Proposal-Related Issues

Presented October 24, 2012
Butler Boardroom, 9:30 – 11:30

Presenters:

Michael Nichols, OSP, x3457, mnichols@american.edu
Conrad Hohenlohe, OSP, x3474, chohenl@american.edu
Shira Lowinger, OSP, x3445, lowinger@american.edu
What Will Be Covered Today

I. Pre-Proposal Considerations:
   - Identifying funding sources;
   - Letters of intent/inquiry;
   - Limited submission policy;
   - Pre-award agreements;

II. Proposal preparation:
   - Roles and responsibilities;
   - Sponsor guidelines;
   - Proposal elements;

III. Budgeting;

IV. Routing and Submission;

V. Other pre-award issues:
   - Compliance;
   - Assurances and certifications;
   - Proposed contract terms and conditions.
Pre-Proposal Considerations

A. Identifying Funding Sources
B. Preliminary Review of Guidelines
C. Letters of Intent/Inquiry
D. Limited Submission Policy
E. Pre-Award Agreements
Pre-Proposal Considerations:
Identifying Funding Sources

   - Possible to arrange automatic e-mail notification based on profile.
   - Builds profile based on publications, other public information.
   - Strongest in scientific funding, but not limited to those areas.
4. Foundation Directory Online, available via library subject guides at http://subjectguides.library.american.edu/databasesatoz
   - Includes over 108,000 foundations and 4,000 companies.
5. OSP listserv: A weekly newsletter highlighting external funding opportunities and information relevant to AU’s research enterprise
   - Subscribe by sending e-mail to listserv@listserv.american.edu with “Subscribe Funding-L” in subject line and in body of e-mail.
Pre-Proposal Issues: Preliminary Review of Guidelines

Key initial things to look for:

- Eligibility: Can we apply? Are there any limits on applications?
- Deadline: Is there enough time to prepare solid application?
- Submission method:
  - Does the university need to register in a new electronic system?
  - Does the PI (or anybody else) need a new account?
  - Is there an initial letter required?
Pre-Proposal Considerations: Letters of Intent/Inquiry

- Some sponsors have a two-step application process; an initial step narrows the range of potential applicants.
- Generally, the initial step is a short letter describing the proposed project, often with a rough budget or bottom-line budget figure.
- The initial letter does not need to be routed.
- However, OSP should be contacted to review any certifications, coordinate institutional signature, etc.
Pre-Proposal Considerations: Limited Submission Policy

When sponsors limit the number of proposals that they will accept from a single institution:

- OSP announces an internal deadline for interested PIs to submit an abstract, biosketch, draft budget, and brief statement how the proposed project contributes to the mission of the sponsor and AU.
- Decisions on which PI(s) can proceed with the submission are made by an internal review group convened by the Vice Provost for Graduate Studies and Research.
- Details at [https://www.american.edu/research/](https://www.american.edu/research/) under “research policies.”
Pre-Proposal Issues: 
Pre-Award Agreements

• When partnerships or consortia are formed to apply for grants or contracts, there can be pre-award agreements put into place to govern the relationships among the parties.

• Most common are:
  o Teaming agreement;
  o Nondisclosure agreement.

• Issues generally addressed are:
  o Parties’ responsibilities in preparing the proposal;
  o Division of work if the proposal is successful;
  o Protection of confidential information and intellectual property;
  o Possible terms of a future subcontract.
Proposal Preparation

A. Roles and Responsibilities
B. Sponsor Guidelines (RFPs, RFAs, etc.)
C. Proposal Elements
D. Proposal Tips
Roles and Responsibilities: Principal Investigator

- Selection of appropriate funding opportunities to pursue;
- Coordination of other key personnel and internal and external partners/collaborators;
- Most elements of proposal (narrative, abstract, bios, bibliography);
- Coordination with OSP on budget and budget narrative;
- Advance discussion with dean’s office about proposal commitments (course release, cost share, facilities, etc.);
- Timely submission of documents for routing.
Roles and Responsibilities: Department/School

• Review of budget for appropriateness of select costs (e.g. salaries, level of effort of PI and key staff);
• Review of requests for institutional commitments (course release, cost share, use of university resources, etc.);
• Letters of support as required;
• Final review of proposal at routing stage.
Roles and Responsibilities: Office of Sponsored Programs

- Preparation of budget in consultation with PI;
- Review of sponsor guidelines to ensure compliance;
- Review of assurances and certifications, as well as award terms and pre-award agreements, if applicable;
- Assistance with electronic proposal preparation;
- Coordination of proposal routing, including pre-approval if necessary;
- Proposal submission;
- Post-submission liaison with sponsor, if applicable;
- Per limited-submission policy, coordination of internal selection;
- Coordination with university administration for proposals involving significant use of AU facilities beyond general use and/or significant cross-institutional cooperation.
Sponsor Guidelines

Sponsors solicit applications in a number of ways, such as:

- Request for applications (RFA);
- Request for proposals (RFP);
- Request for quotation (RFQ);
- Solicitation;
- Broad Agency Announcement (BAA);
- Annual Program Statement (APS);
- Funding Opportunity Announcement (FOA);
- Parent Announcement (PA);
- Application guidelines.
Sponsor Guidelines

Key items in reviewing sponsor guidelines:

1. Preliminary items, described above
   - Eligibility, deadline, submission method.
2. Identify ALL possible sources of rules governing application
   - Read general sponsor guidelines in addition to specific solicitation; read FAQs
3. Follow meticulously any specifications on items to include or not include, maximum number of pages, fonts, CV format, etc.
Sponsor Guidelines

Key items in reviewing sponsor guidelines (continued):

4. Identify any contract terms and conditions that may be included in the request for proposals
   - Sponsors sometimes include terms and conditions that will be included in the ultimate award agreement; proposal submission implies consent with these terms.

5. Identify anything that needs clarification (e.g. confusing or contradictory requirements) early enough to allow for questions
   - Some sponsors have deadlines for submitting questions.
Proposal Elements: Summary/Abstract

• A concise summary that describes the aims and procedures of the proposed project;
• A critical part of the project – and often used by the sponsor in publicizing grants provided;
• Usually 1-2 pages; follow directions!
Proposal Elements: Project Narrative

1. Background/Problem:
   (a) Why is project necessary? (b) What problem does it address? (c) What have others done in the same area?

2. Goals and Objectives:
   (a) What are the proposed activities? (b) What do you hope to accomplish/learn?

3. Procedures/Methods:
   (a) How will the project be done, step by step? (b) What back-up plans are in place if things don’t go according to plan?

4. Timeline
Proposal Elements: Personnel

- Provide CVs or bios to establish credentials of key personnel (including co-investigators, project directors, and PIs at partner institutions);
- Follow directions! For example, NSF requires the following in 2 pages:
  - Professional Preparation
  - Appointments
  - Publications (max: 5)
  - Synergistic Activities (max: 5)
  - Collaborators and Other Affiliations
    - Collaborators and Co-Editors
    - Graduate Advisors and Postdoctoral Sponsors
    - Thesis Advisors and Postgraduate-Scholar Sponsors
Proposal Elements: Current and Pending Support

- List all current grants and outstanding proposals for all key personnel;
- Should be consistent with time and effort reporting;
- Not required by all sponsors;
- Typically not reviewed at proposal stage; but useful to sponsor at award stage;
- Total actual effort on funded projects cannot exceed 100%, but it can be acceptable to propose more than 100% distributed across multiple proposals.
Proposal Tips

- Encourage everybody to start the process early.
- Contact OSP early.
- Read the guidelines carefully and follow them.
- Sometimes there are unclear or contradictory guidelines; OSP can clarify with sponsor.
- Plan to submit at least 24 hours early; things can go wrong!
Budgeting

A. General Considerations
B. Salaries
C. Fringe Benefits
D. Travel
E. Contractual
F. Equipment
G. Other Direct Costs
H. Indirect Costs
I. Cost Share
Budgeting: General Considerations

- Costs requested in the proposal budget must be
  - Allowable under the sponsor’s policies
  - Allocable (i.e. directly benefitting the project)
  - Reasonable
  - Consistently estimated

- Read guidelines carefully before starting on the budget: sponsor policies on certain cost items vary.

- In general a detailed budget shows careful planning.
Budgeting: Salaries

- Salaries generally must be shown as a percentage of effort at an annual rate for a particular period of time:
  e.g. 1/1/13 – 5/31/13, 5 months @ 20% effort @ $55,000/year = $4583
  or based on an hourly rate:
  e.g. 1/1/13 – 3/31/13, 13 weeks @ 20 hours/week @ $12/hour = $3120

- At AU, most faculty salaries are based on a 9-month contract even though the salaries are paid out over 12 months. So their monthly salary rate is 1/9 of their salary base, not 1/12.

- Summer pay for 9-month faculty should be based on their academic-year rate, but it paid out as additional salary.
Budgeting: Salaries (cont.)

• AU generally projects a salary increase effective each September 1; percentage can vary among schools.

• Be aware of any restrictions, such as salary caps.

• Clerical/administrative salaries are generally not allowed as direct expenses on federal grants, because such costs are typically captured in the F&A (indirect) costs. There can be exceptions made depending on the nature of the project and the individual’s role in it.

• Full-time AU employees generally can not receive grant-funded pay beyond their regular full-time salaries (except for faculty summer pay).
Budgeting: Fringe Benefits

- Fringe benefits are made up of:
  - FICA (Social Security and Medicare);
  - Retirement benefits
  - Health
  - Tuition remission
  - Other (e.g. worker’s comp, disability, unemployment, life insurance)

- On grants, fringe benefit rates are a part of AU’s Negotiated Indirect Cost Rate Agreement (NICRA – discussed later)

- Current rates:
  - Full-time salaries: 25.3%
  - Part-time salaries: 8%

- 9-month faculty are considered part-time during the summer.
Budgeting: Travel

• Most funders want to see detailed calculations for travel, meals, lodging, and other costs

• For budget purposes, the official USG per diem rates are the easiest source:
  
  Foreign rates:  http://aoprals.state.gov/web920/per_diem.asp
  Domestic rates:  www.gsa.gov/portal/category/21287

• Remember Fly America Act (which generally requires use of US carriers) when preparing a budget for a federal project; it can raise costs substantially.
Budgeting: Contractual

Consultants

• AU uses the term “consultant” to refer to individual independent contractors and “subcontractors” to refer to organizations.
• AU employees are never consultants; they should be listed under “personnel.”
• When prospective consultants are mentioned by name in a proposal, it is best to have something in writing from them documenting the fact that they agree to the work to be done and the proposed payment.
• Most consultants should be paid based on a daily rate, although it is possible to pay fixed amounts for specific deliverables.
• Rate should be based on salary history or a reasonable figure comparable to what others are paid for doing similar work;
• Some funders have a maximum consultant rate, above which special approval is required. For example, most Department of Justice grants have a cap of $450/day.
Budgeting: Contractual (cont.)

Subcontracts

• Subcontract budgets should have the same amount of detail as the overall AU budgets.

• AU should secure a letter from the partner, signed by an authorized official, agreeing to work on the proposed project, if funded. There should also be clear communication about SOW and budget.

• If the RFP includes contract terms that would apply to a funded award, they must be passed on to the subcontractor.

• Some RFPs require certifications from subcontractors.

• With new NIH regulations, a financial conflict of interest (FCOI) disclosure is needed.

• Proposals with potential subcontracts should be started early; subcontractors have their own internal procedures that can take time.
Budgeting: Equipment

Definition:
An item with a purchase price of $5000 or more per unit and a useful life of more than 1 year

- Planned equipment purchases should be justified in the budget narrative.
- Competitive bidding requirements will likely apply at the time of purchase.
- Award terms vary as to the final disposition of equipment purchases on externally funded awards.
Budgeting: Other Direct Costs

Office supplies:
• Generally not treated as a direct cost
• Can be allowable if they are not of a routine nature and are specifically related to the project. (e.g. pens, pencils, paper, etc.)

Printing/duplicating:
• Similarly, routine printing costs are generally not allowable, but unusual printing jobs for specific projects can be allowed.
Budgeting: Indirect Costs

• A.k.a. F&A (“Facilities and Administrative”) Costs or Overhead
• A simple way to capture those general costs that would otherwise be difficult to allocate among projects:
  1. Operation and Maintenance – Physical Plant
  2. Institutional Support
  3. Library
  4. Depreciation
  5. Departmental Administration
• Negotiated with the Department of Health and Human Services as part of the Negotiated Indirect Cost Rate Agreement (NICRA).
• Almost all federal agencies honor the NICRA, but some projects mandate a lower rate.
• AU always requests full indirect costs unless the sponsor has a written policy limiting indirect costs.
Budgeting: Indirect Costs (cont.)

• Institutions can have multiple rates. AU has two: (must choose one)
  o On-campus rate: 39% of modified total direct costs (“MTDC”)
  o Off-campus rate: 15% of modified total direct costs

• Within the on-campus rate, the government caps the administrative part of F&A at 26%.

Definitions

• **Modified total direct costs:** Total direct costs minus equipment, capital expenditures, participant costs, and subaward costs in excess of $25,000 per subaward.

• **Off-campus project:** A project where all activities are performed in facilities not owned by the institution and to which rent is directly allocated to the project. If more than 50% of a project is performed off-campus.
Budgeting: Cost Share

Definitions:

Cost sharing is the portion of the total budget of a sponsored research project agreement that is contributed by the University and/or other non-federal sources but not reimbursed by the sponsor.

Mandatory cost share is cost share required by the sponsor.

Voluntary cost share is not required by the sponsor but promised by AU.

- Once committed, voluntary cost share becomes mandatory.
- AU’s policy is “to minimize institutional and third-party cost sharing on sponsored projects” and “not to approve cost sharing on a voluntary basis.”
- Cost share budget be approved at the routing stage on a case-by-case basis only when it is “demonstrably in the best interest of the University to do so.”
Budgeting: Cost Share (cont.)

Considerations in budgeting cost share:

- There are record-keeping obligations; once proposed, cost share must be tracked and is auditable.
- Allowability rules are the same as for expenses that are charged to a grant.
- Cost share is specific to a particular project; the same expense cannot be used as cost share on two different projects.
- Federal funds cannot be used as cost share on another federally-funded projects.
- Failure to meet required or proposed cost share levels can result in a reduction of the award amount; budget cost share conservatively!
Routing and Submission

A. Why Route?
B. Who Signs?
C. Cayuse
D. Internal Deadlines
E. Submission
Routing and Submission: Why Route?

- Dean and department or division chair must be aware of activities that might affect teaching or other academic commitments.
- AU must be aware of and agree to any commitments of AU resources that a proposal makes.
- Any potential conflicts of interest must be identified.
- Any additional compliance issues – such as research with human or animal subjects – must be identified.
- Proposals usually include some sort of representation or certification that must be made on an institutional level.
- Some proposals might not be in the best interests of the university.
Routing and Submission: Who Signs?

- Who signs?
  - Principal investigator (PI)
  - Co-principal investigator (if applicable)
  - Chair of PI’s department or division
  - Dean or Dean’s designee
  - Institutional signatory:
    - under $100,000: OSP Director
    - $100,000 or over: Vice Provost for Graduate Studies and Research

- If another AU faculty or staff from another division is involved substantially, his/her chair and dean must sign as well.

- Proposals $250,000 and over also require the Provost’s signature on a Pre-Approval Form; the President’s signature is also required for proposals $500,000 and over.
Routing and Submission: Cayuse

Cayuse is the system that AU uses to route all proposals and submit certain federal proposals.

- All faculty automatically have accounts; staff without accounts should contact Joe Gesa at gesa@american.edu, x3977.
- Web-based platform that allows forms to be filled in and documents to be uploaded for collaborative work.
- Access through Portal in Technology tab, or at american.cayuse424.com, using regular AU login.
- Identifies potential errors and warnings before submission.
- Routing is done electronically; e-mail notification prompts signatory to log in and review proposal
- Tip: use Internet Explorer or Firefox
Routing and Submission: Internal Deadlines

<table>
<thead>
<tr>
<th>Action Required</th>
<th>Days before deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notify OSP of intention to develop an application</td>
<td>ASAP</td>
</tr>
<tr>
<td>Discuss draft budget with OSP or college-level grant specialists</td>
<td>10</td>
</tr>
<tr>
<td>Notify OSP of complex or unusual requirements</td>
<td>10</td>
</tr>
<tr>
<td>Give draft budget and abstract to OSP for pre-approval (over $250K)</td>
<td>7</td>
</tr>
<tr>
<td>Provide final budget and near-final narrative to OSP</td>
<td>5</td>
</tr>
<tr>
<td>Provide final narrative and all other proposal documents to OSP</td>
<td>2</td>
</tr>
</tbody>
</table>

From OSP Process Memo at https://www.american.edu/provost/osp/Policies-and-guidlines.cfm
Routing and Submission: Submission

- Generally OSP submits all proposals on behalf of AU.
- PIs can submit proposals to program officers with OSP’s approval.
- With electronic submissions, allow at least 24 hours in case of network problems, server outages, or other unexpected technical glitches, e.g.

Dear Applicant:
Your submission was received on 24-Feb-11 07:51:03 PM, ET. However, it contained the following errors and cannot be forwarded to the granting agency. The following errors were detected:

   Error: PDF submission is corrupted. - GG O&M

Please correct the above error(s) and resubmit your application to Grants.gov.
Other Pre-Award Issues

A. Research Compliance
B. Assurances and Certifications
C. Contract Terms
Other Pre-Award Issues: Research Compliance

- Institutional Review Board for the Protection of Human Subjects (IRB) reviews projects that involve research on human subjects (Contact Matt Zembruziski, irb@american.edu, x3447).
- Institutional Animal Care and Use Committee (IACUC) reviews projects that involve animal research (Contact Matt Zembruziski, iacuc@american.edu, x3447).
- Responsible Conduct of Research (RCR) training required for some prospective grantees; see http://www.american.edu/research/rcr.cfm.
- In most cases, committee approval is not necessary at the proposal stage, but PI should contact committees. Some proposals require that compliance issues be addressed in the proposal.
Proposal Elements: Assurances and Certifications

- Written, binding commitments submitted as part of a proposal to a federal agency promising to comply with the regulations and the stated procedures for achieving compliance;
- Some standard assurances include:
  - lobbying
  - drug-free workplace
  - equal opportunity
  - debarment and suspension
  - delinquency on federal debt
- OSP is responsible for reviewing.
Other Pre-Award Issues: Proposed Contract Terms and Conditions

- Some solicitations which will result in contracts include the terms of the contract in the solicitation itself.
- In these cases, submission of a proposal indicates agreement with all of those terms.
- Applicants can object at the proposal stage to specific terms, thus reserving the right at least to try negotiate those terms at the award stage.
- Inform OSP early of interest in applying for any such contract so that there is time to review the terms and identify those terms to which AU might object.
for example....

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

I.1 NOTICE LISTING CONTRACT CLAUSES INCORPORATED BY REFERENCE

The following contract clauses pertinent to this section are hereby incorporated by reference (by Citation Number, Title, and Date) in accordance with the clause at FAR "52.252-2 CLAUSES INCORPORATED BY REFERENCE" in Section I of this contract. See FAR 52.252-2 for an internet address (if specified) for electronic access to the full text of a clause.

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>TITLE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>52.202-1</td>
<td>DEFINITIONS</td>
<td>JUL 2004</td>
</tr>
<tr>
<td>52.203-3</td>
<td>GRATUITIES</td>
<td>APR 1984</td>
</tr>
<tr>
<td>52.203-5</td>
<td>COVENANT AGAINST CONTINGENT FEES</td>
<td>APR 1984</td>
</tr>
<tr>
<td>52.203-6</td>
<td>RESTRICTIONS ON SUBCONTRACTOR SALES TO THE GOVERNMENT</td>
<td>SEP 2006</td>
</tr>
<tr>
<td>52.203-7</td>
<td>ANTI-KICKBACK PROCEDURES</td>
<td>JUL 1995</td>
</tr>
<tr>
<td>52.203-8</td>
<td>CANCELLATION, RESCISSION, AND RECOVERY OF FUNDS FOR ILLEGAL OR IMPROPER</td>
<td>JAN 1997</td>
</tr>
<tr>
<td>52.203-10</td>
<td>PRICE OR FEE ADJUSTMENT FOR ILLEGAL OR IMPROPER ACTIVITY</td>
<td>JAN 1997</td>
</tr>
<tr>
<td>52.203-12</td>
<td>LIMITATION ON PAYMENTS TO INFLUENCE CERTAIN FEDERAL TRANSACTIONS</td>
<td>SEP 2007</td>
</tr>
<tr>
<td>52.203-14</td>
<td>DISPLAY OF HOTLINE POSTER(S)</td>
<td>DEC 2007</td>
</tr>
<tr>
<td>52.204-2</td>
<td>SECURITY REQUIREMENTS</td>
<td>AUG 1996</td>
</tr>
<tr>
<td>52.204-4</td>
<td>PRINTED OR COPIED DOUBLE-SIDED ON RECYCLED PAPER</td>
<td>AUG 2000</td>
</tr>
<tr>
<td>52.204-7</td>
<td>CENTRAL CONTRACTOR REGISTRATION</td>
<td>APR 2008</td>
</tr>
</tbody>
</table>

[and 4 more pages of citations]
Next Time: Grants Management I (Pre-Award)

November 15, 2012, 9:30-11:30 (Hughes Formal Lounge)

Topics to be covered:
• Just-in-time submissions;
• Award negotiation;
• Typical grant and contract terms;
• Troublesome grant and contract terms;
• Award set-up.
Quiz