
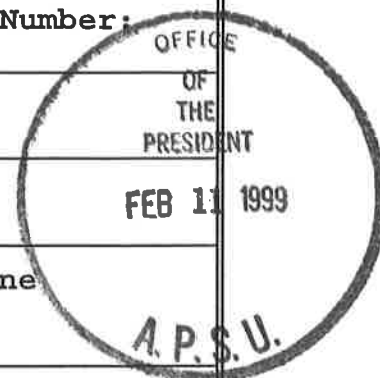


AUSTIN PEAY STATE UNIVERSITY
POLICIES AND PROCEDURES MANUAL


Policy Number: 99:008	Supersedes Policy Number: 99:008
Date: February 10, 1999	Dated: August 1, 1986
Subject: Grants Management	
Initiating Authority: Vice President for Academic Affairs	TBR Policy/Guideline Reference:
Approved:  President	



Management of Sponsored Agreements

I. Acceptance of Awards

- A. Grants and contracts are normally awarded to Austin Peay State University, not to the Project Director/Principal Investigator. The University is the legal entity responsible for compliance with the terms and conditions of the grant or contract.
- B. Award negotiations for programmatic changes and/or changes in funding level will be conducted by the Office of Grants and Sponsored Programs in consultation with the Project Director/Principal Investigator. If negotiation results in programmatic or funding changes that significantly increase the level of University commitment beyond those authorized by the original proposal, the Office of Grants and Sponsored Programs will secure approvals from all administrators signing the original proposal prior to accepting the award.
- C. Grant and contract awards to the University must be approved and accepted by the President or his/her designee.
 1. When a granting agency requests formal acceptance of an award, the acceptance will be routed through the Office of Grants and Sponsored Programs for the President's signature. No award agreement exists until the required documents are signed and returned to the sponsor.

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2. When an award is made in the form of a contract, the Project Director will forward the contract documents to the Office of Grants and Sponsored Programs.
- a. The Office of Grants and Sponsored Programs will route the contract for review by the Vice President for Academic Affairs and the Vice President for Finance and Administration.
 - b. If this review determines that contract modifications need to be made, the Office of Grants and Sponsored Programs will negotiate with the sponsor to secure such modifications.
 - c. When approved, the Vice President for Finance and Administration will route the contract to the President's Office for signature.
 - d. The Office of Grants and Sponsored Programs will return the signed contract to the sponsor for execution.
 - e. Upon receipt of the fully-executed contract, the Office of Grants and Sponsored Programs will forward it to the Vice President for Finance and Administration for numbering and distribution.
 - f. No agreement exists until a fully executed contract has been received, accepted, and numbered by the Vice President for Finance and Administration.
3. When a sponsor issues an award letter that does not require written acceptance, the Office of Grants and Sponsored Programs may commit the University to the award by authorizing expenditure of the grant funds. An award letter creates an agreement unless specifically declined by the University. Initial expenditure of funds constitutes formal acceptance of such awards.
- D. University Obligation. The University has no obligation to accept, or to provide cost-sharing or matching funds for, any award for which a fully-approved proposal is not on file in the Office of Grants and Sponsored Programs. This applies to all awards, whether the University, an individual employee or a third party organization is the primary awardee.

- E. Declination. For an award to be declined, it must be done in writing over the President's signature.
1. All declinations must be routed through the Office of Grants and Sponsored Programs.
 2. The Office of Grants and Sponsored Programs will notify all administrators signing the original proposal of the intent to decline an award prior to taking action on a declination.
- F. Awards are considered individual awards only when the University is not named in the grant or contract agreement and the payee for all funds is the Project Director in his/her capacity as a private individual.
1. Individual awards will be reported to the Office of Grants and Sponsored Programs when one or more of the following conditions exists:
 - a. Project work will take place during the employee's normal working hours or will require the employee to be absent from his/her normal work assignment (including leaves of absence and reassigned time).
 - b. Project work will be performed on University property.
 - c. University resources (e.g. equipment, clerical support, etc.) will be used in performance of the project.
 - d. The contract or agreement was awarded based upon the individual's status as an employee of the University.
 2. Awards meeting the above criteria will be included in all reports issued by the Office of Grants and Sponsored Programs pertaining to external support for University research and related activities.
 3. Individual awards will be reviewed by the Office of Grants and Sponsored Programs to determine the extent of commitment of University resources necessary for completion of the project. If a commitment of University resources is needed, the awardee must obtain University approval for their use. The Office of Grants and Sponsored Programs will assist the awardee to secure the needed approvals. Inability to secure these approvals may

necessitate the individual awardee's declination of an award.

II. Project Budget Format

- A. Project budgets, both for proposals and for final agreements, shall be prepared using the cost categories and cost classification system employed by the University's Financial Records System (FRS). Exceptions will be made only when sponsor's written policy requires a prescribed format. A copy of sponsor's requirements must be on file in the Office of Grants and Sponsored Programs and in the Grants Accountant's office.
 - 1. The Investigator/Project Director will work with the Office of Grants and Sponsored Programs and the Grants Accountant to bring a non-conforming budget as nearly as possible into alignment with FRS cost categories.
 - 2. When exceptions are made, the Investigator/Project Director may be required to assist with preparation of all fiscal reports and provide additional documentation to support expenditure classifications.
- B. Project budgets, both for proposals and for final agreements, must include entries for employee benefits and for indirect costs. If the sponsor has written policy disallowing these costs, they will be shown in the project budget as APSU cost-sharing. An internal source of funds for employee benefit expenses must be identified. A copy of the sponsor's written policy must be on file in the Office of Grants and Sponsored Programs and in the Grants Accountant's office.
- C. Project budgets will clearly indicate the start and end date of each budget period.
- D. Salaries, travel and equipment items will be budgeted in conformity with pertinent APSU and Tennessee Board of Regents policies and guidelines, or in conformity with sponsor's written requirements if they are more restrictive.

III. Creation of Restricted and Matching Funds Accounts

- A. Once an award is accepted by the University, the Office of Grants and Sponsored Programs will authorize the Grants Accountant to establish the necessary restricted funds account(s).

- B. If cost-sharing or matching funds are required by the agreement, the Office of Grants and Sponsored Programs will authorize the Grants Accountant to establish the necessary unrestricted funds account(s) and initiate budget transfer(s) to place the required funds in the account(s).
 - 1. All cash cost-sharing or matching funds will be placed in project-specific unrestricted accounts unless otherwise approved by the Office of Grants and Sponsored Programs and the Grants Accountant.
 - 2. If cost-sharing or matching obligations are to be met through third-party contributions or through in-kind contributions, the Office of Grants and Sponsored Programs will, in consultation with the Grants Accountant and the Project Director, develop a written plan for documentation of same.
- C. The Project Director/Principal Investigator must provide the following information to the Grants Accountant prior to assignment of an account number:
 - 1. A list of due dates for all billings on the award/contract.
 - 2. A billing address for the award/contract.
 - 3. The name, address and telephone number of a contact person for inquiries pertaining to fiscal matters on the award/contract.
 - 4. The date for final billing and special closeout requirements, if any.
 - 5. Identification of the source of funds (e.g., private, state, federal).
 - 6. The CFDA number for any federal funds awarded.
- D. The Grants Accountant will assign appropriate account number(s) and make the necessary budget entries into the Financial Records System (FRS). The Project Director may spend from the account(s) upon notification of the assigned number(s) by the Office of Grants and Sponsored Programs.

IV. Authority and Responsibilities of the Project Director/
Principal Investigator

- A. The individual designated on the award document(s) as

Project Director or Principal Investigator becomes responsible to the University for completion of the funded project and compliance with the terms and conditions of the award.

- B. The designated Project Director/Principal Investigator shall be responsible for budgetary control and fiscal management of the award, subject to compliance with this policy, and all other University and TBR policies, procedures and guidelines governing sponsored agreements, as well as the terms and conditions of the award.
1. No expenditures can be made from project restricted or unrestricted funds unless approved by the Project Director/Principal Investigator.
 2. The Project Director/Principal Investigator will maintain adequate fiscal and budgetary records to satisfy the sponsor's policies and requirements and the terms and conditions of the award agreement.
 - a. Fiscal recordkeeping systems will be agreed upon by the Project Director/Principal Investigator, the Office of Grants and Sponsored Programs, and the Grants Accountant prior to expenditure of grant funds.
 - b. The Office of Grants and Sponsored Programs and the Grants Accountant are empowered to conduct or request periodic review of project fiscal records and to require corrective actions as needed to ensure compliance.
- C. The designated Project Director/Principal Investigator shall have full programmatic control of the project, subject to the terms and conditions of the award agreement. The Project Director/Principal Investigator will maintain complete and orderly records documenting project performance in compliance with the terms and conditions of the award agreement.
1. Programmatic recordkeeping responsibilities and procedures will be agreed upon by the Project Director/Principal Investigator and the Office of Grants and Sponsored Programs prior to expenditure of grant funds.
 2. The Office of Grants and Sponsored Programs is empowered to conduct or request periodic review of project programmatic and performance records and to

require corrective actions as needed to ensure compliance.

D. The Project Director/Principal Investigator is responsible for timely preparation and submission of all performance or programmatic reports required by sponsor policy or the terms and conditions of the award agreement. All performance and/or programmatic reports will be forwarded to the sponsor either:

1. By the Office of Grants and Sponsored Programs, with provision of proof of mailing (certified mail receipt, FedEx receipt, etc.) to be placed in the permanent project file.
2. By the Project Director/Principal Investigator, who will provide a proof of mailing and a copy of the report to the Office of Grants and Sponsored Programs.
3. Reports requiring signature(s) by the President or Vice President(s) will be routed through the Office of Grants and Sponsored Programs for signing.

E. Closeout and Audit.

1. The Project Director/Principal Investigator is responsible for proper project closeout at the end of an award period. This includes reconciliation of financial, equipment and programmatic records, completion of all necessary reports to sponsor, and any other obligations incurred as a result of the award.
2. The Project Director/Principal Investigator, in cooperation with the Grants Accountant will make project financial and programmatic records available for audit by the University's internal auditor and by the Tennessee State Audit as required.
3. In the event of a sponsor site visit or audit of a project, the Project Director/Principal Investigator will notify the Office of Grants and Sponsored Programs immediately upon learning that the site visit/audit will occur. The Office of Grants and Sponsored Programs and the Vice President for Finance and Administration (or his/her designee) will coordinate the site visit or audit and will make all necessary notifications pertaining to the audit.

- F. Because awards are made to the University, and the University incurs liabilities as a consequence of accepting awards, the University reserves the right to terminate an agreement or to replace a Project Director/Principal Investigator in the event of mismanagement or malfeasance.

V. Pre-award Spending

- A. Any expenditure or commitment of project funds in advance of the existence of an agreement between the University and the sponsor shall be considered pre-award spending.
- B. Pre-award spending will be permitted only in documented, exceptional circumstances, and must be requested in writing by the Project Director/Principal Investigator.
- C. Pre-award spending requires approvals of the Office of Grants and Sponsored Programs and of the supervisor of the University unit guaranteeing the funds. All requests for approval of pre-award spending must identify a University account to which the expenditures will be charged in the event an agreement is not achieved.

VI. Project Monitoring

- A. Expenditures Approval. All expenditures on sponsored projects require prior approval from the Office of Grants and Sponsored Programs. Expenditure documents (purchase requisitions, faculty supplemental pay, orders on the business manager, travel authorizations and travel claims, etc.) must be routed through the following approvals prior to processing:
1. Project Director/Principal Investigator's immediate supervisor;
 2. Office of Grants and Sponsored Programs;
 3. Any special approvals required (e.g. Computer Services for requisitions for computer hardware and software).
 4. Purchasing and Business Office personnel will return all documents to the Office of Grants and Sponsored Programs that arrive without appropriate approvals.
- B. The Office of Grants and Sponsored Programs will review all expenditures for programmatic justification, conformity with sponsor's approved budget, and conformity

with policies, regulations, terms and conditions of the agreement.

VII. Project Financial Reports

- A. The Grants Accountant will forward monthly financial statements for each sponsored project to the Office of Grants and Sponsored Programs.
- B. The Office of Grants and Sponsored Programs will review the statements for conformity to the approved budget and then forward the statements to the Project Director/Principal Investigator.
- C. The Project Director/Principal Investigator will review the statements for conformity to the project financial records.
 - 1. If discrepancies are discovered, the Project Director/Principal Investigator is responsible for reporting those (on the form provided) to the Office of Grants and Sponsored Programs and/or to the Grants Accountant for correction.
 - 2. If the statement is accurate, the Project Director/Principal Investigator will return a statement (on the form provided) to the Office of Grants and Sponsored Programs that he/she has reviewed and approves the statement as presented.

VIII. Budget Revisions and Modifications

All requests for budget revisions must be reviewed by the Office of Grants and Sponsored Programs to determine whether sponsor prior approval is needed.

- A. If sponsor prior approval is needed for a budget revision, the request for such approval will be forwarded through the Office of Grants and Sponsored Programs.
- B. If sponsor prior approval is unnecessary, the Office of Grants and Sponsored Programs will add a statement to that effect to the budget revision request and forward the document appropriately.

IX. Financial Reports and Sponsor Billings

All financial reports and invoices or billings for sponsored agreements will be prepared by the Grants Accountant in consultation with the Project Director/Principal Investigator.