrative responsibilities.
- Reviews and authorizes appropriate forms initiated by the principal investigator/project director for payroll authorizations, new hires, purchases, and other project related expenses.
- Authorizes proposed cost-share and provides cost-share data to GCA for submission to the sponsor when required. Note that it is the responsibility of the principal investigator/project director/department/school/college to keep accurate information on cost sharing as these costs will appear on the projects’ ledgers.

**The Office of the Provost assisted by the Director of the Office of Sponsored Programs:**
- Approves exceptions to policy.
- Serves as final arbitrator of university's negotiating position.
- Determines all legal actions relative to sponsored projects and coordinates resolution of financial issues through OSP in consultation with the Office of General Counsel and the Vice President for Finance and Treasurer.
PROJECT ADMINISTRATION

Project/Grant Account Number

Once an award has been accepted and a Project Brief is created by OSP, GCA assigns it a restricted project account number. No university funds should be expended for the project until this number has been assigned. Each project is fiscally accounted for by a separate restricted account. When necessary or required to differentiate between various aspects of a single project, two or more account (or subaccount) numbers may be assigned.

The purpose of the risk account request and approval form is to establish an account in advance of receipt of the official award and provide the ability to charge expenditures prior to the official start date or recipient/acceptance of an award.

There are times when an account is needed in advance of receipt of an award document. If the receipt of an award is imminent and establishing an account is necessary for the management of the project, a risk advanced account number may be requested. Sometimes an established account is waiting for an amendment or renewal award notification from the sponsor.

For federal sponsored awards, OMB Circular A-110 permits the University certain expanded authorities under Federal grants and cooperative agreements. The ability to charge pre-award costs may be requested to charge specific expenditures prior to the start date of the Federal grant or cooperative agreement (must be within 90 days of the official start date). Pre-award costs may be requested in conjunction with a risk account request or independent of it.

The Principal Investigator/Project Director (PI/PD) school/college is fully responsible for any charges made to a risk account should an award or amendment not materialize. The school/college is also fully responsible for any unallowable costs incurred when the pre-award cost period exceeds sponsor rules.

Click here to access the Risk Account Request/Approval Form

Project Brief

After an award is accepted, OSP prepares and GCA distributes a Project Brief, and an authorized budget. The Project Brief will accompany the authorized award budget. The Project Brief summarizes the terms and conditions of the agreement, particularly those directly affecting the principal investigator/project director. Each Project Brief indicates the name of the assigned OSP staff member and the GCA accountant. The Project Brief will also detail actions that require sponsors prior approval (see Attachment II-A). OSP will prepare and revise the amended Project Brief for substantive changes and upon requested changes that require approval by the sponsor.
Technical Reports

Most sponsored projects/programs require submission of both interim reports and a final report. Failure to submit reports by the deadline date as specified by the sponsored award may not only adversely affect the principal investigator's/project director's (and the university's) ability to receive further support from the sponsor, but may result in a loss of payment for costs already incurred. To assist in ensuring reports are submitted timely, the Project Brief will indicate due dates for reports, and a reminder notice will be sent to the PI/PD referencing the project end date.

All principal investigators/project directors with active grants are required to send copies of all technical reports to the office of their dean or executive unit head as well as to the Office of Sponsored Programs.

Some agencies require technical reports to be countersigned by an Institutional Official and submitted electronically. The OSP Director or Vice Provost of Research/Dean of Graduate Studies will countersign reports when a signature by an Institutional Official is required and when sponsors require an Institutional Official to submit the technical report.

Financial Reports

Financial reports are prepared by Grants and Contracts Accounting when required. GCA uses the guidelines supplied by the sponsor to complete such reports. Completion of financial reports is done according to the schedule requirements as required by the sponsor.

Property Control

Title of ownership to capital equipment purchased through sponsored funding is subject to university property control procedure. Each sponsored award is reviewed for specific conditions related to ownership. General guidance can be found in OMB Circular A-110 in Section 34 as listed below. If title to equipment is vested in the university, the principal investigator/project director cannot dispose of equipment without the approval of the teaching unit head and the Vice Provost of Research/Dean of Graduate Studies.

OMB Circular A-110, Section 34
http://www.whitehouse.gov/omb/circulars/a110/a110.html#34Equipment.

(a) Title to equipment acquired by a recipient with Federal funds shall vest in the recipient, subject to conditions of this section.
(b) The recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent
services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.

(c) The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority: (i) Activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.

(d) During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency. User charges shall be treated as program income.

(e) When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency.

(f) The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following.

(1) Equipment records shall be maintained accurately and shall include the following information.
   (i) A description of the equipment.
   (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
   (iii) Source of the equipment, including the award number.
   (iv) Whether title vests in the recipient or the Federal Government.
   (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
   (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
   (vii) Location and condition of the equipment and the date the information was reported.
   (viii) Unit acquisition cost.
   (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

(2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.

(3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
(4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify the Federal awarding agency.

(5) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(6) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

(g) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of $5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions from the Federal awarding agency. The Federal awarding agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported to the General Services Administration by the Federal awarding agency to determine whether a requirement for the equipment exists in other Federal agencies. The Federal awarding agency shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse the Federal awarding agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the recipient shall be permitted to deduct and retain from the Federal share $500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

(2) If the recipient is instructed to ship the equipment elsewhere, the recipient shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the recipient's participation in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the recipient is instructed to otherwise dispose of the equipment, the recipient shall be reimbursed by the Federal awarding agency for such costs incurred in its disposition.

(4) The Federal awarding agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards.

(i) The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.

(ii) The Federal awarding agency shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with grant funds and federally-owned equipment. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar day period, the recipient shall apply the standards of this section, as appropriate.

(iii) When the Federal awarding agency exercises its right to take title, the equipment shall be subject to the provisions for federally-owned equipment.
Insurance

Travel

Faculty and staff who will be traveling overseas as required by a sponsored program/project need to inform their designated unit representative in advance of a trip so that they will be covered by the university's international insurance. Students traveling overseas on sponsored projects also need to be covered by the university's international insurance. If the sponsor allows, the cost of student insurance should be charged to the grant unless the unit decides to pay for the insurance. These arrangements must also be made well in advance of the proposed trip. For more detailed information, see Attachment I-E in Chapter I.

Vehicles

If rental vehicles are required to carry out university business, the Office of the Vice President for Finance and Treasurer should be notified. Vehicles are rented in the name of the university, with the faculty or staff member indicated as the authorized driver.

Insurance coverage on vehicles rented in the United States or its possessions is provided in the university's blanket insurance policy. Additional insurance is not required. Foreign coverage, however, is not provided under the university's blanket policy. Accordingly, faculty and staff renting vehicles in foreign countries must obtain the appropriate insurance coverage from the rental agency.

When using personal vehicles for university business, faculty and staff members are responsible for obtaining and maintaining the mandatory vehicle insurance coverage required by state regulations.

Faculty who wish to use university-owned vehicles for sponsored projects should refer to the University's "Vehicle Safety Policy and Guidelines" (see Attachment II-B). An application for driving privileges is available at https://domino.american.edu/au/vpfin/rmo/auvpguide.nsf/DPA?OpenForm.

Equipment

All equipment purchased through a sponsored project/program must be insured under the university blanket insurance policy. The blanket insurance policy has a $25,000-per-loss deductible. If a smaller deductible is needed, it can be arranged only if funded through the project. Computers, printers, and other peripherals, however, are not covered under the university's blanket insurance policy. Special arrangements for their coverage must be made with the Office of the Vice President for Finance and Treasurer.
Projects that pose unusual risk exposures (such as construction, use of a water craft, toxic wastes, chemical intrusion into the human body, etc.), or projects that involve bringing groups to the university campus to participate in a sponsored activity, for example, groups of international students or groups of minors, are not covered under the university’s blanket insurance policy. OSP can facilitate discussions with the Risk Management Office to provide guidance on the level of additional insurance that may be required.

These projects are subject to the individual review and endorsement of the insurance carrier. Unless the carrier agrees to provide coverage, the project may not be implemented.
SPONSORED AWARD CHANGES

Change of Principal Investigator or Key Personnel

During a sponsored project, circumstances may arise warranting the designation of a new principal investigator/key personnel. The appointment can be made only with the approval of the teaching unit head, school/college dean, Assistant Provost, and sponsor. The request for designation of a new principal investigator/key personnel may require a stated reason for such a change with a new curriculum vitae of the proposed principal investigator/key personnel. Specific requirements and/or additional information may be required by the sponsor.

Transfer of Sponsored Awards

From Another Institution

A new AU faculty/staff member coming from another institution may wish to transfer his/her sponsored award to American University. Generally, such transfers require the approval of both the previous institution and the sponsoring agency. To initiate the transfer process, a new or revised proposal is prepared and sent through OSP's normal routing process. For additional information on the transferring of an award from another institution, the assigned OSP pre-award staff member should be contacted.

To Another Institution

An AU principal investigator who is transferring out of the university may wish to continue his or her sponsored project at a new institution. A request to transfer the sponsored award to a new institution must proceed through OSP, with the consent of the PI's teaching unit head, the school/college dean, and the approval of the sponsoring agency. Approved transfers occur only after a final accounting and release from Grants and Contracts Accounting (GCA), certifying the amount of funds remaining available to transfer.

If American University elects to retain the sponsored award, a new principal investigator will be nominated to replace the departing principal investigator, upon confirmation and approval of the teaching unit heads, school/college dean and sponsoring agency. 
No-Cost Extensions  [Click here to obtain the form]

Purpose: To request an extension of time beyond the current ending date of an award.

Occasionally, the completion of a sponsored project/program may require more time to complete. If no additional funds are necessary to complete a sponsored project/program during the proposed extension period, a no-cost extension may be requested from the sponsor. PI’s seeking a no-cost extension should notify OSP at least 45-60 days (or other advanced period as required by the sponsor) prior to the project/program expiration date.

Most Federal grants and cooperative agreements issued under Research Terms and Conditions allow for a single grantee-approved no-cost extension. In these instances, OSP on behalf of the University/PI must notify the Federal agency of its intention to extend the end date of the award. For all projects that do not allow grantee-approved no-cost extensions, or when the grantee-approved no-cost extension has already been exercised, a request must be submitted by the University to the Sponsor for approval to extend the period of performance of the project. In cases where a notification or request can be submitted through a Sponsor’s post-award management system (e.g. NSF FastLane, NIH eRA Commons, etc.) the No-Cost Extension Request Form does not need to be completed.

When seeking a no-cost extension, the PI is required to provide written justification for the request by completing the No-Cost Extension Request Form. The justification should contain all of the components (i.e. the reason for needing a no-cost extension/an account of award funds spent and unobligated to date, etc.) that are required by the sponsor. OSP will advise the PI of all the components that must be within the written request as well as submit the request on behalf of the PI and American University.

Sponsors expect that key personnel will continue to expend the same effort on the project during the no-cost extension. **Should the effort of any key personnel be anticipated to decrease during the no-cost extension period, it must be fully disclosed at the time the no-cost extension is requested or, in the case of grantee-approved no-cost extensions, at the time the Federal agency is notified of the desire to extend the period of performance.**

Please be advised that remaining funds are generally not a sufficient justification for requesting a no-cost extension if the sponsored project/program has already been completed.

As a general guideline, the following are minimum requirements for requesting a no-cost extension:

- The project is not completed and additional time is needed to complete the project;
- There are legitimate reasons for delays or reasons why the project has not been completed as expected and a reasonable plan for completing the project;
Changes in Scope of Work

Changes to the scope of work must be approved by the sponsor. PI’s should consult with OSP when seeking approval from the sponsor when seeking changes to the scope of work. It may be difficult to determine when scope of work changes requires sponsor’s approval. Principal Investigators should consult with OSP when in doubt. The following are examples of scope of work changes that generally require sponsor’s approval:

- Change in PI effort
- Changes in planned equipment purchases;
- Changes in number of human or animal subjects;
- Major changes in staffing, travel plans, etc.

All changes to the scope of work approved by the sponsor must then be routed and approved by the PI’s department head/school/college dean. Because changes to the scope of work differ from the original scope of work that was institutionally approved, sponsored approved changes to the scope of work would require approval by the PI’s department head/school/college dean. OSP will facilitate obtaining those approvals.

Re-budgeting

Changes in sponsored award budgets are generally guided by the terms and conditions of the sponsored award. Some sponsors allow “insignificant re-budget changes” to be done without their approval. In this case, the PI is free to re-budget accordingly. When the PI has the ability to re-budget without prior approval, a revised project brief is not required.

Significant budget changes from one budget category/line item to another generally require the sponsoring agency’s approval. As a rule of thumb, significant re-budgeting is defined as a transfer of 25% or more from one budget category/line item to another, however “significant re-budget changes” are often defined in the terms and conditions of the sponsored award. OSP will contact and obtain the sponsor’s approval prior to authorizing significant re-budgeting changes.

In those instances where re-budgeting requests can be submitted through a sponsor’s post-award management system (e.g. NSF FastLane), no additional paperwork is necessary. In all other instances, a letter will need to be drafted by the Principal Investigator/Project Director (PI/PD) that explains the re-budget request and the affect it will have on the project. A revised budget will need to accompany the letter. This letter should be signed by the PI/PD and counter-signed by the Office of Sponsored Programs (OSP) or the Vice Provost for Research and Dean of Graduate Studies (VPRGC). OSP will forward the request to the sponsor for action. When significant re-budgeting changes are approved by the sponsor; OSP will create and distribute a revised project brief.
If you are unsure whether or not re-budgeting is allowed under a sponsored project, please contact your assigned OSP staff member for guidance. For general guidance on re-budgeting for federal sponsored projects refer to OMB Circular A-110, Section 25 - Revision of Budget and Program Plans as listed below.

**OMB Circular A-110, Section 25**

[http://www.whitehouse.gov/omb/circulars/a110/a110.html#25](http://www.whitehouse.gov/omb/circulars/a110/a110.html#25)

**Revision of budget and program plans.**

(a) The budget plan is the financial expression of the project or program as approved during the award process. It may include either the Federal and non-Federal share, or only the Federal share, depending upon Federal awarding agency requirements. It shall be related to performance for program evaluation purposes whenever appropriate.

(b) Recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions, in accordance with this section.

(c) For nonconstruction awards, recipients shall request prior approvals from Federal awarding agencies for one or more of the following program or budget related reasons.

1. Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
2. Change in a key person specified in the application or award document.
3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional Federal funding.
5. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
7. The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.
8. Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

(d) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(e) Except for requirements listed in paragraphs (c)(1) and (c)(4) of this section, Federal awarding agencies are authorized, at their option, to waive cost-related and administrative prior written approvals required by this Circular and OMB Circulars A-21 and A-122. Such waivers may include authorizing recipients to do any one or more of the following.
(1) Incur pre-award costs 90 calendar days prior to award or more than 90 calendar days with the prior approval of the Federal awarding agency. All pre-award costs are incurred at the recipient's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

(2) Initiate a one-time extension of the expiration date of the award of up to 12 months unless one or more of the following conditions apply. For one-time extensions, the recipient must notify the Federal awarding agency in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

(i) The terms and conditions of award prohibit the extension.

(ii) The extension involves any change in the approved objectives or scope of the project.

(3) Carry forward unobligated balances to subsequent funding periods.

(4) For awards that support research, unless the Federal awarding agency provides otherwise in the award or in the agency’s regulations, the prior approval requirements described in paragraph (e) are automatically waived (i.e., recipients need not obtain such prior approvals) unless one of the conditions included in paragraph (e)(2) applies.

(f) The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for awards in which the Federal share of the project exceeds $100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency. No Federal awarding agency shall permit a transfer that would cause any Federal appropriation or part thereof to be used for purposes other than those consistent with the original intent of the appropriation.

(g) All other changes to nonconstruction budgets, except for the changes described in paragraph (j), do not require prior approval.

(h) For construction awards, recipients shall request prior written approval promptly from Federal awarding agencies for budget revisions whenever (1), (2) or (3) apply.

(i) The revision results from changes in the scope or the objective of the project or program.

(ii) The need arises for additional Federal funds to complete the project.

(iii) A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in Section 27.

(j) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(k) When a Federal awarding agency makes an award that provides support for both construction and nonconstruction work, the Federal awarding agency may require the recipient to request prior approval from the Federal awarding agency before making any fund or budget transfers between the two types of work supported.

(l) For both construction and nonconstruction awards, Federal awarding agencies shall require recipients to notify the Federal awarding agency in writing promptly whenever the amount of Federal authorized funds is expected to exceed the needs of the recipient for the project period by more than $5000 or five percent of the Federal award, whichever is greater. This notification shall not be required if an application for additional funding is submitted for a continuation award.

(m) When requesting approval for budget revisions, recipients shall use the budget forms that were used in the application unless the Federal awarding agency indicates a letter of request suffices.
Within 30 calendar days from the date of receipt of the request for budget revisions, Federal awarding agencies shall review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, the Federal awarding agency shall inform the recipient in writing of the date when the recipient may expect the decision.

**Carryover/Carry Forward Requests**

Sponsor policies vary regarding the handling of unspent funds at the end of a budget period. The terms and conditions of the sponsored award generally specify the treatment of unspent funds. When the terms require prior approval to carry over funds from one budget period to the next, the PI/PD is required to submit a written request/justification to OSP. OSP will then submit the carry over request to the sponsor. Most sponsors require the request to include an explanation of why such unspent funds exist and how they will be used during the next budget period. A revised project brief will be created by OSP upon the sponsor’s approval, and GCA will carry over funds from one budget period to the next. A revised project brief **will not be created** by OSP when the award terms and conditions authorize funds to be carried over without the sponsor’s approval. Upon request, GCA will carry over funds from one budget period to the next.

**Request for Supplemental Funds/Additional Funding**

Requests for supplemental/additional funds should include a budget showing how the funds will be spent and an explanation of why they are needed and relevant to the sponsored program/project. Such requests must be approved by the PIs/PDs departmental/school/college head and submitted through OSP. OSP will submit the request for supplemental/additional funds to the sponsor for review and approval. If approved, OSP will develop and distribute a project brief advising of the approval for supplemental/additional funds. Please be advised that some sponsors require supplemental/additional funds to be tracked and managed separate from the original funds that were awarded. In that event, OSP will request a separate account from Grants and Contracts Accounting (GCA) for the supplemental/additional funds.

**Project/Program Cost Overruns**

Since principal investigators serve as the budget managers for sponsored projects, it is their responsibility to keep the budget in order and within limits. Cost overruns will be charged to the principal investigators’ department/school/college.
CLOSE-OUT OF A SPONSORED AWARD

Termination of Project Personnel

Personnel whose employment ends with the sponsored project should be notified well in advance of the termination date of the grant or contract. The university’s policy on “Externally Funded Positions – Terminal Appointments” is as follows:

“In cases of externally funded positions, the university will give written notice at least 30 days prior to the effective date of termination of funding. When an employee’s term of appointment has ended as specified on the Human Resources Action Form, payment ceases automatically unless that appointment is renewed. A Request for Personnel Action stating either formal separation or renewal of appointment must be submitted. The university will not pay for accrued annual leave beyond the specified termination date. In cases where positions have been funded by external agencies, it may be necessary to use all or some of the 30-day period as annual leave because leave cannot be paid as additional time in these cases.”

From the Staff Manual of Personnel Policies
Includes updates as of April 2011.

Should the employee's appointment be renewed, a Payroll Authorization Form indicating renewal of appointment must be submitted.

Project personnel interested in continuing at the university beyond the sponsored project should be referred to the Human Resources Office for possible relocation.

Close-Out Procedures

Approximately 90 days before the expiration of a project, GCA will send e-mail notices to the PI/PD and other members of the project team to remind them of the expected end date of a sponsored award. OSP will then follow up with the principal investigator/project director regarding the project status. Depending on the sponsor and the terms of the award, the principal investigator/project director will confirm the status as one of the following three:

- Close as scheduled (PI/PD will develop all technical and/or final reports if required, and GCA will prepare and submit all of the required financial reports)
- Request a no-cost extension (refer to page II-14).
- Submit a proposal to request additional funding
If there are other matters related to close-out or if the principal investigator/project director needs guidance, these matters can be discussed before the official end date of the project. For reference, a project close-out checklist can be found in Attachment II-E.

OSP, in conjunction with the principal investigator/project director and GCA, reviews items on the sponsored award close-out form (see Attachment II-E). This form ensures that:

- All required technical and financial reports have been submitted to the sponsor in a timely manner;
- Any agency requirements for the transfer or disposal of property owned by the government have been met;
- Patent and/or copyright procedures have been followed, and
- Personnel hired only for the duration of the project have been officially terminated from employment with the university.

OSP handles all necessary negotiations regarding property disposal or transfer, while Accounting prepares the final financial report including all charges to date. The principal investigator/project director is responsible for notifying GCA of pending financial charges so that appropriate arrangements can be made for billing the sponsor. Charges received after the financial report has been submitted to the sponsor will be charged to the principal investigator’s/project director’s teaching unit.

OSP will initiate a project brief advising of the award close-out after all items per the sponsored award close-out form have been completed.

Records Retention

Generally, records generated by a sponsored project are retained for a period of three (3) years following the last date of payment from the sponsor with exceptions per OMB Circular A-110, Section 53b (http://www.whitehouse.gov/omb/circulars/a110/a110.html#53), beginning from the date of final payment or the final audit, whichever is later. Sponsor requirements for records retention may vary; check with the assigned OSP staff member to verify the number of years for retention required for the sponsored award(s).
INTELLECTUAL PROPERTY

Copyrights & Patents

In September 1997, the Provost combined the Copyright Committee and the Patent Committee into a single committee, known as the Intellectual Property Committee. The Intellectual Property Committee administers the copyright and patent policies of the university pursuant to the policies and guidelines found in this handbook.

Copyright

In regard to copyrights, the university believes that the publishable work of its faculty, staff, and student body should be available to all interested scholars. The university also believes that the author should be given full credit for any work, and should be entitled to retain proprietary rights to the product of the individual's own initiative and independent labors. Occasionally, however, faculty and staff produce materials as a result of specific university assignments. In such cases, the university reserves the right to determine whether or not the material will be copyrighted, and in whose name, and what rights, if any, the author will retain to the materials. Normally, when materials published under the university's copyright are distributed or sold for educational or scientific purposes only, the author receives no payments. If the materials are marketed commercially, however, the author often receives royalty payments based upon an agreed rate.

Any arrangement relating to copyright matters involving a sponsored project must be referred to OSP. Some sponsors have established regulations governing the copyright and/or publication of the results of investigations they finance. Limitations imposed by government agencies seek to keep research findings within the common domain. Occasionally, restrictions are designed to prevent the release of information that might prove contrary to the national interest or detrimental to the interest of the sponsor. Before entering a sponsored project, an understanding among the principal investigator, the university, and the sponsor should be reached regarding the rights to any copyrightable materials produced by the project.

Traditionally, the right of first publication is the property of the author, unless the terms of the grant or contract specify otherwise. Copyrights secured for the university or any of its units are placed in the name of the university, and become university property. The OSP grant and contract manager will provide interested persons with information concerning the procedures to be followed in applying for a copyright.
Patents

In regard to patents, the university policy is that discoveries or inventions resulting from a sponsored project that are judged by the principal investigator to be patentable must be brought to the attention of the University Intellectual Property Committee. This committee determines whether and to what extent the university has a property interest in the discovery or invention. To safeguard the interests of the university, the public and potential inventors, the Provost has established a patent policy applicable to all university project personnel (see Attachment II-C).

For information on the university’s Intellectual Property matters, please contact Jonathan G. Tubman, Vice Provost of Research/Dean of Graduate Studies, at (202) 885-3778.
DRUG-FREE WORKPLACE

American University is committed to maintaining a workplace free from illegal drugs and alcohol or drug abuse. The abuse of alcohol and the use of illegal drugs by members of the American University community are incompatible with the goals of the institution. In order to further the university’s commitment to provide a healthy and productive educational environment, and in compliance with the Drug-Free Schools and Communities Act Amendments of 1989 and the Drug-Free Work Force rules promulgated by the Department of Defense and other agencies, the university has established the following policy on alcohol and other drugs.

As a condition of employment, university employees agree to abide by the terms of this policy and to notify their supervisor of any criminal drug conviction no later than five (5) working days after the conviction. For the purposes of this policy “employee” refers to all full-time faculty and staff, adjunct faculty, and part-time staff.

Employees of American University engaged in government grants and contracts may be subject to additional drug-free workplace compliance requirements where required by government grant, contract, or law. These requirements may include, but are not limited to, drug and alcohol testing. (see Attachment II-D)
Attachment II-A: SAMPLE PROJECT BRIEF

PROJECT BRIEF

OSP Proposal No.: Project Brief #: Action: Date: CFDA #:
Award #: University Acc. #: Award Period:
Sponsor: Sponsor Type:
Principal Investigator: Co-Principal Investigator(s):
Project Title: College/Department:

<table>
<thead>
<tr>
<th>Sponsor Funds Provided by this Action:</th>
<th>Cost Share Provided by this Action:</th>
<th>Total Project Costs to Date:</th>
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<tbody>
<tr>
<td>Previously awarded:</td>
<td>Total awarded to date:</td>
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Is more funding anticipated? Significant International Component? Sub-Contractors/Sub-Recipients (Commitment Form):

FUNDING SOURCE

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<td>PROJECT TYPE: Other description:</td>
</tr>
<tr>
<td>PROJECT LOCATION:</td>
<td>BUDGET TYPE: AWARD CATEGORY:</td>
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<tr>
<td>PAYMENT TYPE(S):</td>
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</tr>
</tbody>
</table>

PAYMENT TERMS: INDIRECT RATE: Other Rate:

Is there a cost share commitment in this proposal? Amount: Please indicate if this cost share commitment is mandatory or voluntary. If both, please explain.

IRB/IACUC/IBC CERTIFICATION AND ASSURANCES

REPORTING REQUIREMENTS Technical: Financial:

FFATA REQUIREMENTS ANTIQUATED PROGRAM INCOME

ADMINISTRATIVE/FINANCIAL CONTACTS

Sponsored Programs:
Accounting Office:
Unit/School:
Sponsor:

NOTES

DISTRIBUTION
# Budget Action Form

**Project Brief**

University Acc. #: 11--xxxxx-
Principal Investigator: 
Project Title: 
Reason for budget action: 

## Direct Costs

<table>
<thead>
<tr>
<th>Salaries and Wages</th>
<th>This Action</th>
<th>Previous Budget</th>
<th>Revised Budget</th>
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</thead>
<tbody>
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<td>Cost-Share</td>
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<td></td>
</tr>
<tr>
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<tr>
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<tr>
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<tr>
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<tr>
<td>Sub-total</td>
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**TOTAL DIRECT COSTS**

0.00          0.00          0.00          0.00          0.00     0.00

## Indirect Costs

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<th>Revised Budget</th>
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<td>Indirect CS Sponsor</td>
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<tr>
<td>Direct</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL INDIRECT COSTS**

0.00          0.00          0.00          0.00          0.00     0.00

| Fee (50660) |             |                 |               |               | 0.00     | 0.00          |

**TOTAL PROJECT COSTS**

0.00          0.00          0.00          0.00          0.00     0.00

**Save**
**Exit**
Attachment II-B: AMERICAN UNIVERSITY
VEHICLE SAFETY POLICY AND GUIDELINES

http://www.american.edu/finance/rmehs/driving.cfm

Introduction

While vehicle operation is an essential part of the services provided to the American University community, accidents, damage and abuse of vehicles represent a huge expenditure to the university. In many cases these costs are preventable. The purpose of this policy is to establish a uniform, university-wide program that:

This university policy and its associated programs apply to all drivers who may be engaged in the operation of any university-owned or -leased motor vehicles on either public or private property. This policy stipulates requirements in addition to those of other established programs such as campus traffic regulations and pedestrian safety, motor vehicle maintenance, and parking enforcement. Responsibility and authority for the enforcement of this policy has been delegated to the Risk Management office.

All drivers (including full-time and part-time staff and faculty, students, work-study students, and interns) must be authorized to drive university-owned or -leased motor vehicles. Authorization is valid for the term of one year for students and three years for other authorized drivers. Authorization is completed through the Risk Management office with the review of driving records.

The university is currently responsible for the operation of a fixed fleet of over 60 owned and leased motor vehicles distributed among seven departments (consisting of approximately 275 full and part-time students and employees), as well as additional motor vehicles that may be leased as needed. The university’s automobile insurance coverage includes all university-owned or -leased motor vehicles and all authorized drivers with respect to property and liability claims.

University vehicles are to be used for authorized business only. All drivers must comply with all applicable laws and regulations concerning the operation of motor vehicles. University supervisory personnel are responsible for conducting evaluations of each driver’s performance on a periodic basis, consistent with university performance evaluations and staff policies. The university maintains the right to suspend an employee’s or student’s privilege to operate a university motor vehicle at any time and for any reason.

Driver Training

All university drivers must complete a driver-training course. Students are required to complete the training each year and employees who regularly operate university-owned vehicles are required to complete the training every three years. The course, Coaching the Van Driver II, can be either a self-paced instruction, or classroom lecture depending on the needs of the department. The course is provided by the National Safety Council and covers driver safety and the unique safety
considerations of university vans. The Risk Management office can provide the training materials and in some cases, provide the training. Deans, directors, and department heads may develop additional training as they deem necessary, based on the needs of their department.

Drivers should also receive an orientation of the vehicle that he will be driving.

**Driver Qualifications**

In order to receive authorization to operate a university motor vehicle, an employee or student must:

- possess a current and valid United States driver’s license issued by the Department of Motor Vehicles from his/her state of residence or the District of Columbia for at least two (2) years (International driver’s licenses are not acceptable)
- fill out completely the Application for University Driving Privileges and submit to the Office of Finance and Treasurer annually
- fall within the "approved" or "approved on probation" status on the driver acceptability guidelines
- successfully complete the university’s safe driver training program (annually for students and every three (3) years for employees who regularly operate university owned vehicles, or more frequently as required or deemed appropriate by supervisory personnel).

**Driver Obligations**

All drivers are expected to safeguard and maintain university vehicles. Improper attention to vehicle maintenance, safe operations, or violations of the university vehicle policy, may result in suspension of driving privileges. In addition to restrictions and requirements placed upon university vehicle drivers by individual departments, drivers must also:

**Special Restrictions:**

**Athletic Department:** A full-time or part-time coach or departmental-appointed program supervisor must be in a van being driven by a student, or be with the traveling party of vans in which students are driving, at all times.

**Responsibilities**

**Departmental & University Sanctioned Groups**

As a minimum requirement, each department or group that may use a university motor vehicle is required to maintain the program procedures outlined below. The development of department specific procedures is the responsibility of individual deans, directors, or department heads. Deans, directors, or department heads may institute additional policies or procedures, as they deem necessary. The risk management office may be consulted for advice relating to additional departmental procedures and may exercise at its discretion, the right to request copies of each specific department or group's written procedures for review. The department’s or organization’s program must:
• ensure only those individuals, who have been determined eligible and are authorized by the sponsoring department or group, operate a university motor vehicle
• establish and maintain an ignition key control system for issuing ignition keys in such a manner so as to prevent unauthorized use of university motor vehicles
• establish and maintain a current list of all persons within the department or group who have been determined eligible and are authorized by the sponsoring department or group to operate a university motor vehicle
• establish and maintain a sign-in and -out log and procedures that include at least the name of eligible driver requesting authorization to use vehicle, destination and estimated duration, activity or destination, and date and time signed in and out
• maintain each motor vehicle according to the motor vehicle manufacturer’s recommendation and the Facilities Management preventive maintenance schedules. (The Facilities Management vehicle maintenance contact phone number is 202-885-2350).

In addition to the procedures above, departmental programs should ensure the materials listed below are maintained in each university owned and leased motor vehicle:

Departmental and university sanctioned groups are encouraged to establish fleet coordinators for monitoring fleet activities, ensuring compliance with this vehicle policy and serving as a liaison with the offices of Risk Management, Public Safety, and Facilities Management.

**Vehicle Maintenance and Damage**

Vehicle maintenance is the responsibility of all departments and their drivers. The majority of the annual cost of vehicle body damage to the university is preventable. When there is damage to university vehicles, drivers should immediately report the damage to their department fleet coordinator who will in turn notify Physical Plant Operations at 202-885-2350. Drivers should describe the incident that caused the damage in detail. If the damage was caused during an accident, the driver and department should follow the accident procedure described in this document.

In the event of any accident on campus or off-campus involving a university motor vehicle, the Department of Public Safety shall:

• take action as detailed in their departmental manual
• notify the risk management office of the accident and forward the accident investigation report as well as any photographs of the motor vehicles or accident scene to the risk management office within twenty-four (24) hours of the incident.

**Facilities Management**

Facilities Management shall provide the following services regarding university vehicles:

• routine preventative maintenance on vehicles
• registration and tag renewals
• emergency breakdown repairs
• manage vehicle inspection logs
- manage gas purchasing card program
- quarterly safety checks and yearly inspections.

**Risk Management Office**

In addition to providing resources to individual department in order to assist in complying with this program, the Risk Management office will also:

**Enforcement**

Failure to comply with the procedures in this policy may result in disciplinary action comparable with the established university policy on conduct and discipline as specified in the University Staff Personnel Policies Manual, and may result in suspension or termination of motor vehicle operating privileges; please read the Levels of Offenses (comparable to university levels of offense).

In the event of an accident involving a university motor vehicle caused by a university driver while under the influence of drugs or alcohol, or in the event of gross negligence, the university may have grounds to make a claim for the recovery directly against the employee or student. In such a situation, the university may pursue legal action directly against the individual. The university reserves the right to arrange a blood test and/or urine test for alcohol and/or drugs in the event a driver is involved in an accident while operating a university motor vehicle.

**Breakdowns and Emergencies**

In case of a breakdown, please contact Public Safety at 202-885-3636. Once you are able to make arrangements with Public Safety, notify your supervisor immediately.

**Accident Procedures**

**In the event of an accident on campus, the following procedures must be followed:**

In the event of an accident on public property, drivers must follow the following procedures:

1. Notify the local police department by telephoning 911 and providing pertinent information concerning the accident. Do not leave the accident scene until the local police have responded.
2. Notify the Department of Public Safety at 202-885-3636.
3. Obtain the names, addresses, and telephone numbers of all witnesses.
4. Complete the accident report form (and accident questionnaire, if necessary) located in the motor vehicle glove box.
5. Report the accident immediately to your supervisor.
6. Never admit liability while at the scene of the incident. Insurance adjusters, and in some cases the courts, will determine liability after an investigation of the facts in accordance with applicable laws and regulations. Drivers should speak freely and accurately to law enforcement personnel and university insurance adjusters.
For further guidance, note the instructions found in the Emergency Action Packet claims brochure. For additional copies of the brochure, contact the risk management office.

If a vehicle needs to be towed, any local towing company can be used. Vehicles are to be towed only to American University's physical plant garage located next to the Osborn Building.

**Unsafe Driver Incident Observance**

To ensure everyone that unsafe motor vehicle operating practices will not be tolerated, signs are posted on all university motor vehicles that state: "How is my driving? Call 202-885-3145". A comment report will be completed for all complaints and forwarded to the appropriate supervisor or department head for further action to be determined.
# Risk Management & Safety Services

## APPLICATION FOR DRIVING PRIVILEGES

**Type:**
- [ ] Employee
- [ ] New
- [ ] Recertify

**Employee Name:**

**Permanent Address:**

- **Street:**
- **City:**
- **State:**
- **Zip:**

**Dept:**

**Ext:**

**eMail:**

**Emergency Contact(s):**

- **Contact # 1 Name:**
- **Home Phone:**
- **Contact # 2 Name:**
- **Home Phone:**

## Personal Information:

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<th>Driver’s License #</th>
<th>AU Employee Student #:</th>
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<tr>
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<td>List Years of Driving Experience:</td>
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<table>
<thead>
<tr>
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<tbody>
<tr>
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<td>Type of Violation(s):</td>
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<tr>
<td>Female</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Expiration Date of License:</th>
<th>Social Security #:</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Number of Collision Accidents within the past three (3) years:</td>
</tr>
</tbody>
</table>

I, _____________________________, understand and agree to the following:

1. To the best of my knowledge, the information on this application is correct. I understand that any misrepresentation or falsification of information may be sufficient cause for rejection of motor vehicle operating privileges.
2. I authorize American University to inquire and verify the information contained herein.
3. I agree to abide by all laws and regulations pertaining to the operation of motor vehicles, as well as University policy and driving regulations.

**Signature of Applicant:** _____________________________  
**Date:** 07/19/2011

**Signature of Supervisor:** _____________________________  
**Print Supervisor’s Name:** _____________________________

**Supervisor’s Dept Address:** _____________________________

Please include a copy of your driver’s license and a signed copy of the FCRA Motor Vehicle Record Verification Disclosure form with this application and return to the RISK MANAGEMENT OFFICE.

---

American University
Driver Acceptability Guidelines

Major Violations
Accident (at fault or charged)
*Driving while intoxicated or under the influence of drugs
Driving while license is under suspension
Hit and Run
*Murder or assault with motor vehicle
*Negligent homicide
Reckless driving/Speeding in excess of 25 mph over the posted limit
Theft of a motor vehicle and related offenses
(* see Non-Approved Status)

Minor Violations
Not obeying a traffic sign or light
Seat belt violation
Cell phone violation
HOV violation

Approved Status

Driving privileges for a driver who is granted approved status are valid for a period of three years for faculty and staff, and one year for students.

- Driver must have a valid driver’s license issued by a US state, territory, or the District of Columbia.
- Driver must have two (2) years of driving history in the United States.
- Less than six (6) points (DC point system or equivalent) on record.
- No more than one (1) accident or other major moving or minor violation (traffic signal, seat belt offense) charged against the licensee within the last three (3) years. This excludes the *non-approved status violations.

Approved on Probation Status

Driving privileges for a driver who is granted approved on probation status are valid for a period of six months.

- Two (2) violations charged against the licensee within the previous three (3) years. This excludes the *non-approved status violations.

Non-Approved Status

A driver who is granted non-approved status is eligible to reapply for driving privileges one year from the date of determination.

- Reinstated license in effect less than one year after suspension.
- Any one (1) of the following violations within the last three (3) years:
  - Driving while intoxicated or under the influence of drugs
  - Murder or assault with motor vehicle
  - Negligent homicide
- Conviction of three (3) or more major or minor violations in the last three years.
Offenses Leading to an Approved on Probation or Non-Approved Status

- A previously approved driver who receives one (1) violation will be placed on a six-month probation period. This excludes the non-approved violations, which will lead to suspension of driving privileges.
- A driver approved on probation cannot receive any violations or their driving privileges will be suspended for six months.
- If a driver receives one (1) negative report on the How’s My Driving? Line the driver will be placed on six-month probation period.
- If a driver receives two (2) negative reports on the How’s My Driving? Line the driver’s privileges will be suspended for six (6) months.

*At the end of the probation or suspension period, the driver will have to reapply for driving privileges.

Office of Finance and Treasury 2/15/2007
Attachment II-C: AMERICAN UNIVERSITY 
PATENT POLICY

American University believes that its faculty and staff should be encouraged to contribute to the development of science and technology. For this reason, it is the objective of AU that any member of the university who invents a patentable device or procedure should benefit financially from its commercial exploitation, wherever possible. While AU could claim rights in all inventions of faculty or staff members that are in any way related to their employment, to do so would be inconsistent with that objective. At the same time, however, patentable inventions resulting from the creativity of AU faculty and staff also may reflect significant investments of university resources. Under some circumstances, therefore, it will be appropriate for AU to share in the proceeds of an invention's commercialization. The objective of this Patent Policy is to define the relative rights of faculty/staff inventors and AU in a variety of different situations.

Obviously, a policy such as this one cannot anticipate all cases that may arise or dictate exactly how each case will be categorized in terms of that policy when it does arise. Under this policy such determinations are to be made by the Provost of the university, acting on the advice of a standing Patent Committee, which shall have a membership of five, including no fewer than three members of the full time faculty, one of whom shall serve as chair. Decisions of the Patent Committee shall be made by a majority of the members present and voting at any regularly scheduled or specially called meeting, except that no decision of the Committee shall be effective unless it has the support of at least two full time faculty members.

In order for the provisions on the division of rights in inventions outlined below to be put into effect, this policy requires that any member of the AU faculty or staff who believes that he or she may have devised a patentable invention, under any circumstances and without regard to whether such invention was devised on university premises or with the use of university facilities, shall immediately notify the Patent Committee, using a reporting form prescribed by that committee, of the nature of the invention and the circumstances under which it was devised.

Faculty members engaged in outside consulting activities authorized by AU (see part B of this policy, below) are excused from this reporting requirement to the extent that those activities are governed by confidentiality agreements that expressly prohibit disclosure to the committee.

The committee shall have 90 days, or in the case of a notification received by it between May 15 and August 30, until October 15, whichever shall be longer, in which to respond to a report of a possibly patentable invention by indicating into which of the categories detailed in this policy an invention falls. During this period, the faculty/staff member may publish accounts of his or her invention, in accordance with the ordinary academic or professional practice.

If at the conclusion of this period the committee has not made a written response to the notification, the faculty or staff member will be deemed to be the sole proprietor of the rights, if any, in his or her invention. Where the Patent Committee responds by determining into which of the categories detailed in this policy an invention falls, the categorization, in turn, will determine the manner in which rights in the invention shall be apportioned between the individual inventor and AU.
A. Inventions resulting from wholly personal research:
These are inventions that a faculty or staff member has devised while working on non-university premises, without the use of university facilities, outside his or her regular working hours, and that have no other connection to his or her duties as a university employee.

Rights in the proceeds of these inventions belong exclusively to the inventor. In the event that he or she seeks university assistance in perfecting, protecting, and/or marketing the invention, an allocation of rights and proceeds will be negotiated between the inventor and AU.

B. Inventions resulting from authorized consulting activities external to AU:
These are inventions devised by a faculty member while pursuing projects on behalf of entities other than AU, as permitted by university policies on outside consulting activities.

Ownership of rights in inventions of this category is governed by the agreement between the inventor and the entity for which the work that gave rise to his or her invention was performed. AU claims no share in any proceeds from such inventions. In the event that the inventor seeks university assistance in perfecting, protecting, and/or marketing the invention, an allocation of rights and proceeds will be negotiated between the inventor and AU. To the extent that faculty consulting activities exceed the limits imposed by AU, rights in inventions arising from them will be governed by other provisions of this Policy, as appropriate.

C. Inventions resulting from “routine” use of AU facilities and resources:
These are inventions devised by faculty and staff members, in connection with their regular duties as university employees, but making use of no “special” university facilities or resources. This category includes inventions devised through the use or with the assistance of routinely available secretarial and administrative services, university mainframe computer support, general laboratory facilities, and the like.

Sole ownership of rights in inventions of this category may be claimed, at his or her option, by the individual inventor. In that case, AU will cede any claims that it might otherwise have to the invention in question. If the inventor wishes to have the assistance of the university in perfecting and/or commercializing his or her patent, however, he or she may so request. In the event that AU agrees to provide the requested assistance, the net proceeds of such commercialization will be shared between AU and the individual inventor on terms mutually agreed between them. In default of such agreement, each will be entitled to a 50% share of such proceeds.

D. Inventions resulting from the use of “special” AU facilities and services:
This category includes inventions that result from research projects receiving specific AU financial support, including Senate Research Grants and other special university awards, or that were
devised using special equipment supplied by AU for the use of a particular researcher or research group.

Rights in the proceeds of inventions of this category shall be shared between AU and the inventor, and in default of an agreement to the contrary, each will be entitled to a 50% share of such proceeds.

E. Inventions devised in the course of performance of grants or contracts administered by AU:
This category includes all inventions that result from activities undertaken with external financial support.

The ownership of rights in inventions of this category will be governed, in the first instance, by the terms of the grant or contract in question. When those terms permit the retention of rights by the contractor or grantee, the inventor and AU each will be entitled to a 50% share, unless there has been an agreement to the contrary. AU and the inventor may negotiate mutually agreeable alternative arrangements with respect to such inventions at any time, but such negotiations shall not involve the grantor or contracting agency in any way.

Where this policy provides for negotiations between a faculty or staff researcher and AU concerning the allocation of rights in an invention or the proceeds from its exploitation, the officer negotiating on behalf of AU shall seek the advice of the Patent Committee prior to concluding any final agreement. In such event, the Patent Committee may advise for or against the conclusion of an agreement on particular terms, or recommend additional or alternative terms.

The Office of Sponsored Programs shall provide administrative support for the Patent Committee, and requests for information or patent notification forms should be addressed to the Director of OSP.

[Attachment II-C is policy authorized by the Office of the Provost, July 1989.]
Attachment II-D: ALCOHOL AND DRUG ABUSE POLICY – REVISED MAY 2005

The Drug-Free Workplace Act of 1988 mandates that American University regularly publish its policy statement regarding the work-related effects of drug use and the unlawful possession of controlled substances on university premises. The AU policy is as follows:

- Employees are expected and required to report to work on time and in appropriate mental and physical condition for work. It is our intent and obligation to provide a drug-free, healthful, safe and secure work environment.

- The unlawful manufacture, distribution, dispensation, possession, storage or use of a controlled substance on university premises, or while conducting university business off university premises, is absolutely prohibited. Violation of this policy is a serious offense. Therefore, violations of this policy may result in disciplinary action up to and including immediate termination of employment.

- The university recognizes drug dependency as an illness and a major health problem. The university also recognizes drug usage as a potential health, safety and security problem. Employees needing help in dealing with such problems are encouraged to use the confidential services of the Faculty Staff Assistance Program (FSAP), and/or health insurance plans, as appropriate. Conscientious efforts to seek such help will not jeopardize any employee's job.

- Employees must, as a condition of employment, abide by the terms of the above policy and report any conviction under a criminal drug statute for violations occurring on or off university premises while conducting university business. Under the Drug-Free Workplace Act of 1988 a report of any such conviction must be made within five days after the conviction to the office of the executive director of Human Resources.

UNIVERSITY SANCTIONS FOR VIOLATION OF ALCOHOL AND DRUG ABUSE POLICY

Violation of the university's Alcohol and Drug Abuse Policies may result in disciplinary action, including discharge, in accordance with university policies.

In addition to any disciplinary action, the university, through its FSAP, may refer the employee to a treatment and counseling program for alcohol or drug abuse. Employees referred to such a program by the university must immediately cease any alcohol or drug abuse, and must comply with all conditions of the treatment and counseling program. The FSAP shall determine whether an employee it has referred for treatment and counseling should be temporarily reassigned to another position.

For employees working on any federal grant or contract, the university is required by federal law to notify the federal government contracting agency within ten days after learning of an employee's criminal drug statute conviction in the workplace.
Attachment II-E: GRANT CLOSEOUT CHECKLIST

SPONSORED AWARD CLOSE-OUT CHECKLIST

<table>
<thead>
<tr>
<th>PI/PD:</th>
<th>AU Acct. #:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Title:</td>
<td></td>
</tr>
<tr>
<td>Award Amount:</td>
<td></td>
</tr>
<tr>
<td>Project Period:</td>
<td></td>
</tr>
</tbody>
</table>

1. Grants and Contracts Accounting
   - A. Final Invoice [_________] Date Submitted [_________] Not Applicable
   - B. Final Financial Report [_________] Date Submitted [_________] Not Applicable
   - C. Final invoice and/or report accepted by sponsor [_________] Not Applicable
   - D. All payments received

E. Comments

2. Office of Sponsored Programs
   - A. Final Technical Report: Date Submitted [_________] Not Applicable
   - B. Property Report: Date Submitted [_________] Not Applicable
   - C. Patent/Copyright Forms: Date Submitted [_________] Not Applicable
   - D. Other Sponsor Final Requirements (Please describe) [_________] Not Applicable

E. Comments:

Prepared by: [_________] Date: [_________]

Distribution: GCA, CSP, PI/PD, Dean’s Office
Attachment II-F: SPONSORED AWARD CLOSE-OUT FORM

GRANT CLOSEOUT GUIDELINES

Personnel
1. No payroll charges are pending for substitutions or additional earnings.
2. All payroll charges are in the system.
3. Full-time personnel hired on grants should be given:
   • 90 days written notice about position termination due to the cessation of the funding source
   • Information about the accrued leave policy usage on sponsored programs.
   • Personnel termination paperwork should be filed with Human Resources.

Consultants and Subcontracts
1. Ensure any reports or work products have been received from consultants and subcontractors.
2. Verify that the reports or products are acceptable.
3. Ensure that final payments have been processed for consultants and subcontractors.

Purchase Orders
1. Cancel any blanket purchase orders or encumbrances.
2. Verify that everything for each purchase order has been received.
3. Verify that all invoices for purchase orders have been paid.

Other Expenses
1. Verify that all internal expenses have been posted (printing, telecommunications, copying, etc.)
2. Verify that all reimbursements and disbursement requests are in the system before the grant end date.

Records and Reports
1. Records retention responsibility (Consult OSP for further guidance).
2. Send OSP a copy of final financial and technical reports should they be required by the sponsor.
3. Confirm that any additional required reports have been submitted.

Notes:
University Object Codes

Each cost within a project budget is placed in a predetermined category, and each category is assigned object codes. A list of expenditure object codes most commonly used at American University for use with accounts in the Datatel Colleague System appears in Attachment III-A or can be accessed through the website of the Controller’s Office at http://www.american.edu/finance/controller/object-codes.cfm. Once coded, the approved budget is entered into the University's computerized accounting system. When signing for expenditures, principal investigators (or their designees) must use the appropriate category and the assigned object codes. The Controller's Office records charges to the account numbers by object codes. If you have questions regarding the processing of internal University paperwork, please consult with your department.

For real-time transactional process, two Datatel screens are available for PI's/PD's and their departments to track expenditures on project accounts. These screens are:

- XEX3 – provides a multi-year grant expense report in a summary format one project account at a time
- XGAR – provides a fiscal year detail grant activity report for a specified project account

In addition, PI's/PD’s are encouraged to use the Business Intelligence (BI) Reporting Tool found at the my.american.edu portal under the Technology link. The BI tool was created to provide funded faculty with reports and/or data around account information from Datatel, in a timely manner, including encumbering such expense as salaries, fringe benefits, and F&A charges. Directions regarding use of XEX3, XGAR and the BI tool screens for project accounts can be found in Attachment III-B. It is important to note, BI tool generated reports have a one-day delay from the XEX3 and XGAR reports.

PI's/PD's are responsible for accessing and reviewing their accounts on a regular basis to ensure that expenditures are proceeding according to plan and that all costs are changed to the correct accounts and object codes. PI's/PD's must request access to their project account through the Office of Information Technology by completing the Datatel Access Request Form found at
http://www.american.edu/oit/accounts/Account-Request.cfm. Access to the BI tool can be obtained by contacting the Help Desk at extension 2550.

Should any discrepancies arise regarding your project account as stated on the Datatel screen, the assigned GCA staff accountant will be able to assist you, or direct you to the appropriate administrative office.

**Project Expenditure Control Authority**

To assist Principal Investigators/Project Directors with their account responsibilities, Grants and Contracts Accounting (GCA), and the school/college jointly perform expenditure control functions designed to ensure that:

- Expenditures are allowable and allocable;
- Allotments are available;
- Proper approvals have been obtained;
- Expenditures appear consistent with the approved budget; and
- Expenditures are consistent with sponsor and university policies.

**Routing of Expenditure Documents**

Per the 2012 Roles and Responsibilities in Grants Management Memo found in Attachment III-C, all sponsored program related expenditures are required to be approved by the PIs/PDs respective Dean’s Office.

Questions regarding which forms to use or who may sign for a particular expenditure should be directed to the PIs/PDs respective Dean’s Office.
PROJECT EXPENDITURES

Project expenditures are costs which can be specifically identified with a particular project, program, activity or sponsored account. (Examples are salaries, supplies, equipment, etc.)

An expense is allowable if it meets all of the following criteria:
- The cost is directly related to the Project
- The cost is identifiable to the project purpose
- The cost is reasonable
- The cost is necessary
- The cost is consistently treated
- The cost is allocable
- The cost is not specifically prohibited by the funding agency or the University

Personnel Costs

University regulations require that charges for work on a federal project (or for those who have a combination of federal and private funding) be made at the same rate of pay as the employee’s University base salary. Salaries proposed in project budgets for each position are not guaranteed amounts. Actual salaries for faculty are subject to approval by the teaching unit, according to the faculty member's annual contract. All faculty contracts and salaries are subject to approval by the Dean of Academic Affairs, while all staff salaries are subject to approval by the Human Resources Office, which administers the classification system. Principal investigators should contact Human Resources for assistance in classifying staff positions for sponsored projects.

Payment of Salaries

Salaries are paid over the period in which they are earned; lump-sum payments are not allowed. Authorized budgets must specify not only the base salaries of project personnel, but also the time periods and percentages of effort spent.

Compensation Practices

For all faculty on federally-sponsored projects or with a combination of federal and private funding, the University follows the general practices outlined for federally-sponsored activities. Accordingly, compensation for University faculty and staff members engaged in sponsored projects is subject to the policy set forth in the Office of Management and Budget Circular A-21, Section J (8) (see Attachment III-D or http://www.whitehouse.gov/omb/circulars_a021_2004#)). Federal policy does not allow compensation above base salary. Different compensation for private
funding may be requested as an exception to policy based on a justification that is approved by the School/College Dean and the Dean of Academic Affairs and routed at the time of the proposal. However, it is common practice to follow the restrictions as outlined via federal regulations. This exception may only be requested when the person for whom it is being requested has no involvement with federal funding, including federal funding for a different project.

**Faculty Compensation**

Subject to sponsor limitations and applicable regulations, a faculty member on an academic year appointment may receive additional compensation for work on a sponsored project during the three summer months. The monthly summer rate may not exceed one-ninth of the academic year salary if the faculty member is currently working on a federal sponsored project. If the sponsored award is from a non-federal sponsor, and the PI/PD is not concurrently working on a federal sponsored project, the rate may exceed the monthly one-ninth rate. The salary used to determine the summer compensation is based on that of the prior academic year.

When a faculty member teaches during a summer session in addition to fulfilling a research commitment, the compensation for both appointments during the summer period may not exceed one-third of the base salary rate for the prior year only if the faculty member is currently working on a federal grant. Otherwise, the one-third amount may be exceeded. (For further information, see Section I, “Proposal and Development Activity.”)

**Staff Compensation**

Full-time staff positions employ individuals for 28 hours or more per week. If the position is for less than three months, it is a temporary position, and no University benefits other than Social Security are associated with it. Income taxes, however, are withheld.

Part-time staff work fewer than 28 hours per week and normally are paid hourly wages. Principal investigators/project directors should carefully monitor the total charges to projects so as not to exceed the amount provided by the grant or contract for this type of wage.

Merit increases and general adjustments to the salaries of sponsored program employees must be consistent with the University's and sponsor’s policies. Pay increases take place on the University cycle.

Rates of pay for part-time staff working on sponsored projects must be consistent with similar University positions. Part-time (temporary or regular) staff receives no benefits except Social Security contributions, workers' compensation, and unemployment.
Compensation for Graduate Research Fellows and Assistants

Sponsored project graduate students who hold fellowships or assistantships are eligible for tuition remission. The principal investigator/project director is responsible for preparing the appropriate forms and routing the forms through the teaching unit, college, and OSP. A sample Graduate Authorization for Tuition Remission form is provided in Attachment III-E. In addition, research fellowships and assistantships sometimes are available for the summer months.

Fringe Benefits

Full-time faculty and regular staff employed on sponsored projects are eligible for University benefits. FICA is withheld from the salaries of all employees paid through the University payroll system, including part-time staff. Exceptions are graduate students in assistantship or fellowship categories.

The employer's portion of FICA and retirement (TIAA-CREF) are charged to sponsors as direct costs. The University and the sponsored employee share coverage for other benefits according to the options available at the time of hiring. In any case, the approved fringe benefit rates (which are assigned by the University's cognizant government agency) charged to the sponsored program budget of 26.5% for full-time and 8% for part-time, students, and summer faculty apply.

Participation of Foreign Nationals on Sponsored Programs
Because of current U.S. tax code regulations and the opinions of tax advisors to the University, all foreign nationals who receive compensation and/or benefits from the University are subject to taxation. Such taxes must be withheld by payroll/accounting. The University has developed the Foreign National Taxation and Compliance Guide as a reference for university staff. A copy may be obtained from OSP or from your School/College Dean’s Office. This is a reference point only and, due to changing regulations and individual circumstances, all cases should be dealt with on their individual merits. The university payroll office has a foreign national taxation specialist available. As such, if a project proposes to employ a foreign national or involves bringing foreign nationals to the university in any capacity, an appropriate visa must be held. OSP will coordinate with the Office of International Students Services at the time of the proposal to ensure that appropriate visa procedures are communicated to the Office of the School/College Dean. Based on a procedure already in place, The Washington College of Law is an exception to this policy and will be responsible for coordinating its own visa procedures. Contact your OSP assigned staff member as soon as possible if your project requires the service or participation of any foreign nationals.
Consultants

OSP has created a resource document to help distinguish the differences between a subcontractor and a consultant (vendor) [here](#).

Consultants are hired to provide essential services unavailable from existing project personnel. Contrasting characteristics of consultants:

- Consultants provide goods or services commercially as part of its normal business operations
- Consultants provide similar goods or services to many different purchasers
- Consultants operate in a competitive environment
- **Consultants provide goods or services that are ancillary to the project**

There should be a line item in the award budget (or project brief budget) for all proposed consultants. If there is not a line item either in the award budget or project brief, the PI/PD should contact their OSP assigned staff member to ensure a consultant agreement can be issued. Guidelines for processing consultant agreements are attached to the consultant agreement template ([see Attachment III-F](#)). To access the Consultant Agreement template on the OSP website, [click here](#). The PI/PD or his/her designee will complete the fillable portions of the template by inserting information such as the period of performance, the contract amount, consultant's name and contact info., etc. The PI/PD or academic unit is not responsible for determining contract terms and conditions as they are already incorporated in the template. The PI/PD or his/her designee will attach a scope of work (SOW) to the agreement and forward the agreement to the consultant for their review/signature. The SOW is a determined summary of work that the consultant will perform.

Those who currently have authority to execute Professional Services Agreements (PSAs) have authority to sign the PSA consultant agreement on behalf of AU. The exception is consultant agreements valued at $10,000 and above. The Procurement and Contracts Department (PCD) is required to sign consultant agreements valued at $10,000 and above.

For additional guidance, please contact your assigned OSP staff member.

Rate of Pay

To determine the reasonable cost of an external consultant, the principal investigator/project director may wish to consult: (1) the range of fees of the other qualified individuals considered in the selection process; (2) the cost of consultants on other projects; and (3) University compensation levels for similar individuals. Some federal agencies limit the maximum rate per day for consultants. The University honors any limit imposed by Federal agencies on consultant rate of pay. OSP can provide guidance on determining limits set by the sponsor. All payments for consulting services are made directly to the consultant. Consultants generally submit an invoice for their services to Accounts Payable (AP) unless special arrangements were made.
between AP and the PI/PD (or their designee) to allow the consultants to directly submit their invoices to the PI/PD. Upon the PI’s/PD’s (or their designee) approval of the consultant’s invoice, the PI/PD (or their designee) will work with Accounts Payable to request payment to the consultant.

Subagreements/Subcontracts/Subawards

Subcontracts are drafted at the request of the principal investigator/project director (or their designee), based upon information he or she provides to the assigned OSP staff member per the subcontract request form here.

The assigned OSP staff member prepares all subcontracts/subagreements/subawards and submits these to the subcontractor. After the subcontractor’s signature is obtained, the agreement is forwarded to the Director of Procurement and Contracts for signature on behalf of the University.

When the subcontract has been fully executed, a copy is provided to the principal investigator/project director, Director of Procurement and Contracts and GCA for their records. The original is kept in the project file in OSP.

Subcontractor invoices are generally submitted to AP unless special arrangements were made between AP and the PI/PD to allow the subcontractor to directly submit their invoice to the PI/PD. Once the PI/PD has verified that the necessary work has been completed by their subcontractor, and that the charges are accurate, they will authorize AP to execute payment.

Consulting By University Employees

Faculty or staff members who serve as consultants on the sponsored projects of other faculty members receive no compensation above full-time base salary. When consultation is across teaching unit lines and the faculty or staff consultant performs the work in addition to the regular work load, compensation above base salary must be specifically provided for in the agreement with the sponsor. Individual arrangements must be approved in writing by the teaching unit head, the college dean, the Dean of Academic Affairs (for faculty), or the Director of Human Resources (for staff), and the sponsor.
Since federal regulations governing supplementary compensation are very restrictive, the principal investigator should consult the assigned OSP staff member before entering into any commitments on inter-unit consulting.

A faculty member with a full-time appointment as a principal investigator/project director cannot function as an inter-unit consultant.

**Travel Policy**

The full travel policy is accessible at:
http://www.american.edu/loader.cfm?csModule=security/getfile&pageid=2676033

The University intends that all persons traveling on behalf of and with the authorization of the University will be reimbursed for their reasonable out-of-pocket expenses incurred in connection with such travel upon presentation of a completed expenses report signed by the traveler and approved by the appropriate dean, director, department chairperson, vice president, vice provost, etc. or whomever is the supervisor of the traveler.

A. The University prefers that transportation tickets (plane, train, bus) be purchased through the official travel agencies of American University (Travel-Plus, Marathon Travel, McNair Travel or Worldtek). Provide the travel agent with your name, department, and budget account number. You can request the travel reservation to be charged directly to your account, or use the University credit card.

B. If expenses are incurred by the traveler on behalf of persons other than the traveler and reimbursements for such expense is being requested, the names of the other persons and the business purpose of the expenditures must be documented.

C. If the expense is incurred by the traveler on behalf of persons not on University business (e.g. spouse), the University portion of expenses must be clearly identified and original receipts must be submitted for the reimbursable portion. If original receipts are not available, please indicate by noting it on the expense report, or attach an explanation.

D. When travel on University business is combined with personal or non-university related, business expenses must be allocated accordingly and original receipts must be submitted for the reimbursable portion. If original receipts are not available, please indicate by noting it on the expense report, or attach an explanation.

E. Air coach accommodations should be used. Whenever possible, the use of airport shuttles rather than taxis is encouraged. Rental cars may be used when necessary and budget plans whenever possible. Use of moderately price rooms is encouraged and spousal travel is not covered except if the spouse is on university business. If frequent flyer coupons are used on university business, the traveler will not be reimbursed for the equivalent ticket cost. Also, frequent flyer coupons cannot be submitted as part of the accounting for a travel advance. Passenger coupons for university business must always be in the name of the traveler.
F. When a private automobile is used, the university will reimburse the traveler on a per-mile allowance basis in accordance with current university guidelines; university rates are always the same as IRS published rates.

G. A reasonable expense for valet services will be allowed if the traveler remains on university business in excess of four (4) days and appropriate receipts must be submitted.

H. Charges for telephone calls made while on university business should be claimed only if such calls are directly related to university business; personal telephone calls are not reimbursable.

I. The university will not be reimbursing the traveler for expenses incurred for personal flight insurance, alcoholic beverages, or any expense of a purely personal nature.

J. Travel performed as part of a project, which is sponsored by a grant, or contract is subject to such additional travel restrictions as may be imposed by the terms of the grant or contract.

K. Travel advance may be obtained by full-time employees of the university traveling on behalf and with the authorization of the university upon presentation of a completed travel advance/expense form, signed by the traveler and approved by the appropriate supervisor.

L. Travel advance request should be submitted to the Office of the Controller at least one week prior to the date on which the advance is required. In addition to the cash advance needed for incidentals or meals, any registration fees or either items should be prepaid.

M. The university does not have a per diem allowance. All expenses must be reported on an actual-cost basis, with substantiating original receipts. If receipts are not available, this should be indicated.

N. Expenses which are prepaid by or charged directly to the university on behalf of the traveler (e.g. airline tickets, hotel accommodations) must be itemized on the travel expense form, with the notation "prepaid" in the amount column. Original receipts (if they are not available, please make a note on the travel expense form or attach an explanation), invoices, passenger coupons, etc. for expenses which were prepaid or charged directly to the university on behalf of the traveler must be submitted with the travel expense form. Amounts prepaid by or charged directly to the university on behalf of the traveler must not be reflected in the expenses claimed by the traveler.

O. Expenses for all travel activity should be charged to the travel object code, even if the expense was for food, airline tickets, or conference registration.

P. The signature of the traveler is required for all advances.

Q. All travel that is funded by federal grants or other restricted grant monies, may be subject to additional restrictions as noted in the contract.
Procurement of Goods and Services

The following section contains information regarding the procurement of goods and/or services both from outside vendors and from the various units within the University, such as the Purchasing Office, University Publications, and Physical Plant. For full details, the AU Purchasing Policy and Procedures Manual should be consulted.

Purchases from Outside Vendors

Purchase Procedures

Use the Datatel Colleague system to generate an electronic Purchase Requisition when capital equipment, supplies, or services, other than those provided by AcquireX, are to be furnished by an organization outside the University. Describe the articles or services in detail, suggesting vendors if desired. Special conditions apply to the ordering of radioactive isotopes and hazardous/toxic materials.

If only one source is available, the Purchase Requisition should so indicate. The contract's or grant's restricted account number and appropriate object code should be noted in the space provided. If more than one account number will bear the cost, indicate the amount coming from each. Occasionally, teaching units share the cost of a piece of equipment, and sometimes purchase office supplies to be shared among principal investigators/project directors.

Providing detailed information expedites the procurement process. Principal investigators/project directors should attach any written price quotes obtained from outside vendors, and should be realistic about desired delivery time.

The University's computerized accounting system (Datatel) encumbers when orders are placed and then charges only when paid. The system's spending control will not allow expenditures exceeding an account's total budget allocation. Similarly, a presence control will not allow unauthorized expenditures to object codes within an account.

Only the staff of the Purchasing Office has the authority to commit the University to reimburse vendors for goods delivered and services rendered. For unauthorized purchases, the payment becomes the personal responsibility of the person placing the order, rather than the responsibility of the University.

Equipment Purchases

The University policy is to capitalize all equipment, either moveable or fixed, with a unit acquisition cost of $5,000 or greater and a useful life of two years or more. Acquisition value includes the cost of the equipment and any associated costs incurred to make the equipment usable for the purpose for which it was intended, including installation costs. Equipment purchased for
Federally Sponsored Grants and Contracts must be charged to the unique object codes provided for them (54113 for government computer equipment; 54114 for government lab equipment). All capital equipment, whether received directly by the ordering department or via central receiving, must be identified with an American University fixed asset tag. This tag is then entered into the university’s fixed asset system. Examples of equipment include computer equipment, furniture, office machines, vehicles, and scientific equipment.

The Purchasing office must be notified when a transfer of this equipment from one location to another takes place to be able to reflect the new location on the university’s records. Likewise, when a piece of equipment is purchased, the disposition of the old equipment must be handled appropriately. Purchasing must be notified to pick up the old equipment and the department disposing of the equipment must complete a fixed asset disposal form. The old equipment is the property of the university (even if there is no value) and proper disposition of the equipment is to be determined by the Vice President of Finance and Treasurer. Departments are responsible for keeping records of all purchased capital equipment so yearly adjustments can be made to the university’s accounting records. Any unaccounted for or lost equipment will be charged to the department’s operating budget.

Off-campus projects may require equipment to be delivered directly to the off-site location. On these occasions, the department receiving the equipment will provide the Fixed Asset Management Group with the serial numbers. The Fixed Asset Management Group will then provide the department with tags to be placed on the equipment. The Senior Contract Analyst in Procurement and Contracts Purchasing (jgdann@american.edu) is the primary point of contact for the University.

**Supply & Equipment Deliveries**

Most suppliers deliver equipment to Central Receiving, where University personnel log the shipment and deliver the material to the location designated on the requisition. Radioactive isotopes delivered to Central Receiving must be received by the Radiation Safety Officer or Assistant. In the case of heavy or bulky equipment, gases, and live materials requiring special handling, the requisition should contain clear instructions specifying direct delivery to the proper location. In such cases, the purchase price should include freight or shipping charges to the designated building.

**Purchase of Supplies from Campus Units**

**Campus Store**

Follett provides extensive inventories of commonly used supplies, often at prices lower than outside vendors. A purchase requisition under $5,000 approved by the School/College Dean’s office is required for supplies bought on campus. The principal investigator/project director receives a copy of the requisition as confirmation of the actual cost. Charges for internally procured items and services appear on the Datatel restricted account screens.
**W.B. Mason (Office Supplies)**

Use the W.B. Mason system when some capital equipment or office supplies are to be furnished by a company outside the university. W.B. Mason is an internet-based electronic-procurement solution that streamlines the purchasing of goods and services. AU Departments may order directly with the proper ID and password supplied by the Office of the Controller. Contact the Office of your School/College Dean to access this system.

**Other University Services**

Various units in the University can provide services such as mailing, duplicating, and printing for use in sponsored projects. Principal investigators/project directors can request these services through Purchase Requisitions, Copy Center Requests for Reproduction Services, and Postal Charge Tickets, citing the contract or grant account number in the space provided on each form. Each expense document must be approved in advance by Department/Dean. These forms provide the best documentation of contract or grant expenses and are recommended over reimbursements to individuals for out-of-pocket expenses.

**Physical Plant**

A principal investigator/project director may call on Physical Plant personnel to install equipment or provide plumbing or electrical services. The activities must be directly related to the sponsored project and their funding must be accounted for in the project budget. Ordinary “landlord” type services, such as painting, keys, and renovations, are usually unallowable and should be charged to teaching unit accounts rather than to sponsored accounts. Service requisition forms can be obtained from Physical Plant. Principal Investigators/Project Directors, however, should call their assigned OSP staff member for information before requesting the services.

**Computer Services**

Many types of computing services are accessible to principal investigators/project directors and their staff. The university’s network can be utilized for a variety of functions, and a full-time staff is available to provide support with statistical programs. Use of the network requires that an account be set up for each project (if new staff will be using the system). In addition, training on standard software packages, access to several microcomputer laboratories and a hotline service for software problems are available at no charge.

**Telephone Service**

New telephone service for a sponsored project, including installation, must be requested through the Office of Information Technology (OIT) and paid for by the contract or grant. Long
distance project calls using existing University telephone lines should be charged to the sponsored contract or grant. Principal investigators/project directors should identify their calls on the teaching unit bill and sign a copy of the telephone bill; the teaching unit is responsible for sending the copy of the bill to Department/Dean with a memorandum requesting a cost transfer to the contract or grant account number. Long distance access codes may be obtained for projects with need for extensive use of long distance service.

Unallowable Expenses

Some costs cannot be charged to a sponsored project. For example, the following costs cannot be charged to a project funded by a federal agency: contingency funds or reserves; bad debts; fines and penalties; entertainment (which includes alcohol) costs; interest, fund raising, and investment management costs; losses on other research agreements, including cost overruns; costs for public information services, and alumni or public relations costs. General guidance may be found in OMB Circular A-21 Sec. C, Unallowable Expenses as part of Attachment III-D. Costs or expenses for projects sponsored by a non-federal agency/source are determined by the terms and conditions of the award. OSP can provide guidance for questions related to allowability on certain costs.

Time and Effort Certification

All faculty and staff, who allocate salaries and wages on sponsored projects, manage sponsored projects, or complete effort reports are responsible for understanding the principles of accurate and timely time and effort reporting. The percentage of an individual’s salary charged to a sponsored project cannot exceed the percentage of the individual’s total effort expended on the project during a specific effort reporting period.

If the percentage of total effort expended in a given effort reporting period is less than the percentage of salary charged to the sponsored project during the same period, the salary charged to the sponsored projects must be reduced to match the actual effort.

PI’s or persons who have firsthand knowledge of the accurate portion of the employee effort on sponsored projects must reasonably certify that portion of effort paid from the grant funds was reasonably expended. For determining “reasonableness”, OMB Circular A-21 states “In an academic setting, teaching, research, service and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate... The payroll distribution system will... (ii) reasonably reflect the activity for which the employee is compensated by the institution...” The purpose of the report is to confirm that the charge made to the payroll system “reasonably reflects” the portion of effort reported for each employee.

Each PI or individual’s certified effort may not exceed 100% and it must be consistent with duties as assigned by the project PI or research supervisor. This committed effort is considered during the proposal process in conjunction with the Time and Effort Sheet and approved by the supervising chair and/or Deans as being reasonable. This reporting requires the signature of the
employee, and the Principal Investigator, or responsible official(s) to confirm that the percentages allocated to each activity represent a reasonable estimate of the work performed. This process is commonly known as “Time and Effort Reporting,” and will be reported on a semester basis.

• **Consideration for Minimum Level of Effort:**
For Federal Research projects, there must be a minimum of 1% committed effort for each key personnel, either paid or unpaid by the sponsor. Equipment and instrumentation grants or dissertation grants do not require a minimum level of effort.

• **Consideration for Maximum Level of Effort:**
Maximum effort should be reasonably justified and able to be documented. The maximum level of effort that may be assigned to participation in sponsored research is 100%. For example, a member of a project team who has other administrative duties, instructional assignments, or non-project related office duties may not be charged 100% to sponsored projects because they must have substantial, measurable amounts of effort to allocate to these competing activities.

• **Cost Transfers:**
Any change to an effort certification form must be accompanied by a corresponding change to the payroll system to correct the salary charged. The PI and the appropriate units should make all corrections no later than 90 days after receipt of the Effort Report to reconcile all discrepancies.

The University requires that all salaries and wages charged to sponsored projects are certified as being consistent with all applicable federal requirements. As a condition for receiving federal funding, AU is required to document and certify the percentage of time that employees devote to federally-funded sponsored projects. Sponsored projects at AU are funded by a variety of sponsors including: federal and state agencies, private foundations, and other organizations. AU’s time and effort certification process includes the verification of salaries, wages, as well as the time and effort charged to these projects.
FINAL ACCOUNTING PROCEDURES

The Controller’s Office prepares all final accounting reports on all sponsors’ projects. The Controller’s Office also prepares interim financial reports as required.

Program Income

Program income is gross income—earned by a grantee, a consortium participant, or a contractor under a grant—that was directly generated by the grant-supported activity or earned as a result of the award. Program income includes, but is not limited to, income from registration or general fees for services performed; charges for the use or rental of real property, equipment or supplies acquired under the grant; the sale of commodities or items fabricated under an award; charges for research resources; and license fees and royalties on patents and copyrights. (Note: Program income from license fees and royalties from copyrighted material, patents, and inventions is exempt from reporting requirements.)

When applicable, American University, as the grantee, is required to report, use, and apply program income per the requirements of the sponsor.

Thus, any cash or checks received by the principal investigator that is deemed program income should be reported to Grants and Contracts Accounting (GCA).

The following are examples of how program income is generally used:

<table>
<thead>
<tr>
<th>General Uses of Program Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program income alternative</td>
</tr>
<tr>
<td>Additive Alternative</td>
</tr>
<tr>
<td>Deductive Alternative</td>
</tr>
<tr>
<td>Matching Alternative</td>
</tr>
</tbody>
</table>
Billings/Financial Reports

Grants and Contracts Accounting is responsible for the timely preparation of billings and financial reports to project sponsors. Generally, principal investigators should not prepare and send billings or provide financial reports to sponsors unless the terms of the grant specify such and it has been coordinated with GCA in advance.

Audits of Sponsored Projects

The University is subject to audit by sponsors for specific programs and is also audited annually for its administration of sponsored programs in accordance with the OMB Circular A-133. Auditors representing sponsors will periodically examine the University's records for the purposes of:

- determining whether contract or grant funds were used in accordance with applicable laws, regulations, and procedures;
- making objective appraisals of the financial accounting system and administrative controls to ensure that programs are being charged with appropriate amounts; and
- determining the accuracy of the financial reports and records.

Documentation of expenditures that include original receipts (when required) is a requirement for the audit process. GCA, with assistance from OSP, coordinates all activities with sponsors' auditors. Principal investigators are required to be available during the audit process.

Common Audit Findings

Some of the continuous problems that Colleges and Universities encounter with sponsors are:

- cost share and matching;
- time and effort reporting; and
- payroll distribution and documentation.
ATTACHMENT III-A: MOST COMMONLY USED EXPENDITURE OBJECT CODES AT AU

The object classification of expenditures identifies that which is received in return for the expenditures. Object classification has importance as a tool for internal management and as a means for reporting to external users how resources were used.

51102 FULL TIME FACULTY
Salaries paid to full-time faculty members. To be considered full-time, a faculty member must be appointed to one of the ranks specified in the Faculty Manual, and must devote full service to University duties.

51103 FULL TIME PROFESSIONAL
Salaries paid, on a monthly basis, to full-time staff members who meet the professional classification requirements specified in the Personnel Policy Manual. These individuals are EXEMPT from the Federal and State rules covering hours worked and the payment of overtime.

51104 FULL TIME BIWEEKLY STAFF
Compensation paid, on a bi-weekly basis, to full-time staff members whose job is classified as NON-Exempt from Federal and State wage and hour rules. Generally, the employee works a set amount of hours per job shift or work week and earns an overtime rate for excess hours worked.

51203 STUDENT WAGES
Compensation to students working part-time in an administrative or academic unit. The wage is calculated at an hourly rate. For FEDERAL WORK STUDY use object code 51211.

51208 PROFESSIONAL SERVICES
Expenses associated with professional services rendered by an individual, partnership or unincorporated business (e.g. legal, management consulting, medical, etc.) and subject to the reporting requirements of IRS Form 1099. A Professional Services Agreement (PSA) is required.

51210 NON-EMPLOYEE COMPENSATION
One-time or incidental payment for honorariums, casual labor or other personal services by a non-employee and subject to the reporting requirements of IRS Form 1099.

51211 FEDERAL WORK STUDY
Student wages partially funded by U.S. Department of Education.

51513 FRINGE BENEFITS
The cost of benefits pertaining to the compensation of employees. The amount is a percentage of the total of actual salaries and wages (full- and part-time) for each center/department. The costs assigned represent a percentage of such benefits as retirement, FICA, life insurance, tuition benefits, disability, workers’ compensation, health insurance and unemployment.
52101 GENERAL SUPPLIES AND EXPENSES
Charges for office supplies and consumable office goods that cost less than $2,500.00 per unit and have a service life of less than five years.

52108 CONTRACTUAL EXPENSES
Expenses associated with services provided by a corporation (not subject to IRS Form 1099) on a continuous basis and evidenced by a contract or agreement. (e.g. maintenance agreements, trash removal, etc.).

52117 MEMBERSHIP AND DUES
Charges related to membership in any organization.

52118 FOOD SERVICES
Expenses related to catered events, meals taken in restaurants, or food purchased from vendors to support office functions or needs.

52201 DOMESTIC TRAVEL
Expenses incurred while traveling on University business within the continental United States (e.g. food and lodging, transport expenses, registrations, etc.).

52301 POSTAGE AND SHIPPING
Postage and shipping charges including courier expenses (e.g. UPS, Federal Express).

52401 PRINTING AND DUPLICATING
Printing and duplication expenses paid by outside parties.

52501 TELECOMMUNICATIONS
Telephone charges associated with the procurement of telephone equipment, line, and local and long-distance services as well as internal charges from the Telecommunications Department.

54102 COMPUTER EQUIPMENT
Costs associated with the purchase of computers. Supplies for personal computers and word processors are charged to Object 52101 under Office Supplies.

54105 OFFICE FURNITURE AND EQUIPMENT
Costs related to equipment and furniture that has a unit cost of $2,500.00 or more and an expected service life of more than 5 years. Specialized Object Codes
ATTACHMENT III-B: REFERENCE SHEETS FOR PI’s

XEX3 Reference Sheet for PI’s

ATTACHMENT III-B: REFERENCE SHEETS FOR PI’s

XEX3 summarizes multiyear inception to date expenses, encumbrances, and remaining balance by object code; use for a big-picture snapshot

PI’s must request access to their project account through the Office of Information Technology by completing the Datatel Access Request Form found at http://www.american.edu/oit/accounts/Account-Request.cfm.

LOGIN:
1. Double-click the Datatel icon or select Datatel from the Start Menu
2. At the login prompt, type your USER ID (typically the first part of your AU e-mail address) and press <enter>
3. At the password prompt, type your password and press<enter>
4. Read the information provided and press <enter> or click on <ok>
5. Click on the Navigation icon found on the top portion of the screen
   A drop down menu will appear, Select <CF> in the application prompt. You are now at the main menu of the financial system.

XEX3: Steps to generate a XEX3 report in Datatel

Main Menu: type <xex3> in the “Form Search” box. A new screen will appear
1. Enter 1 for May, 2 for June, 3 for July…up through 12 for April in the “Your report will run through this month of the Fiscal Year” prompt.
2. Enter the fiscal year for which you are running the report in the “Your report will run through this Fiscal Year” prompt
3. Enter the “as of date” you want populated on the report in the “Please choose a Header Date” prompt
4. Enter your unit number in the “Please enter the account’s unit value” prompt
5. Enter your project number in the “Please enter the account’s Project number” prompt
6. Press enter and a new pop up screen will appear. Click or press update to proceed.
7. In this new screen select Yes in “Print this Report” and enter or click on update, the following screen will appear
8. Change the “output device” to H Hold/Browse File Output, press F9 and update, the following screen will appear
9. F9 and update once more on this new screen, the following screen will appear
10. Check off the “Close automatically when complete” box
11. Once the report is generated, click on the Export PDF icon to save and print the document
12. On the “Export to PDF” pop up box, click on “Create PDF”
13. You can now save and print the generated report

Key information needed to generate this report:

<table>
<thead>
<tr>
<th>Unit Number:</th>
<th>2XXXXX</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Number:</td>
<td>3XXXX</td>
</tr>
</tbody>
</table>

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XGAR Reference Sheet for PI’s

XGAR- provides a Fiscal Year Detail Grant Activity Report for a specified Project account

Steps to generate a XGAR report:

1. Main Menu: type <XGAR> in the “Form Search” box, a new screen will appear
2. In the “Fiscal Year” prompt, enter the fiscal year for which you are running the report
3. Tab over and select either a detail report or summary, enter a “D” for detail or “S” for summary.
4. If you selected summary – enter the “Calendar Ending Month” as 1 for January, 2 for February, 3 for March…up to 12 for December.
5. If you have selected detail – you will be prompted to enter the starting and ending transaction dates for the report you wish to generate
6. Skip over to “GL Account Definition”—click on the hour glass
7. Next to the “Select/List” prompt click on the hour glass again
8. On line seven enter an “I”
9. On line eight, enter the project number for which you are running the report
10. Skip down to the “Prompt for additional selection criteria” box and enter a N, then press enter and update
11. On this screen, press F9 and enter
12. On the “Proceed with the Report” prompt, enter a Y, press enter and update
13. On this next screen, change the output device to H Hold/Browse File Output, press F9 and update
14. F9 and update once more on this new screen
15. Check off the “Close automatically when complete” box
16. Once the report is generated, click on the “Export PDF” icon to save and print the document
17. On the “Export to PDF” pop up box, click on “Create PDF”
18. You can now save and print the generated report

BI Reporting Tool Reference Sheet for PI’s

1. Log on to “myau.american.edu”portal, once you are in your home screen
2. Expand the “Technology” link under “Personalized Links”.
3. Select BI Reporting - Access is restricted; if no data appears call the Help Desk at x2550.
4. Double-click on the BI Reports link, a new screen will appear
5. Click on “Research Grants Reports”
6. On the following screen, illustrated below, click on the desired report you will want to utilize
MEMO

AMERICAN UNIVERSITY
WASHINGTON, DC

Memorandum

April 19, 2012

To: University Grant and Contract Community
From: Jonathan G. Tubbs, Vice Provost for Graduate Studies and Research
Douglas Kudravetz, Associate Vice President of Finance and Assistant Treasurer

Re: Roles and Responsibilities in Grants Management

As you remember, the Research and Grants Infrastructure Task Force was commissioned to review policies, practices, and processes at American University in order to promote and facilitate world-class research. The Task Force report, issued in September 2010, contained a number of recommendations to improve supports and systems necessary to assist faculty members with the implementation of their programs of research and scholarship. The purpose of this memo is to communicate the implementation of two of the Task Force's major recommendations: (1) the creation of a formal post-award office to strengthen financial management of external research funding and (2) the adoption of best practices in the division of responsibilities in grant management. We are confident that these changes will streamline processes and make grant management a more transparent process.

(1) Grants and Contracts Accounting

The Task Force recommended the establishment of an office to consolidate post-award financial functions. Mr. Jedd Adam, the new Assistant Director of Grants and Contracts Accounting (GCA), joined AU in August 2011, bringing to AU significant experience in accounting and financial compliance from the University of Maryland system, Alamo Colleges, and the State University of New York system. GCA will provide expertise in grant accounting, financial reporting, and oversight of financial compliance issues such as time and effort reporting. GCA will also coordinate financial audits and site visits. More details about GCA's roles are provided below.

(2) Roles and Responsibilities in Grant Administration

The Task Force also recommended that roles and responsibilities be clarified and aligned with best practices at major research universities. The attached matrix, developed in consultation with Huron Associates, a consulting firm specializing in university grant management, details the new roles and responsibilities. Huron assisted the Research and Grant Infrastructure Task Force during the review process. You will notice that the changes from the current policies and practices are relatively few. Key changes include the following:

- Expense approval: Effective May 1, 2012, all grant expenses will be approved by appropriate dean's offices, who in almost all cases are already approving these expenses. Expenses will

OFFICE OF THE PROVOST
600 MASSACHUSETTS AVENUE, N/W WASHINGTON, DC 20001-8831 202-885-2717 FAX 202-885-2195

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be approved by the dean’s office and then forwarded directly to the appropriate office (Accounts Payable, Human Resources, GCA, etc.)

- The Office of Sponsored Programs (OSP) will no longer be approving expenses. OSP will be available to advise Principal Investigators and other administrators on allowability of costs and for consultation on contractual issues related to expenses.

- Financial management: The Task Force Report underscored the need for a more user-friendly way than database colleague for PIs and their staff to access financial information on their grants. The result was the development of the Business Intelligence (BI) Tool, which is now being used across campus. The BI Tool is available on the Portal; training is available through CIT.

Moving forward, roles and responsibilities for grant administration can be summarized as follows:

**Principal Investigator (and PIs or departmental support staff)**
- Overall management of project, including budgetary management
- Initiation of payment requests
- Notification of OSP in case of any potential contractual issues
- Completion of time and effort certifications
- Preparation of technical or progress reports

**Dean’s Office**
- Expense approval
- Processing of personnel paperwork

**Office of Sponsored Programs (OSP)**
- Negotiations with sponsors and coordination of award signatures
- Issuance of project briefs to establish grant accounts and codify important changes
- Preparation of consultant agreements and other documents for subcontracts
- Interpretation of grant agreement terms and conditions
- Liaison with sponsor on potential modifications to grants or contracts

**Grant and Cost Accounting (GCA):**
- Establishment of new accounts based on project briefs from OSP
- Preparation and submission of financial reports on all grants and contracts
- Review of journal entries
- Coordination of financial audits and site visits, as well as liaison with PIs on the annual A-133 audit
- Coordination of grant closeouts

These changes are effective May 1, 2012. Questions can be referred to Conrad Hohenlohe at OSP or Jenda Adams at GCA.
Attachment III-D: OFFICE OF MANAGEMENT & BUDGET CIRCULAR A-21, SECTION J (10)

The full text of A-21 can be found at:
http://www.whitehouse.gov/omb/circulars_a021_2004#j

OFFICE OF MANAGEMENT & BUDGET CIRCULAR A-21, SECTION J (10)

J. GENERAL PROVISIONS FOR SELECTED ITEMS OF COST

10. Compensation for personal services.

a. General. Compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits (see subsection f). These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly on sponsored agreements and for other work allocable as F&A costs are determined and supported as provided below. Charges to sponsored agreements may include reasonable amounts for activities contributing and intimately related to work under the agreements, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences. Incidental work (that in excess of normal for the individual), for which supplemental compensation is paid by an institution under institutional policy, need not be included in the payroll distribution systems described below, provided such work and compensation are separately identified and documented in the financial management system of the institution.

b. Payroll distribution.

(1) General Principles.

(a) The distribution of salaries and wages, whether treated as direct or F&A costs, will be based on payrolls documented in accordance with the generally accepted practices of colleges and universities. Institutions may include in a residual category all activities that are not directly charged to sponsored agreements, and that need not be distributed to more than one activity for purposes of identifying F&A costs and the functions to which they are allocable. The components of the residual category are not required to be separately documented.

(b) The apportionment of employees' salaries and wages which are chargeable to more than one sponsored agreement or other cost objective will be accomplished by methods which will-

(1) be in accordance with Sections A.2 and C;
(2) produce an equitable distribution of charges for employee's activities; and

(3) distinguish the employees' direct activities from their F&A activities.

(c) In the use of any methods for apportioning salaries, it is recognized that, in an academic setting, teaching, research, service, and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate.

(d) There is no single best method for documenting the distribution of charges for personal services. Methods for apportioning salaries and wages, however, must meet the criteria specified in subsection b. (2). Examples of acceptable methods are contained in subsection c. Other methods that meet the criteria specified in subsection b. (2) also shall be deemed acceptable, if a mutually satisfactory alternative agreement is reached.

(2) Criteria for Acceptable Methods.

(a) The payroll distribution system will

(i) be incorporated into the official records of the institution;

(ii) reasonably reflect the activity for which the employee is compensated by the institution; and

(iii) encompass both sponsored and all other activities on an integrated basis, but may include the use of subsidiary records. (Compensation for incidental work described in subsection a need not be included.)

(b) The method must recognize the principle of after the fact confirmation or determination so that costs distributed represent actual costs, unless a mutually satisfactory alternative agreement is reached. Direct cost activities and F&A cost activities may be confirmed by responsible persons with suitable means of verification that the work was performed. Confirmation by the employee is not a requirement for either direct or F&A cost activities if other responsible persons make appropriate confirmations.

(c) The payroll distribution system will allow confirmation of activity allocable to each sponsored agreement and each of the categories of activity needed to identify F&A costs and the functions to which they are allocable. The activities chargeable to F&A cost categories or the major functions of the institution for employees whose salaries must be apportioned (see subsection b. (1) b)), if not initially identified as separate categories, may be subsequently distributed by any reasonable method mutually agreed to, including, but not limited to, suitably conducted surveys, statistical sampling procedures, or the application of negotiated fixed rates.

(d) Practices vary among institutions and within institutions as to the activity constituting a full workload. Therefore, the payroll distribution system may reflect categories of activities expressed as a percentage distribution of total activities.
(e) Direct and F&A charges may be made initially to sponsored agreements on the basis of estimates made before services are performed. When such estimates are used, significant changes in the corresponding work activity must be identified and entered into the payroll distribution system. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term, such as an academic period.

(f) The system will provide for independent internal evaluations to ensure the system's effectiveness and compliance with the above standards.

(g) For systems which meet these standards, the institution will not be required to provide additional support or documentation for the effort actually performed.

c. Examples of Acceptable Methods for Payroll Distribution:

(1) Plan Confirmation: Under this method, the distribution of salaries and wages of professorial and professional staff applicable to sponsored agreements is based on budgeted, planned, or assigned work activity, updated to reflect any significant changes in work distribution. A plan confirmation system used for salaries and wages charged directly or indirectly to sponsored agreements will meet the following standards:

(a) A system of budgeted, planned, or assigned work activity will be incorporated into the official records of the institution and encompass both sponsored and all other activities on an integrated basis. The system may include the use of subsidiary records.

(b) The system will reasonably reflect only the activity for which the employee is compensated by the institution (compensation for incidental work described in subsection a need not be included). Practices vary among institutions and within institutions as to the activity constituting a full workload. Hence, the system will reflect categories of activities expressed as a percentage distribution of total activities. (See Section H for treatment of F&A costs under the simplified method for small institutions.)

(c) The system will reflect activity applicable to each sponsored agreement and to each category needed to identify F&A costs and the functions to which they are allocable. The system may treat F&A cost activities initially within a residual category and subsequently determine them by alternate methods as discussed in subsection b. (2) (c).

(d) The system will provide for modification of an individual's salary or salary distribution commensurate with a significant change in the employee's work activity. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term, such as an academic period. Whenever it is apparent that a significant change in work activity that is directly or indirectly charged to sponsored agreements will occur or has occurred, the change will be documented over the signature of a responsible official and entered into the system.

(e) At least annually a statement will be signed by the employee, principal investigator, or
responsible official(s) using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges, and to residual, F&A cost or other categories are reasonable in relation to work performed.

(f) The system will provide for independent internal evaluation to ensure the system's integrity and compliance with the above standards.

(g) In the use of this method, an institution shall not be required to provide additional support or documentation for the effort actually performed.

(2) After the fact Activity Records: Under this system the distribution of salaries and wages by the institution will be supported by activity reports as prescribed below.

(a) Activity reports will reflect the distribution of activity expended by employees covered by the system (compensation for incidental work as described in subsection a need not be included).

(b) These reports will reflect an after the fact reporting of the percentage distribution of activity of employees. Charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences are indicated by activity records.

(c) Reports will reasonably reflect the activities for which employees are compensated by the institution. To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed.

(d) The system will reflect activity applicable to each sponsored agreement and to each category needed to identify F&A costs and the functions to which they are allocable. The system may treat F&A cost activities initially within a residual category and subsequently determine them by alternate methods as discussed in subsection b. (2) (c).

(e) For professorial and professional staff, the reports will be prepared each academic term, but no less frequently than every six months. For other employees, unless alternate arrangements are agreed to, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

(f) Where the institution uses time cards or other forms of after the fact payroll documents as original documentation for payroll and payroll charges, such documents shall qualify as records for this purpose, provided that they meet the requirements in subsections (a) through (c).

(3) Multiple Confirmation Records: Under this system, the distribution of salaries and wages of professorial and professional staff will be supported by records which certify separately for direct and F&A cost activities as prescribed below.
(a) For employees covered by the system, there will be direct cost records to reflect the distribution of that activity expended which is to be allocable as direct cost to each sponsored agreement. There will also be F&A cost records to reflect the distribution of that activity to F&A costs. These records may be kept jointly or separately (but are to be certified separately, see below).

(b) Salary and wage charges may be made initially on the basis of estimates made before the services are performed, provided that such charges are promptly adjusted if significant differences occur.

(c) Institutional records will reasonably reflect only the activity for which employees are compensated by the institution (compensation for incidental work as described in subsection a need not be included).

(d) The system will reflect activity applicable to each sponsored agreement and to each category needed to identify F&A costs and the functions to which they are allocable.

(e) To confirm that distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the record for each employee will include:

(1) the signature of the employee or of a person having direct knowledge of the work, confirming that the record of activities allocable as direct costs of each sponsored agreement is appropriate; and,

(2) the record of F&A costs will include the signature of responsible person(s) who use suitable means of verification that the work was performed and is consistent with the overall distribution of the employee's compensated activities. These signatures may all be on the same document.

(f) The reports will be prepared each academic term, but no less frequently than every six months.

(g) Where the institution uses time cards or other forms of after the fact payroll documents as original documentation for payroll and payroll charges, such documents shall qualify as records for this purposes, provided they meet the requirements in subsections (a) through (f).

d. Salary rates for faculty members.

(1) Salary rates for academic year. Charges for work performed on sponsored agreements by faculty members during the academic year will be based on the individual faculty member's regular compensation for the continuous period which, under the policy of the institution concerned, constitutes the basis of his salary. Charges for work performed on sponsored agreements during all or any portion of such period are allowable at the base salary rate. In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period. This principle applies to all members of the faculty at an institution. Since intra university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full time base salary, the principle
also applies to faculty members who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member of the same institution. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency.

(2) Periods outside the academic year.

(a) Except as otherwise specified for teaching activity in subsection (b), charges for work performed by faculty members on sponsored agreements during the summer months or other period not included in the base salary period will be determined for each faculty member at a rate not in excess of the base salary divided by the period to which the base salary relates, and will be limited to charges made in accordance with other parts of this section. The base salary period used in computing charges for work performed during the summer months will be the number of months covered by the faculty member's official academic year appointment.

(b) Charges for teaching activities performed by faculty members on sponsored agreements during the summer months or other periods not included in the base salary period will be based on the normal policy of the institution governing compensation to faculty members for teaching assignments during such periods.

(3) Part time faculty. Charges for work performed on sponsored agreements by faculty members having only part time appointments will be determined at a rate not in excess of that regularly paid for the part time assignments. For example, an institution pays $5000 to a faculty member for half time teaching during the academic year. He devoted one half of his remaining time to a sponsored agreement. Thus, his additional compensation, chargeable by the institution to the agreement, would be one half of $5000, or $2500.

e. Noninstitutional professional activities. Unless an arrangement is specifically authorized by a Federal sponsoring agency, an institution must follow its institution wide policies and practices concerning the permissible extent of professional services that can be provided outside the institution for noninstitutional compensation. Where such institution wide policies do not exist or do not adequately define the permissible extent of consulting or other noninstitutional activities undertaken for extra outside pay, the Federal Government may require that the effort of professional staff working on sponsored agreements be allocated between (1) institutional activities, and (2) noninstitutional professional activities. If the sponsoring agency considers the extent of noninstitutional professional effort excessive, appropriate arrangements governing compensation will be negotiated on a case by case basis.

f. Fringe benefits.

(1) Fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, military leave, and the like, are allowable, provided such costs are distributed to all institutional activities in proportion to the relative amount of time or effort actually devoted by the employees. See subsection 11.f. (4) for
treatment of sabbatical leave.

(2) Fringe benefits in the form of employer contributions or expenses for social security, employee insurance, workmen's compensation insurance, tuition or remission of tuition for individual employees are allowable, provided such benefits are granted in accordance with established educational institutional policies, and are distributed to all institutional activities on an equitable basis. Tuition benefits for family members other than the employee are unallowable for fiscal years beginning after September 30, 1998. See Section J.45.b, Scholarships and student aid costs, for treatment of tuition remission provided to students.

(3) Rules for pension plan costs are as follows:

(a) Costs of the institution's pension plan which are incurred in accordance with the established policies of the institution are allowable, provided: (i) such policies meet the test of reasonableness, (ii) the methods of cost allocation are equitable for all activities, (iii) the amount of pension cost assigned to each fiscal year is determined in accordance with subsection (b), and (iv) the cost assigned to a given fiscal year is paid or funded for all plan participants within six months after the end of that year. However, increases to normal and past service pension costs caused by a delay in funding the actuarial liability beyond 30 days after each quarter of the year to which such costs are assignable are unallowable.

(b) The amount of pension cost assigned to each fiscal year shall be determined in accordance with generally accepted accounting principles. Institutions may elect to follow the "Cost Accounting Standard for Composition and Measurement of Pension Cost" (48 Part 9904 412).

(c) Premiums paid for pension plan termination insurance pursuant to the Employee Retirement Income Security Act (ERISA) of 1974 (Pub. L. 93 406) are allowable. Late payment charges on such premiums are unallowable. Excise taxes on accumulated funding deficiencies and prohibited transactions of pension plan fiduciaries imposed under ERISA are also unallowable.

(4) Rules for sabbatical leave are as follows:

(a) Costs of leave of absence by employees for performance of graduate work or sabbatical study, travel, or research are allowable provided the institution has a uniform policy on sabbatical leave for persons engaged in instruction and persons engaged in research. Such costs will be allocated on an equitable basis among all related activities of the institution.

(b) Where sabbatical leave is included in fringe benefits for which a cost is determined for assessment as a direct charge, the aggregate amount of such assessments applicable to all work of the institution during the base period must be reasonable in relation to the institution's actual experience under its sabbatical leave policy.

(5) Fringe benefits may be assigned to cost objectives by identifying specific benefits to specific individual employees or by allocating on the basis of institution wide salaries and wages of the employees receiving the benefits. When the allocation method is used, separate allocations must be made to selective groupings of employees, unless the institution demonstrates that costs in relationship to salaries and wages do not differ significantly for different groups of employees.
Fringe benefits shall be treated in the same manner as the salaries and wages of the employees receiving the benefits. The benefits related to salaries and wages treated as direct costs shall also be treated as direct costs; the benefits related to salaries and wages treated as F&A costs shall be treated as F&A costs.

g. Institution furnished automobiles.

That portion of the cost of institution furnished automobiles that relates to personal use by employees (including transportation to and from work) is unallowable regardless of whether the cost is reported as taxable income to the employees.
### Attachment III-E: SAMPLE GRADUATE AUTHORIZATION AND TUITION REMISSION FORM

#### STUDENT INFORMATION

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRST NAME</td>
<td></td>
</tr>
<tr>
<td>MIDDLE INITIAL</td>
<td></td>
</tr>
<tr>
<td>LAST NAME</td>
<td></td>
</tr>
<tr>
<td>SOCIAL SECURITY NUMBER</td>
<td>Must be entered as XXX-XX-XXXX.</td>
</tr>
<tr>
<td>SEMESTER</td>
<td>Spring</td>
</tr>
<tr>
<td>YEAR</td>
<td>2013</td>
</tr>
<tr>
<td>STUDENT’S STATUS</td>
<td></td>
</tr>
<tr>
<td>Faculty</td>
<td></td>
</tr>
<tr>
<td>Staff Monthly</td>
<td></td>
</tr>
<tr>
<td>Staff Biweekly</td>
<td></td>
</tr>
<tr>
<td>Faculty Spouse/Domestic Partner</td>
<td></td>
</tr>
<tr>
<td>Staff Monthly Spouse/Domestic Partner</td>
<td></td>
</tr>
<tr>
<td>Staff Biweekly Spouse/Domestic Partner</td>
<td></td>
</tr>
</tbody>
</table>

**STUDENT’S REGULAR WORK SCHEDULE:**

- [ ] Monday - Friday 9 a.m. - 5 p.m.
- [ ] Monday - Friday 7 a.m. - 3 p.m.
- [ ] Monday - Friday 8 a.m. - 4 p.m.
- [ ] Monday - Friday 8:30 a.m. - 5:30 p.m.
- [ ] N/A: Student is not an AU employee
- [ ] Others: (specify) __________

Participating faculty and staff members may not take courses during their normal work hours unless they are granted an exception by their supervisor and provost/vice president.

**IS THE STUDENT TAKING ANY CLASS OR CLASSES WHICH WOULD REQUIRE A WORK SCHEDULE EXCEPTION FOR COURSE REGISTRATION?**
Attachment III-F: PROFESSIONAL SERVICES PROVIDER CONSULTANT AGREEMENT

PART I: GENERAL INFORMATION

Professional Service Provider Information:
Name: 
Address: 
Email: 

* A completed W-9 is required if Service Provider is not an active vendor in Datatel

Check One: [ ] U.S. Citizen [ ] Foreign National
- If you checked this box please contact payroll regarding tax classification.

Is the Professional Service Provider a current [ ] or former [ ] AU employee? [ ] Neither

* Service Provider warrants it is not a current employee; otherwise the Office of Finance must approve

American University Information:
Department: 
Contact: 
Telephone: 
Email: 

PART II: TERMS AND CONDITIONS

1. Introduction. This Agreement is dated [ ] , 2021 between American University (AU) and the Professional Services Provider (the "Service Provider").

2. Representations and Certifications. The Service Provider represents the following:

   a. The Service Provider has no family relationship or business affiliation with AU, other AU employee or third party that would lead to a conflict of interest. All potential issues should be disclosed prior to signing this Agreement.

   b. Services to be performed are essential and cannot be provided by persons receiving salary


SECTION IV – RESEARCH COMPLIANCE POLICIES

The Research Compliance Manager in the Office of Research Integrity serves as the administrator for committees established to ensure compliance in three areas of research: human subjects, animal care and use, and biosafety. The Research Compliance Manager reports to the Vice Provost for Research. The Vice Provost for Research acts as the Institutional Official for all registered research compliance committees. AU compliance policies in these areas and committee procedures are given below. Hazardous materials, radiation safety, and controlled substances are also addressed.

The information in this handbook details policies and procedures for the AU compliance committees for which the Office of Research Integrity provides coordination services. For general information about the university’s risk management and safety services for hazardous materials and chemical hygiene go the website http://www.american.edu/finance/rmehs/chemsafety.cfm.

ANIMAL CARE AND USE

Research involving vertebrate animals at American University is overseen by the Institutional Animal Care and Use Committee (IACUC). AU adheres to legislation such as the Animal Welfare Act of 1966 and the Health Research Extension Act of 1985, as well as the Public Health Service Policy on Humane Care and Use of Laboratory Animals and other relevant guidelines. Applicable regulations are available at the web site of the Office of Laboratory Animal Welfare (OLAW): http://grants.nih.gov/grants/olaw/olaw.htm. AU operates under the terms of its Animal Welfare Assurance with OLAW.

AU’s policies on animal care and use are described in detail at the IACUC web site http://www.american.edu/research/about-iacuc.cfm.

All research involving vertebrate animals must receive prior approval from the IACUC. The IACUC meets as needed on a monthly basis, and at least twice a year. Proposals should be submitted to the IACUC Administrator using the Protocol for the Use of Live Vertebrates for Research, Teaching, or Demonstration form found on the IACUC website.

IACUC procedures include monthly inspections (announced and unannounced) by AU’s consulting veterinarian. The IACUC prepares semi-annual reports for the Vice Provost for Research.

Since 1995 AU has not been engaged in research using any animals whose use would require a license and annual inspection from the U.S. Department of Agriculture. Introduction of certain animals other than mice, rats, birds, and fish could trigger these new requirements.
Questions should be directed to Matt Zembrzuski, the Research Compliance Manager at jacuc@american.edu.

**BIOHAZARDOUS MATERIALS AND RECOMBINANT DNA (RDNA)**

The Institutional Biosafety Committee, registered with the Office of Biotechnology Activities at the National Institutes of Health, is charged with oversight of research with RDNA. For details on federal regulations regarding the use of RDNA, visit [http://osp.od.nih.gov/office-biotechnology-activities/biosafety/institutional-biosafety-committees](http://osp.od.nih.gov/office-biotechnology-activities/biosafety/institutional-biosafety-committees).

Institutional forms and websites are in development, but questions or concerns over the use of RDNA or other bio hazardous materials in research should be directed to Matt Zembrzuski, the Research Compliance Manager at zembrzus@american.edu, or Leanne wright, the Environmental Health and Safety officer at pina@american.edu.

**RADIATION SAFETY**

AU is licensed by the Nuclear Regulatory Commission (NRC) to use specific, limited quantities of radioactive isotopes for teaching, research, and training. NRC inspectors can and do conduct unannounced inspections to determine the University’s compliance with licensing requirements. Use of radioactive isotopes is overseen by the Radiation Safety Officer (RSO).

A researcher who proposes to use radioactive isotopes must:

- have current, documented training in radiation safety;
- be named on AU’s NRC license;
- ensure that AU is licensed for the isotopes to be used; and
- strictly follow all university protocol for ordering, use, and disposal of radioactive materials.
- Post warning signs where radioactive materials and stored and used
- Obtain an approved plan for disposal from the RSO

In addition, all orders for isotopes for use at AU must be signed by the teaching unit head and the Radiation Safety Officer.

For further information on federal and AU procedures regarding research with radioactive isotopes or specific licensing requirements, view the Radiological & Biological Safety web page at [http://www.american.edu/finance/rmehs/radioactive.cfm](http://www.american.edu/finance/rmehs/radioactive.cfm).
HAZARDOUS MATERIALS

American University conducts research and other activities that involve the use of hazardous materials. These materials, if not properly used, stored, transported, or disposed of, may pose a risk to persons or the environment. AU’s policy is to provide an environment free from recognized, significant hazards and comply with local and federal regulations regarding environmental and occupational safety and health, such as those promulgated by the Occupational Safety and Health Administration (OSHA) and the Environmental Protection Agency (EPA).

Accordingly, all projects involving the use of hazardous chemical or biological materials must adhere to the University’s Chemical Hygiene Plan, available from Risk Management and Safety Services. This policy serves as a guide for laboratory researchers, professors, students, and other AU personnel who generate hazardous waste.

Management questions should be addressed to Leanne Wright, Assistant Director of Environmental Health & Safety, Risk Management and Safety Services. Please visit http://www.american.edu/finance/rmehs/index.cfm for more details or email rmo@american.edu.

CONTROLLED SUBSTANCES

Researchers cannot use controlled substances in research unless they have registered with the Drug Enforcement Agency (DEA), and with the Washington, DC Department of Health. 21 CFR 1301 (and in particular 21 CFR 1301.18) covers requirements that must be met by any researcher anticipating the use of controlled substances listed under schedules one through five. The application (DEA form 225 or 225a) requires the submission of the research protocol, a description of the quantity and type of controlled substance proposed for use; and an explicit description of the safe, location of the safe, and controlled access to the safe in which the substances will be stored.

Since the researcher registers directly with the DEA for a license to obtain controlled substances, AU has no standing committee for this purpose. However, faculty members considering research that involved controlled substances may wish to contact the Office of Research Integrity for guidance in contacting the proper authorities. DEA federal registration information can be found at http://www.deadiversion.usdoj.gov/index.html. District of Columbia’s licensing information can be found at http://doh.dc.gov/service/controlled-substance-licensing.