



GRANTS HANDBOOK: POLICIES AND PROCEDURES

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GENERAL INFORMATION

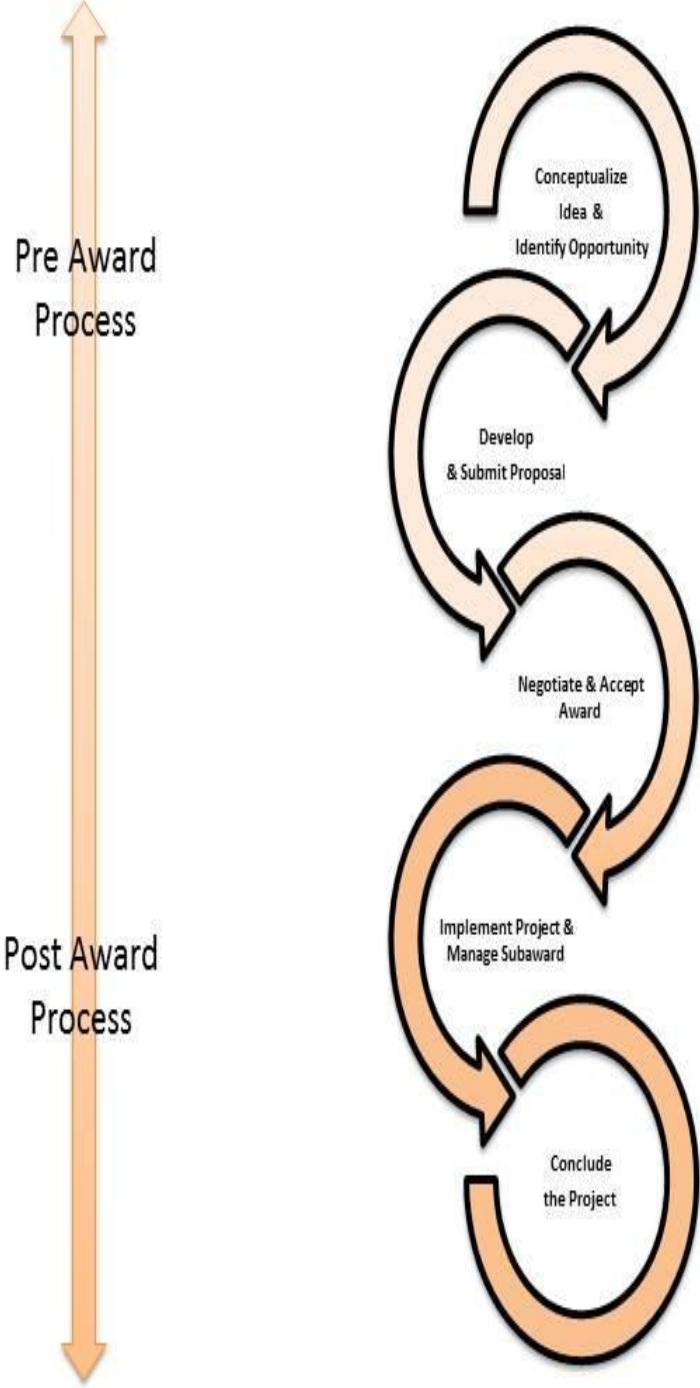
APU encourages faculty to seek external funding to support projects and activities that will support and enrich our institutional mission. The Office of the Vice Provost for Graduate Programs and Research, the Business Office, and the Office of Research and Grants (ORG) have provided this *Grants Handbook* to assist faculty in the preparation of grant applications and proposals for research, service, curricular development, training, and other program operations supported by external funding.

The Grants Handbook outlines policies and procedures relating to APU faculty and staff involved in research and scholarship at APU. In the event of any inconsistency, or conflict, applicable law supersedes university policies and university policies supersede college, department or lower unit bylaws, policies, or guidelines. Externally funded projects are subject to APU policies and funders' grant policies, provided the funders' policies are in the grant agreement or other contract(s) and consistent with APU policies.

The Policy and Process for Grants Handbook Infractions is in effect and it is included in Appendix I.

The APU Grants website, <http://www.apu.edu/researchandgrants/>, is a resource for APU faculty and staff members to learn more about grant submission and management.

THE GRANT CYCLE



PRE-AWARD SERVICES

One of the goals of the Office of Research and Grants (**ORG**) is to help secure external funding for research, equipment acquisition, professional and program development, and service projects. The Director of Sponsored Research with the support of a Grants Specialist assists faculty in identifying appropriate funding sources and provides guidance for grant applications submissions to federal and state departments, foundations and agencies, professional and scholarly organizations, research-oriented foundations, private corporations and foundations, and other groups offering grant and fellowship programs. The Director of Sponsored Research processes the grant applications through the APU system and is responsible for timely submission of proposals to the funding agencies.

To ensure research is conducted by those with requisite preparation and that there are appropriate institutional relationships with those pursuing external funding, ORG normally only supports proposals for projects coming from principal investigators (PI's) who are full-time APU faculty or staff, part-time APU faculty, or APU senior adjuncts on part-time contracts. On occasion, adjunct faculty may be supported by special permission upon recommendation of the dean and approval of the ORG Executive Director.

Exceptions to the normal PI guidelines are initiated by prospective PI's providing to their dean:

1. Name of person requesting PI status and relationship to department/college/school.
2. Title of project and brief description (one paragraph). If no formal title, provide brief descriptive of intended activities.
3. Name of funding agency, if known. If not known, indicate types of funders to be sought out.
4. Approximate dates during which the project will take place if funded.

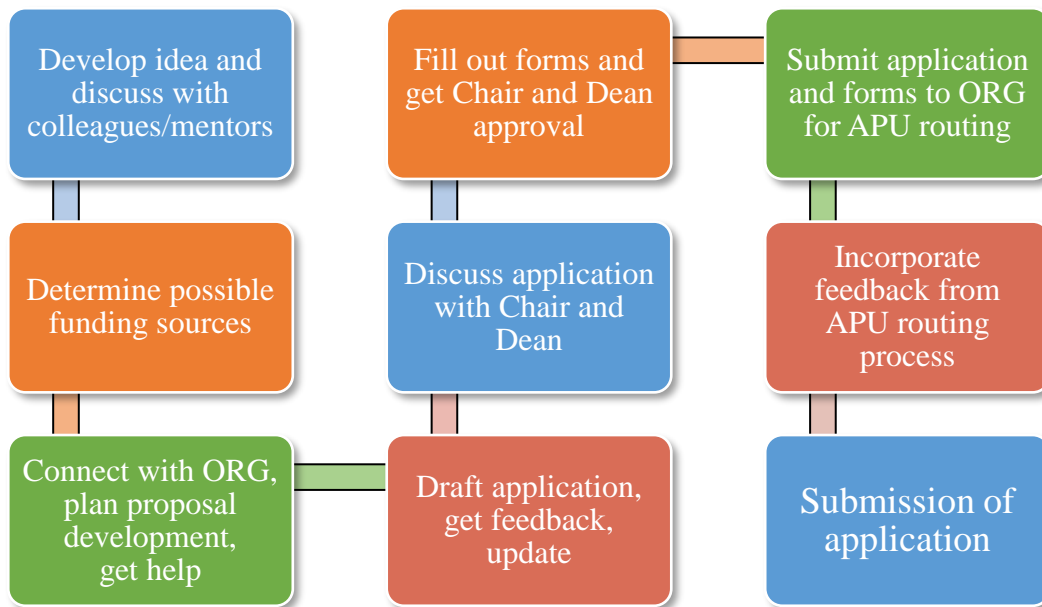
If in favor, the dean's office forwards the above to the ORG Executive Director along with:

1. Compelling reason for an exemption to the PI policy.
2. Likelihood proposed PI will continue current or similar association with the University throughout expected dates of project.
3. Brief assessment of department/college/school's willingness and ability to provide normal grant support services offered to full-time faculty and staff who receive external awards.

Once the ORG Executive Director receives the above information and communicates approval of an exception in writing back to the dean, the prospective PI can call on the ORG grant-support services as outlined in this handbook. Ensuing activities on grant proposals would come under guidelines cited in the *Pre-Award Services* section of this handbook, including standard routing expectations.

Once a funding source has been identified, the Director of Sponsored Research obtains and helps interpret the funding opportunity announcements. The pre-award team will be available to provide samples and templates for different sections of the application, to assist in developing the budget and budget narrative, to provide feedback on the opportunity match, to provide editing suggestions as needed, to guide the grant routing process, and to coordinate the submission of the final, complete, and approved application.

ORG makes training available to faculty, departments, and schools, hosts workshops regarding proposal development, grant writing, grant budgeting, and others and works with individual faculty to identify grant opportunities upon request. In support of the grant effort, ORG issues periodic grant funding alerts that identify recently announced funding opportunities. Grant resources and forms are posted on the ORG webpages (www.apu.edu/researchandgrants) and ORG Google site (<https://sites.google.com/a/apu.edu/org/>).



PROPOSAL PLANNING AND FINDING FUNDING OPPORTUNITIES

All grant and contract applications require APU internal review and approval before submission by the University to the funding agency. ORG is responsible for moving the grant proposal through APU's routing and approval process as described in Appendix II. APU faculty cannot solicit on behalf of the university grants or any type of external funding without prior authorization.

Complete proposals must be submitted to ORG **at least ten (10) business days** before the deadline for submitting the completed grant proposal to the funding agency. ORG will invite investigators/project directors to meet before the internal APU/ORG submission deadline to coordinate the grant application elements and to clarify commitments by ORG and expectations from the principal investigator during the final routing process. Also, Appendix III includes information on the typical Roles and Responsibilities assumed by different parties.

If a Memorandum of Understanding (MOU) or subcontract is required to be submitted with the grant proposal, APU's legal counsel may require additional time (up to two weeks) to review and approve the documents. Written requests for an exception to the 10 business day deadline may be considered in rare cases. Requests may be emailed to the Director of Sponsored Research.

Submission to Institutional Review Board (IRB) is an important component for research that involves human subjects. Institutional Animal Care and Use Committee (IACUC) review is needed if the project includes research with animals. Compliance reviews take time; principal investigators/project directors should plan on communicating with the IRB coordinator or the

IACUC coordinator as soon as they have an idea of the research design. Some proposals will not need review and approval by IRB/IACUC before being submitted, but will need approval, if funded, before the research commences. Information on compliance aspects are included in Appendix IV.

TYPES OF PROPOSALS AND FUNDING AGREEMENTS

Grants, contracts, cooperative agreements, and gifts are the major types of extramural funds that the university can acquire. A sponsored grant or contract is funding provided in exchange for the recipient performing a specified activity within a certain amount of time, such as conducting a program or a research project. A sponsored grant is typically formalized in a written agreement that is legally binding with regard to budgetary restrictions, agreements for cost sharing, reporting, and other stipulations. Such grants are routed through the Office of Research and Grants and generally awarded after a competitive review process. In contrast to the above sponsored grants, there are corporate and charitable grants that must be approved by the Office of University Advancement to avoid duplication of effort and possible conflict with institutional objectives related to corporations and certain foundations.

A gift/donation or charitable grant is a unilateral transfer of money, property, or other assets from a donor to the recipient, usually has fewer constraints than a sponsored program. If unclear on the type of funding request, the principal investigator/project director should contact the Office of Research and Grants to discuss and clarify whether the proposal will result in a sponsored grant, corporate grant, charitable grant, contract, or gift.

A proposal is a request for financial support for a research project or training program. The proposals can be solicited or unsolicited, new or resubmission, and so on. It is important to correctly identify the types of proposal. More information regarding the types of proposal and funding agreements is detailed in Appendix V.

PLANNING AND DEVELOPING THE IDEA

Planning is the key to attracting financial support for a project as the most commonly cited reason for not writing a proposal is the lack of time. A competitive proposal may take several months to plan, develop, and submit to a funding source. The key to securing funding is to begin planning well in advance of the submission deadline because successful proposals are typically those that are carefully planned and written. Following are three steps that will assist you in this process:

Step One: Take a vague idea and identify a specific problem or need associated with it. Funding sources want to help solve problems, not finance the chasing of ideas. Next, objectives should be defined. It is important to focus on the product, the end result or what it will accomplish, rather than on a need such as equipment or time. Activities should be clearly outlined.

Step Two: Seek constructive criticism from colleagues, mentors or faculty in other disciplines. Constructive criticism often indicates ways the project and its presentation can be strengthened. Establishing professional collaborations often increase the number of sources for support.

Step Three: The idea should be transferred into a tangible, fundable project. Goals should be broken down into concrete objectives and corresponding activities. A clear timeline and reasonable budget show that the project was thought through and the chances of funding increase.

Following are things to consider during the planning process:

- What is the purpose/need and who will benefit from your project?
- What are the goals and activities and how much will it cost?
- What are possible funding agencies/sponsors?
- When is funding needed? (6-12 months before the start is reasonable)
- Will this project be done independently or in collaboration?
- Are matching funds from University of other sources necessary?

FINDING FUNDING OPPORTUNITIES

ORG works with faculty to match research ideas to potential funding sources. APU subscribes to several grants databases including COS Pivot (<http://pivot.cos.com>), and Foundation Directory (<https://fconline.foundationcenter.org/>). ORG provides tools, training and assists faculty in accessing these databases, particularly COS Pivot (Quick Start guide is available at <https://sites.google.com/a/apu.edu/org/resources>). ORG also provides guidance to principal investigators on narrowing the search requests and helping to identify viable funding sources. In support of finding funding opportunities, ORG publishes a periodical Grant Funding Alert at <https://sites.google.com/a/apu.edu/org/funding-alert>.

The following aspects should be considered when searching for funding opportunities: match (topic, team, budget, and organizational), eligibility, funding conditions. It is also helpful to contact the funding agency to verify the match, eliminate any lack of clarity, and establish rapport with the program officers. ORG can also communicate with the funding agency on behalf of the principal investigator upon mutual agreement between the principal investigator and ORG.

PROPOSAL DEVELOPMENT

WRITING THE PROPOSAL

The project narrative should be written such that someone unfamiliar with the proposed project/program can obtain a complete picture of what it plans to accomplish, how it will be accomplished, how it will be evaluated, how much it will cost, how long it will take to accomplish the goals and objectives, and what benefits it will provide. Grant reviewers are often not familiar with the specific academic areas, thus narratives should be written for intelligent, but uninformed, readers.

Useful links for grant writing:

- National Institutes of Health - Grant Writing Tips Sheets:
http://grants1.nih.gov/grants/grant_tips.htm
- National Science Foundation - A Guide for Proposal Writing:
<http://www.nsf.gov/pubs/2004/nsf04016/nsf04016.pdf>
- Foundation Center - Proposal Writing Short Course:
<http://foundationcenter.org/getstarted/tutorials/shortcourse/index.html>

DEVELOPING THE BUDGET

Every application to an external sponsor requires a budget explaining the intended use of the funds. A well-planned budget is essential to enhancing the quality of a proposal. If the proposal is successfully funded, the budget will become the project financial plan.

For federal grant applications, the OMB Uniform Guidance (2 CFR Part 200) establishes principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. When preparing a budget involving federal government grants, keep in mind the government uses uniform procedures in dealing with cost analysis, such as consultant fees, overseas costs, per diem, and travel. Foundations have more freedom in what projects they fund and how they fund them, but must meet the standards set by Internal Revenue Service to maintain their tax-exempt status. Most sponsors (federal, state, or private) have well developed budget guidelines which should be analyzed before starting work on the project budget. The guidelines could include significant details to costs that are allowable or non-allowable, but they could also contain information regarding limitations on budget amounts, percentages, payments, and so on. Only projects closely following the guidelines will have a chance to be funded.

Budget templates specific for both federal and other types of grant submissions are available at ORG site <https://sites.google.com/a/apu.edu/org/grant-resources>.

Direct Costs

The direct costs are expenditures that are directly linked with the project or a specific activity in the project. The following are highlights related to direct costs. This section is not all inclusive and Appendix VI should be reviewed for more details:

- Personnel costs includes salaries for new positions, salary supplements (including summer salary), faculty buyout (also known as course release), and fringe benefits.
- A reasonable workload should be maintained to carry out university appointments and all sponsored research projects. The Policy on Faculty Compensation from Grants (in Appendix VIII) includes information on institutional salary cap (137.5%), faculty buyout calculation, and so on and it should inform the budget decisions. Grant proposals should explicitly state whether grant funding is intended to underwrite current salary or if it will be considered as overload.
- If the grant application includes faculty buyout or the assignment of units to research, this should be clearly articulated and approved by the faculty member's department chair and dean using the Current and Pending Support form (available at <https://sites.google.com/a/apu.edu/org/grant-routing>). Similarly, the time and effort contributions of additional faculty members (e.g., quantitative consultants, translators, etc.) and staff contributing to the project should be explained in the budget justification portion of the grant application.
- Fringe benefits rates are estimated at 25% for full time positions and 8% for part time positions. The rate should also be applied when calculating faculty buyout.
- Travel under all grants should be calculated in accordance with the APU Travel and Business Expense Policy (<http://www.apu.edu/businessoffice/departments/purchasing/>).
- Rates for mileage, phone reimbursement, and some other items are assessed annually, and ORG can provide these updates for use in budget estimations.

- Equipment and software are subject to APU Information and Media Technology (IMT) approval. Computer purchasing rates depend on the type of grant. ORG can provide the appropriate rate for use in budget estimations.
- Research subjects' incentives should be modest (check rates used in similar studies).

Allowability of costs should be determined early in the process to avoid the need to restructure the budget. For more details regarding the direct and indirect costs, please refer to Appendix VI.

Indirect Costs

The university has a federally negotiated indirect cost (F&A) rate of 35% applicable to base salary and wages. Unless the sponsor has established a lower indirect cost rate or does not allow any indirect cost charge, all budget proposals should include the indirect cost charge of 35% applicable to salary and wages in the budget. The maximum indirect cost rate allowed by the funding source should be identified on the Grant Routing Form. Please refer to the direct costs and indirect costs section in the Appendix VI for additional details.

Cost-Share, Matching Funds, and In-Kind Contributions

Institutional contributions (cost share, matching funds, in-kind contributions) should be included in grant budgets only if the funding agency requires those contributions. Voluntary committed cost sharing is not encouraged or expected and it usually does not influence the merit of an application (§200.306).

Cost-sharing is defined as any project costs that are not reimbursed by the sponsor to support the scope of work defined by the funding agency (federal or non-federal). As specified in the OMB Uniform Guidance (§200.306), voluntary committed cost sharing is not expected under federal research proposals, and it is not to be used as a factor in the review of applications. Cost-sharing can be funded by APU or, in some cases, a third party resource. In either case, details related to expected amount and accounts to charge must be listed in the Grant Routing Form and letters of support from the department/school should be provided to justify the claim.

Matching funds are often required as a condition of the award. A synonym term for matching funds is “mandatory cost sharing”. The matching funds must be explicitly stated in the proposal budget sheet and must receive prior clearance from the dean and the Business Office. The matching funds must be documented in pre-award similar to the cost-sharing (see description in the paragraph above).

In-kind contributions represent time, space and operational expenses incurred by the department or the University in support of the proposed project. These funds should be reasonably quantified.

Funding restrictions

State grants limitations: California state agencies receive part of their funding from the state legislature which responds to societal needs in education, public health, and social services. APU is able to accept awards up to, but not including, \$100,000 per fiscal year per state agency in California.

PROPOSAL ROUTING AND SUBMISSION PROCESS

All grant applications are required to go through the APU routing process during which the application passes through APU senior administration review. The grant routing process is facilitated by the Director of Sponsored Research and the pre-award team.

The grant routing deadline is ten business days prior to the grant submission deadline. At that time, the following forms and documents should be submitted:

Forms and Documents	Required	Contextual
FORMS		
Grant Routing Form	Yes	
Potential Conflict of Interest Form	Yes	
Current and Pending Support Form - Faculty		If Faculty salary/buyout involved
Current and Pending Support Form - Staff		If Staff salary/buyout involved
Subrecipient Information Form		If Subaward involved
Indirect Cost (IDC) waiver/Reduction		If using lower or no IDC rate
NIH PI Assurance Certification		If submitting an NIH grant
APPLICATION		
Project Abstract & Narrative	Yes	
Budget	Yes	
Budget Justification	Yes	
Attachments	Yes	
Letter(s) of support	Yes	
Contracts/Memo of understanding	Yes	

As mentioned in Appendix VII, all forms are available online at <http://www.apu.edu/researchandgrants/grants/> and <https://sites.google.com/a/apu.edu/org/grant-routing>.

A more detailed look at the APU grant routing process is included in Appendix II. The Policy and Process for Grants Handbook Infractions is also in effect and it is included in Appendix I.

Subrecipient Information

Subaward recipient candidates will be asked to submit the Subrecipient Information form, the scope of work, the budget, the budget justification, and biosketches for their project (form available online at <http://www.apu.edu/researchandgrants/grants/>). If Agreement Contract or Memorandum of Understanding are available at the time of the application submission, the Office of General Counsel will conduct a legal review of the proposed contract terms and the Vice Provost for Graduate Programs and Research, ORG, and Principal Investigators/Project Directors must review and approve the scope of work and the budget. Review of legal documents could add extra days to the grant routing process, hence the potential subrecipients should be contacted well in advance.

As part of the routing process, the Director of Sponsored Research will conduct a risk analysis in accordance with the OMB Uniform Guidance 2 CFR Part 200.205. More information on the procedures related to subawards and subrecipients are attached in Appendix IX: Subrecipient Information. After determining the level of risk associated with the subrecipient, the Director of Sponsored Research will communicate with the principal investigator and all parties involved regarding the plan of action.

SUBMITTING THE PROPOSAL

Online Submissions

Online grant submissions have become a requirement for most funding agencies.

APU federal grant applications are always submitted through ORG. APU ORG uses an online interface, Cayuse 424, for federal grant applications submissions. It is important that principal investigators consult with ORG regarding a grant application well before the submission deadline. Upon notice of intent to apply, the pre-award team in ORG will create the application and assist in uploading all required proposal sections into Cayuse 424. The interface will not allow a proposal to be submitted if it contains certain types of errors. Cayuse training is available upon request.

The following should be noted:

- While principal investigators/project directors and other grant personnel may upload sections of the proposal on their own, all online grants must be submitted through ORG.
- All grant application materials, including biographical sketches/CVs, the project narrative, budget, and other attachments must be sent to ORG electronically via email. ORG posts active grant projects on Basecamp and will issue passwords to the principal investigators/project directors.

Other applications (state, foundations, private corporations, etc) are submitted by principal investigators in coordination with ORG only after the routing process is complete and the approval of the application package is confirmed by the Director of Sponsored Research.

Other Submissions

- Occasionally, applications are required to be submitted by mail, email, or combination of mail and email. Some funding agencies require communication and submission be done exclusively through the central grants office. Independent of the specific agency requirements, ORG will coordinate the grant submission.

AFTER SUBMISSION

The pre-award team will attend to any required additional steps following the application submission. This includes providing more requested information, checking and resolving error messages, planning and hosting sponsors' site visits, and communicating with the funding agency.

Just-in-Time (JIT) Procedures

Specifically for NIH submissions, the Just-in-Time procedure allows applicants to submit additional information at a later date in the application process (after the peer review). The application must have an impact score of 40 or less to be considered. Applicants should only submit this information when it is requested by the funding agency.

The JIT package usually includes information on Institutional Review Board (IRB) approval, verification of IACUC approval, other support documentation, certification of Human Subjects Education. More details are provided on the NIH website:

http://era.nih.gov/services_for_applicants/application_tracking_and_award/just_in_time.cfm

The Director of Sponsored Research will communicate with the IRB to coordinate the submission and review of the IRB study protocol. The principal investigator is expected to complete on the IRB application and submit it to IRB in a timely manner. The IRB study protocol will be compared with the study design as submitted in the grant application.

Certain applications might require a Data Monitoring and Safety Plan (DSMP). This will be generated by the principal investigator and reviewed and signed by the APU Research Integrity

Officer. NIH provides policies and guidance on DSMPs at the following link:

http://grants.nih.gov/grants/policy/hs/data_safety.htm

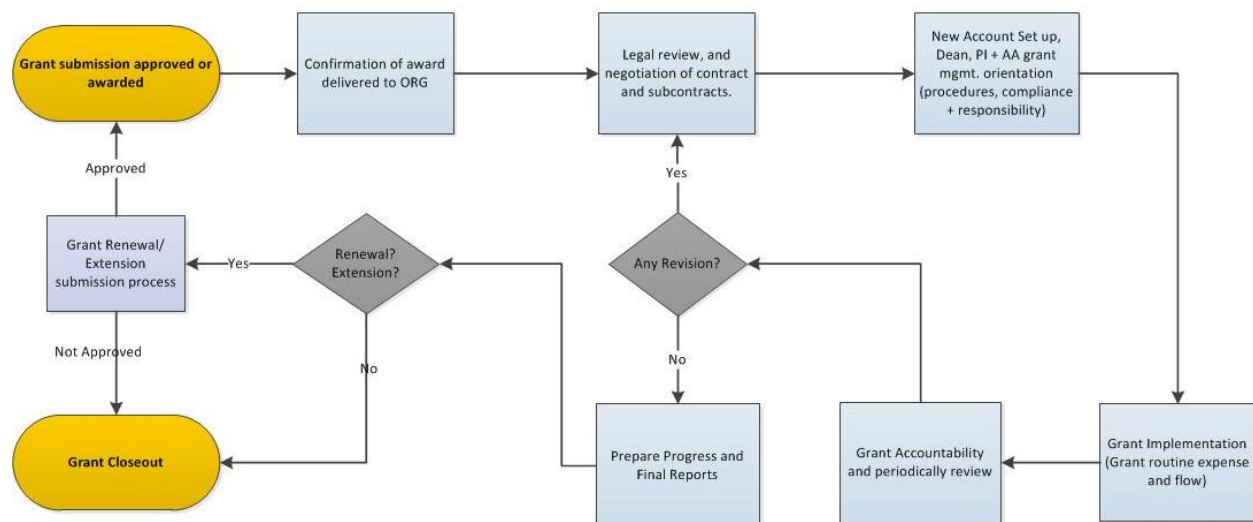
ORG will also support the principal investigator in gathering the information for the Other Support form and the Human Subject Education, preparing any correspondence that might be required and uploading and submitting the JIT documents.

Resolution

In the event of Notice of Award, the Director of Sponsored Research will coordinate with the Director of Grants Management to transfer the application to post-award. More details are specified in the following section on Negotiating and Accepting the Award.

All funding sources have a limited base of support, and because sponsors receive hundreds or thousands of worthy proposals, they cannot possibly fund all applications. In case the grant is not funded, it is recommended that the principal investigator study the reviewers' comments, revise the application, and re-submit the proposal during the next funding cycle. There are often other possible sources of funding. ORG will support principal investigators' efforts to determine other viable funding sources.

POST-AWARD SERVICES



NEGOTIATING AND ACCEPTING THE AWARD

Funders send award letters or non-award letters to notify grant applicants regarding the award status. Any correspondence such as award notification letters and checks received from funders should be immediately forwarded to the Director of Grants Management for a timely response. Funders may offer less than the requested amount or may ask for a revision of the project scope. The Director of Sponsored Research, the Director of Grants Management, and the principal investigator/project director will review the award and the project plan to determine if a revised plan/budget should be submitted. For awards that include a contract, the principal investigator/project director, and the Director of Grants Management will review the terms and conditions and negotiate with the funder as needed.

All grant contracts requiring institutional acceptance must be reviewed and signed by authorized representatives of APU, in accordance with APU contracting policies, including Legal Review of Contracts, Financial Review of Contracts, and Contract Signing – Authorized Signatures. In most cases, the Vice Provost for Graduate Programs and Research is the designated authorized signer for APU grant contracts. The Vice Provost for Graduate Programs and Research works with the Office of General Counsel and the Business Office for appropriate review and eventual approval. This review process takes approximately 10 days.

IMPLEMENTING THE PROJECT AND MANAGING SUBAWARDS

ESTABLISH A RESTRICTED PROJECT ACCOUNT

The original copy of the contract will be filed in the office of the Vice Provost for Graduate Programs and Research. Copies will be distributed to the Grant Accountant in the Business

Office, the Director of Grants Management, the principal investigator/project directors and the dean of the school. When the Business Office receives a copy of the contract, a restricted project account will be established. One account may not include funding from more than one funding source. Co-mingling of funds is strictly prohibited and could lead to disallowed costs. Exception is allowed only for any extension and/or renewal of the same program/project with the same sponsors. Approval must be granted by the Director of Grants Management which is done on a case by case basis.

To learn more about reimbursement procedures, please refer to the Business Office website at <http://www.apu.edu/businessoffice/>.

GRANT MANAGEMENT ORIENTATION

After the contract is signed by both the sponsor and APU, the Director of Grants Management will host one grant orientation meeting with the principal investigator/project director. Depending on the complexity of the award agreement, the department chair, department research administrator/support staff /department designee, Business Office, and IMT representative will also be invited to attend the meeting. The orientation provides the principal investigator/project director(s) and their departments with an overview on the following:

- Creation of a project management plan and task tracking system
- Project account number and budget
- The principal investigator/project director's responsibilities as to grant policies, compliance guidelines, and reporting
- Subaward monitoring plan, as needed
- APU expenditure coding and expenditure monitoring
- Guidelines on purchasing, including equipment, supplies, and travel
- Guidelines on hiring long-term employees funded by grants
- Guidelines on hiring short-term employees, external consultants, and contractors funded by grants

The orientation provides vital information on how principal investigators/project directors should manage their grant projects. If not already determined, the distribution of indirect costs within APU can be confirmed at the orientation meeting.

SETTING UP SUBAWARD RECIPIENTS AND MONITORING (AS NEEDED)

In situations where APU is the lead agency, if there are subaward recipients included in the project, an APU subaward recipient contract needs to be prepared.

As a pass-through entity of federal awards, APU is responsible for monitoring the subrecipient(s) to ensure proper stewardship of federal funds. APU is responsible to:

- inform the subrecipient of all applicable federal laws and regulations and all appropriate flow-down provisions from the prime agreement
- review the sub-recipients' audit results via the Federal Audit Clearinghouse
- review any corrective actions cited by sub-recipients in response to their audit findings, where the audit findings are related to APU's awards to the sub-recipients
- issue a management decision on sub-recipient's audit findings within six months after receipt of the audit results and ensure the subrecipient takes appropriate and timely corrective action

Details of the process of handling a subrecipient award can be found in Appendix IX: Subrecipient Information.

In cases where APU receives a subaward from a prime recipient institution, APU will follow the same process of “Negotiating and Accepting the Award.” In most cases, APU will need to agree to adhere to the policies of both the prime sponsor and the prime recipient institution.

PRINCIPAL INVESTIGATOR/PROJECT DIRECTOR RESPONSIBILITIES

Faculty **MUST** fully understand their responsibilities as a principal investigator/project director. The principal investigator/project director oversees fiscal and programmatic performance, is responsible for the overall management of the grant, and must partner with the Grant Accountant and the Director of Grants Management to ensure compliance with applicable federal, state, and/or local regulations. These expectations include completion of all required reports and submission of all in-house documentation (i.e., requests to transfer funds, personnel requisitions, and budget modifications). All grant project expenses need to be approved by the principal investigator/project director in advance. If the project spending is related to any reimbursement to the principal investigator/project director, the request must have Chair/Dean approval. All expenses and cost transfers should be well-documented and filed.

The principal investigator/project director is responsible for complying with the sponsor and APU’s policies and guidelines including training (Responsible Conduct of Researchers, Conflicts of Interest, IRB, IACUC compliance), effort reporting, inventory reporting, and periodic program and financial reports. Failure to meet deadlines can have a serious impact on the funding stream and future funding possibilities and, in some cases, it can hold up awards of future potential grants to APU. The Grant Accountant provides the necessary and timely data to complete the monthly, quarterly and annual financial reports through PeopleSoft Report Manager. These reports provide the Principal Investigator/Project Director timely and accurate information to manage their program/project and complete the required financial analysis.

The principal investigator/project director will monitor the subrecipient’s activities to ensure they fulfill the project goals and all related policies and guidelines. If questions or concerns arise, the principal investigator/project director should contact the Director of Grants Management and the Grant Accountant.

The principal investigators/project directors may occasionally be asked to work with the Office of University Advancement if foundations or funding source representatives are invited to campus. This could include coordinating a site visit and giving presentations to the funding agency.

More details on Roles and Responsibilities of different parties are included in Appendix III.

SETTING UP A PROJECT MANAGEMENT PLAN/TASK TRACKING

Based on the milestone dates and programmatic/performance report deadline(s) stated on the contract, a project management plan will be developed jointly by the principal investigator/project director and the Director of Grants Management to cover required deliverables and reports. The Director of Grants Management will assist in setting up meetings and reviewing the process to track all related key tasks and answer all project related questions. Periodic reviews with the Director of Grants Management about the timeline and progress reports will be scheduled.

If adjustments to the original proposal are necessary, the principal investigator/project director must discuss the plan of action with the Director of Grants Management and get the prior approval before communicating with the funding agency. Such adjustments would typically

include budget revisions, changes to the project scope of work, and so on. When requesting a major revision, the Director of Grants Management should represent APU and communicate with the funding agency. Correspondence regarding major changes will be reviewed and approved by the Vice Provost for Graduate Programs and Research with review by the Office of General Counsel, if needed.

The principal investigator/project director must submit all interim and final performance and technical reports to the funding agency by the required deadline. These reports will require the principal investigator/project director to work closely with the Grant Accountant to ensure that all fiscal reports are accurate and submitted on time. The school or department level grant support personnel or principal investigator/project director must send all reports to the Director of Grants Management for review at least five days before the submission due date.

Setting up the Project Budget

Using the budget submitted with the proposal, and any related revisions, the Grant Accountant will work with the principal investigator/project director to manage fiscal activity and financial reporting and audit aspects of the project. The Grant Accountant is available to answer fiscal questions raised by the principal investigator/project director concerning project expenditures, payroll expenses, indirect costs, etc.

Policy and Guideline Compliance

External funding projects need to observe both APU and the sponsors' policies and guidelines (see Appendix IV on Compliance). This may raise questions about which policies to follow in the event of conflict. If the contract governing the parties' relationship specifies which institution's policies and procedures take precedent in the event of conflict, the contract should be followed. If the contract is silent, the rule of thumb is to follow the strictest requirements. However, as stated in the General Information section, federal and state laws and rules supersede university policies and university policies, and guidelines supersede school, department or lower unit bylaws, policies or guidelines. The principal investigator/project director is always encouraged to contact the Director of Grants Management and the Office of General Counsel to discuss a specific situation.

Federal and State funding sources set very strict policies and guidelines for awardees to follow.

The Office of Management and Budget (OMB) has issued the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance) (2 CFR Chapter I, Chapter II, Part 200, et al.) in December 2013. The OMB Uniform Guidance supersedes and streamlines requirements from eight OMB circulars, A-21, A-87, A-110, A-122, A-89, A102, A-133 and A-50 into one documents. A copy of the Uniform Guidance can be downloaded from <http://www.gpo.gov/fdsys/pkg/FR-2013-12-26/pdf/2013-30465.pdf>

For National Science Foundation (NSF), a copy of the Grant Policy can be downloaded from http://www.nsf.gov/pubs/manuals/gpm05_131/gpm05_131.pdf,

For National Institutes of Health (NIH) projects, the policy manual can be found in http://grants.nih.gov/grants/policy/nihgps_2012/index.htm.

For U.S. Department of Health and Human Services (HHS), the grant management guidance is available for reference at <http://dhhs.gov/asfr/ogapa/grantinformation/appbusguidance.html>.

APU follows federal and state policies, rules and guidelines.

Responsible Conduct of Research (RCR) training

All APU researchers are required to participate in the online [Collaborative Institutional Training Initiative \(CITI\)](https://www.citiprogram.org/) training, <https://www.citiprogram.org/>.

Details regarding APU's RCR program can be viewed from <http://www.apu.edu/researchandgrants/training/>.

Both NSF and NIH require researchers and students supported by their funding to additionally complete face-to-face Responsible Conduct of Research training. The objectives of RCR training are to:

- Encourage best practices in the conduct of research and scientific investigations.
- Foster an ability to recognize an ethical choice and the ability to make a principled decision.
- Provide accessible educational opportunities and resources designed to help students and postdoctoral researchers meet the America COMPETES Act section 7009 requirements.

APU provides RCR workshops for faculty, staff, and student participation. RCR training opportunities can be found at the ORG website, <http://www.apu.edu/researchandgrants/resources/>. For more information, contact the Director of Grants Management or visit the ORG website.

Effort Reporting

Effort reporting is a federal compliance requirement. The Uniform Guidance 2 CFR 200 Subpart E §200.430 contains the federal regulatory requirements for internal controls over certifying time expended on sponsored projects. Details are provided in the Business Office Grants Internal Control Policy.

Conflict of Interest (COI) Training

Investigators and key research personnel on HHS, PHS, and NIH awards must complete COI training prior to engaging in NIH-funded research. Potential Conflict of Interest (PCOI) agreements need to be signed by all involved personnel (including student researchers, if on federally funded grants). In the case of federally-funded research, covered individuals must verify potential conflicts of interest at least annually.

The Policy and Process for Grants Handbook Infractions is also in effect and included in Appendix I.

PURCHASING AND TRAVEL GUIDELINES

After the principal investigators/project directors develop management plans and budgets, they can start spending the funding awarded within the limit of the categories and amount allowed by the contract.

As mentioned above, grant awardees need to follow both sponsors' and APU's policy and procedures. Sponsors usually list the requirements in the call for proposal, award letter, and grant agreement. APU's purchasing guidelines can be found in the Business Office website: <http://www.apu.edu/businessoffice/departments/purchasing/>.

Please refer to the allowable and unallowable cost information posted at <http://www.apu.edu/businessoffice/departments/purchasing/>. A designated department support staff may be available to assist the principal investigator/project director in processing

purchasing, travel, and reimbursement requests with the project account. Either the principal investigator/project director or support staff members can work with the Grant Accountant to process payment and reimbursement. All requested expenses need to be reviewed and approved by the principal investigator/project director, department chair, and in some cases also the Dean. Please follow the instructions on the forms, which can be downloaded from the grant webpage, <http://www.apu.edu/researchandgrants/grants/>.

It is crucial to document how project expenditures can benefit the project. Without correct justification and approval, requests for payments will not be processed.

Grant funds cannot be used as replacement funds for the department operating budget. In most cases, that is considered to be “supplanting” which is not allowed. Grant funds should ONLY be used for expenditures and purchases related to the specific grant for which they are designated. In addition, please note that “splitting” an equipment order to qualify for less demanding purchasing requirement is not allowed. Check with the Grant Accountant and the Director of Grants Management if there are any questions.

Any computer purchases should be pre-approved by IMT before proposal submission as part of the application process. If the computer purchase is requested after the grant is awarded, the principal investigator/project director should contact the Director of Grants Management to adjust the budget, if possible, and to coordinate with IMT.

Any purchase of equipment and non-common items will need to be approved by both APU and the sponsor. The approval process at APU is included in the application review with the Grant Routing form. After the full execution of the agreement, any fund re-purposing ideas should be submitted to the sponsor to obtain approval.

The grant website includes grant related forms and policies related to purchase, travel and reimbursement. The policies and guidelines include both APU and major federal funding sources. The principal investigator/project director should be very familiar with allowable costs and unallowable costs for their projects. There are four simple rules to follow. Costs must be (1) reasonable (using the prudent person test), (2) allocable (using the proportional benefit and the interrelationship rules), (3) consistent and treated uniformly in like circumstances, and (4) allowable with any limitation or exclusion in the agreement. These rules can be reviewed during the grant management orientation. Questions may be directed to the Grant Accountant or to the Director of Grants Management.

All travel arrangements under a grant need to be written into the project budget and approved before travel commences. Travel policy and request forms are posted on the grant website. Please make sure to follow the procedure on the form to get all needed approval signatures before travel. Refer to Appendix VI for more information.

When APU purchasing cards (Wells Fargo and Office Depot cards) are used for a sponsored project payment, the principal investigator/project director and support staff members should ensure the university credit card transaction is allowable by the sponsor and by APU policies. All related backup documents should be filed with all project-related expense documents with a copy sent to the Grant Accountant to file. Any unauthorized expenses will be transferred to the department or become the university credit card holder’s personal liability. If the principal investigator/project director or the department have any questions about the use of a university purchasing card for certain sponsored project expenses, they should consult with the Grant Accountant in advance.

GUIDELINES ON HIRING FACULTY, STAFF, AND STUDENTS FUNDED BY GRANTS

If there are new grant-funded positions needed for the project and those positions have been budgeted in the proposal or revised budget, the principal investigator/project director must adhere to the following procedures to hire grant-funded employees.

1. Principal investigator/project director writes job description. The job description template is available at the Human Resources website at <http://www.apu.edu/humanresources/forms/>.
2. Principal investigator/project director submits an e-requisition through SilkRoad Recruiting for both staff and faculty positions. For staff positions, requests are routed through the approval process by The Office of Human Resources; for faculty positions the requests are routed by Faculty Employment - Office of the Provost.
3. Following review and approval, position openings will be posted as follows: The Office of Human Resources posts jobs for staff positions. The Office of the Provost posts jobs for faculty positions. The Office of Student Employment posts student job descriptions.
4. Principal investigator/project director reviews applications, interviews finalists, and identifies top candidates.
5. The finalist interviews with department chair and dean.
6. Principal investigator/project director notifies the relevant department (i.e., Office of the Provost, Office of Human Resources, Office of Student Employment) of the top candidate; background check is conducted for faculty and staff members, where required.
7. If applicant is fully approved through the relevant department (i.e., Office of the Provost, Office of Student Employment) and senior academic administrators, a job offer can be made. Human Resources must approve all hires. HR will send the offer email to the hiring manager once all pre-employment processes have been completed.
8. New faculty and staff employees are required to attend employee orientation (0.5 day if position has no benefits and 1 day if it includes benefits).

Questions regarding international job applicants are referred to the APU Employee Handbook for information on verification of right to work. Please contact Office of Student Employment for questions regarding student employment, international students, advertising procedure, and pay scale. The Student Employment Application and Student Employment Handbook can be downloaded from <http://www.apu.edu/studentemployment/working/>.

If there is a plan to hire a part-time employee for a grant and the candidate has a current part-time job in APU, a further review of the policy on numbers of hours allowed for a part-time staff should be considered. For some situations, a staff with 2 part-time jobs in the same organization can be qualified for full-time staff benefit. Usually, grant budget for a part-time staff does not cover any full-time staff benefit.

Note: The length of the project and amount of budget determines the length of employment of an externally funded employee. When an externally funded program terminates, the employee positions are also terminated. All hires on grant funded projects include clarification in the offer letter that the position is temporary and continued employment is contingent upon external grant funding.

Relatives of the principal investigator and key grant personnel may not be hired as employees on their grants since that would constitute a conflict of interest. For policy details, refer to APU Employee Handbook at <http://www.apu.edu/humanresources/handbook/>.

GUIDELINES ON HIRING CONTRACTORS FUNDED BY GRANTS

Please confer with ORG or the Director of Grants Management before hiring a consultant or contractor, as employment consideration can vary from grant to grant. All contractor-related forms for grants are listed on the Human Resources webpage: <http://www.apu.edu/humanresources/forms/>.

To proceed with a new hire, complete a form detailing the external contractor/consultant's credentials and qualifications for the role to be performed in the project, and the purpose of the proposed hire. Follow the procedures listed on the form for approval. More information can be found in Appendix VI.

Relatives of the principal investigator and key grant personnel may not be hired as contractors since that would constitute a conflict of interest. For policy details refer to APU Employee Handbook at <http://www.apu.edu/humanresources/handbook/>.

MONITORING COST SHARE FUNDING, EXPENDITURES, PROPERTY AND PURSUIT OF COLLECTIONS

Account expenditures should be reviewed monthly to identify under-spending, over-spending, or errors. A regular meeting with the Grant Accountant will be set up to go through the expenses, cost sharing, payroll redistribution, subaward management and project income/revenue reconciliation. The Grant Accountant works on indirect cost recovery reconciliation and prepares invoices for income/revenue collection and fund drawdowns.

Any voluntary and involuntary cost share commitment needs to be documented and monitored.

Equipment and property purchased using grant funding needs to be inventory. The Business Office maintains an inventory log for all equipment and properties. Any transfer or deposition needs to be properly documented. Per OMB 2 CFR 200.313 (d) (2), a physical inventory of the property must be taken and reconciled with the property records at least once every two years.

In accordance with OMB 2 CFR 200.303, APU has an effective internal control in compliance with the Committee of Sponsoring Organizations of the Treadway Commission's Standards for Internal Control in the Federal Government, over the Federal awards and any pass-through Federal awards.

Cost Transfer involves a transfer of an expense from a non-federally-funded account to a federally-funded sponsored award. The process requires prior institutional approval. In accordance with OMB, it is necessary to explain and justify transfers of charges onto federally-funded sponsored awards, where the original charge was previously recorded elsewhere on APU's General Ledger. Timeliness and completeness of the explanation of the transfer are important factors in supporting allowability and allocability in accordance with federal requirements.

REPORTING PROCEDURES

The procedures for financial and progress reporting are outlined in previous sections of the current Grant Handbook: Principal Investigator/Project Director Responsibilities (page 15) and Setting up the Project Management Plan/Task Tracking (pages 15-16).

PROJECT SITE VISIT AND EVALUATION TEAM VISITS

Depending on the sponsors' policies and requirements, there may be a sponsor site visit during which the sponsor learns more about the project's progress, success, continued potential and conducts an audit. When the principal investigator/project director receives notification about an impending visit, the Director of Grants Management should be notified immediately. Working as a team, the principal investigator/project director, the Director of Grants Management and the Grant Accountant will develop a visit agenda and identify the individuals and locations to be visited.

A project evaluation is similar to a site visit, but it is more complex and directed by the sponsor. Sponsors will instruct the principal investigator/project director about what they want to see, the topics to discuss, and whom they want to meet. The focus will be on deliverables, outcomes, objectives, and impact of the project. Sponsors may want to know about other APU grants in order to evaluate the prospect of partnering on other research projects.

AUDIT PREPARATION AND MEDIA COMMUNICATION

Preparation for internal and external audits is a key responsibility of the principal investigator/project director. The principal investigator/project director should keep a copy of project-related paperwork for audit purposes. APU will perform periodic audits of externally funded projects to ensure compliance with policies. Grant recipients must cooperate fully in all such internal audits.

Copies of the contract should be available from the Vice Provost for Graduate Programs and Research, the Director of Grants Management, the principal investigator/project director and the Business Office. Expenditure reports should be available from the principal investigator/project director and the Grant Accountant. Human Resources records should be accessed directly from the Human Resources department and the Payroll department. University Relations should first address any media requests about the grant.

MANAGING AND PREPARING CHANGE REQUESTS

During the grant period, changes may occur unexpectedly and may prompt the need for a no cost extension, re-budgeting, carry forward request, change of key personnel, change on scope of work, and investigator change. As soon as those changes are identified, notify the Director of Grants Management to get the change request prepared and submitted to the funding agency, if necessary. The Office of General Counsel may be involved in the process as needed. The change request package should be reviewed, approved, and signed by the Vice Provost for Graduate Programs and Research. If there is a desire for renewal or extension, the Director of Grants Management and the Grant Accountant will start working with the principal investigator /project director on the renewal request as soon as possible.

CONCLUDING THE PROJECT

Allow enough time to prepare final close out reports before the final close out date. The principal investigator/project director will review the research outcomes and compare them to the project plan and goals to make sure all final project reports are prepared and submitted to the Director of Grants Management before the reporting deadline. The quality of the report is important and may impact chances for future funding for the principal investigator/project directors and for APU.

The Grant Accountant works with the principal investigator/project director and department assistant (designee) to ensure all allowable expenditures/purchases and costs shared are timely and accurate. The Director of Grants Management facilitates a detailed final close out report with the Grant Accountant and the principal investigator/project director. At this time, final indirect costs recovery income entry should be performed, all expenses should be reviewed and any unallowable expenses should be identified and corrected. After the final review, no more purchases or expenses should be added into this account anymore.

Depending on the sponsor's requirements for invoicing and financial reports, payroll and non-payroll expense detail may need to be submitted along with the final invoice/drawdown. For accounts with direct cost encumbrances, encumbrances should be clear and be reported on the final invoice as a work-paper adjustment. If the project has cost sharing, final cost share reconciliations should be performed.

For fixed cost contracts (where contractor pays a firm amount regardless of the ultimate cost to complete the project), any expenses not covered by the grant must be covered by a non-restricted account. If there is a residual (revenue exceeds expenses) after all indirect costs have been transferred, any remaining balance should be returned to the sponsor. If the contract states that there is no need to return excess funding, the remaining funds will be moved to the school or department restricted research account, according to the school's policy and the Dean's decision.

After all required reports and adjustments are resubmitted, the account will be closed out. The principal investigator/project director and his/her department, the Director of Grants Management, and the Business Office should maintain the project files. The official grant file may be in electronic or paper format, or a combination of both. The file should include all significant records pertaining only to the particular grant. These records should include, but are not limited to, the complete application(s), summary of review actions, award notices, progress reports, financial records, audit records, official correspondence, all compliance certificates and forms, closeout documents and all other supporting and related papers.

For sponsored project records, APU follows Federal rules and policies regarding record retention. Per the Office of Management and Budget (OMB) 2 CFR 200.333-337, any sponsored project related files must be kept for at least three years from the date of the final financial report submitted. However, some sponsors may require the records to be retained more than 3 years. Since the grant period may range from one or more years, the 3-year period starts at the end of the grant. For example, the records of a grant starting in 2006 and ending in 2009 should be kept until 2012 or 2013 depending on the date of the final financial report submission. For more information, see APU's Record Retention and Destruction Policy at <https://docs.google.com/a/apu.edu/document/d/1sFudsIhBcSUj18Hq7NbfVbFlqSyMASV-r9PERU-OiIY/edit>.

APPENDICES

APPENDIX I: POLICY AND PROCESS FOR GRANTS HANDBOOK INFRACTIONS

The Grants Handbook exists to protect researchers and the university and to ensure smooth grant application and implementation processes. It is therefore vital that faculty and staff adhere to the policies and procedures in this handbook. Violations will be managed through the process detailed below. Issues pertaining to academic misconduct, academic integrity, conflicts of interest, and whistleblowing are managed through those specific institutional policies.

In the event of an alleged or suspected violation of this handbook's policies, the executive director of the Office of Research and Grants (ORG) will contact the faculty member as soon as possible in an effort to resolve the matter informally and to clarify any misunderstandings that may have led to the violation. It is anticipated that most violations will be resolved through informal dialogue, without the need for a formal inquiry or subsequent sanctions.

If resolution is not reached through an informal process, the ORG executive director will initiate an inquiry by notifying the faculty member in writing of the alleged violation within 5 business days. The inquiry will provide an opportunity for the faculty member to respond in writing and to meet with the executive director to discuss the allegations and explain why no violation occurred. The executive director may also meet with others who have information relevant to the inquiry. The executive director will draft a report documenting findings, which will be provided to the faculty member, her/his program chair, and dean within 15 business days of the meeting with faculty member. If a violation of the handbook policies is found, the report will recommend to the dean sanctions that are appropriate to the severity of the violation. Sanctions for intentional, serious, or repeated violations could include the return of awarded monies, suspension of research, forfeiture of application privilege for subsequent grants, and a formal reprimand letter added to the faculty member's file. In the most severe cases, following procedures outlined in the Faculty Handbook, non-renewal of the faculty's employment contract or immediate termination of employment may be pursued.

The dean will have 10 business days to decide on the recommendations. If the dean follows the recommended sanction, if any, or imposes any further sanctions, the faculty member may appeal within 10 business days to the Vice Provost for Graduate Programs and Research. Nothing herein shall be construed to limit any rights of faculty under the Faculty Handbook (e.g., in the case of termination of employment or non-renewal of contract, the only appeal mechanism will be through PARB as detailed in the APU Faculty Handbook).

APPENDIX II: ROUTING PROCESS

The APU Office of Research and Grants (ORG) assists faculty and staff with grant inquiries, grant submittal, grant resubmittals, ORG-initiated grant efforts, grant resources at APU, and grants management and administration. For more information about grants and resources available through ORG at APU, please see <http://www.apu.edu/researchandgrants/grants/>.

The Grant Routing Process – Some Variance Could Occur on Case-by-Case Basis

Pre-Routing

Step 1: The APU internal grant routing begins 10 business days before submission deadline. Prior to routing, principal investigators/program directors are encouraged to discuss the grant with their department chair and dean and work with ORG to maximize the prospect of an excellent proposal being submitted. During this pre-routing, areas of support from ORG are in:

- Providing a *Fast Facts Sheet* that identifies key application requirements, including number of pages, key budget guidelines, and cost sharing requirements;
- Providing assistance in developing the budget and budget justification;
- Identifying compliance or legal issues;
- Checking internal consistency of narrative;
- Checking consistency of narrative against requirements from funding agency;
- Obtaining and reviewing the sub-recipient information form (if applicable);
- Providing guidance for filling out APU routing forms; and
- Identifying any cost sharing commitments which may require PI to communicate with the dean or responsible administrative persons for approval.

10 Business Days

Step 2: The routing process begins 10 business days before submission deadline. At this point, a routing form signed by the dean and a *reasonably complete* draft of proposal should be provided to ORG.

- Narrative is close to final. Revisions would not include significant changes to the proposed program unless there is prior notification to ORG.
- Budget and budget justification are complete. Subsequent adjustments made pending ORG review to ensure consistency with RFP requirements and APU policies.
- All attachments, including any MOU's, are present.
- ORG will contact the PI immediately if any documents are missing

10-5 Business Days

Step 3: ORG will start the routing process as soon as possible by seeking approvals from APU departments (Business Office, IMT, General Counsel, Advancement, Financial Aid, etc.) depending on the nature of the proposal. ORG commits to an initial review and response in writing within 48 hours. If applicable, a sub-recipient risk analysis will be performed by ORG. ORG will also contact the PI with feedback generated by different APU departments as routing proceeds.

5 Business Days

Step 4: Five business days before submission deadline, PI provides a final and complete application. ORG audits for APU and RFP consistency and compliance. Application should be uploaded into appropriate online format (Cayuse, or other). **On a case-by-case basis, further submission details can be discussed at this time.** Further revisions only made as result of ORG routing review.

2 Business Days

Step 5: Two business days before submission deadline, no additional changes without ORG Executive Director approval. The two days prior to submission provides APU senior administration the opportunity for final review of the proposal. Submission will be done as soon as application is approved.

APPENDIX III: ROLES AND RESPONSIBILITIES

From identifying a grant/contract opportunity to writing grants, submitting them and managing them, the entire grant process is coordinated among various APU administrative departments and academic schools and departments.

BUSINESS OFFICE

The Business Office is responsible for maintaining official fiscal records, including expenditure documents for all grant projects, and typically maintains records for 5 years following the end of a grant period. The Grant Accountant in the Business Office is the official authorizing officer who maintains copies of all grant agreements and creates a cost center to track all fiscal activity for each grant. The Business Office must approve grant budgets and external reports prior to submission to the funding agency.

The Business Office, in conjunction with the relevant department deemed appropriate, administers all funds awarded in response to authorized institutional applications. All University grant projects must comply with pertinent federal Office of Management and Budget (OMB) guidelines, (OMB Circulars A-21, A-110, OMB Uniform Guidance 2 CFR 200), on file in the ORG and the Business Office, and posted on the ORG Website.

OFFICE OF THE PROVOST

The Vice Provost for Graduate Programs and Research is APU's Authorizing Official for all required grant related approvals. Responsibilities include approving grant submittals and, in consultation with Legal Counsel, grant awards, contracts, and subawards. The Vice Provost for Graduate Programs and Research serves as the university's Research Integrity Officer and provides oversight to the Committee on the Conflict of Interest, and serves as an ex-officio member of the IRB and IACUC.

OFFICE OF RESEARCH AND GRANTS

The Office of Research and Grants (ORG) pre-award team is responsible for supporting the preparation, routing, and submitting of grant applications through APU's approval system and to federal and private funding source systems. The ORG Director of Sponsored Research coordinates grant searches and grant submittals with advancement, schools, departments, and faculty. The Director of Grants Management assists APU faculty members and researchers in implementing their sponsored grants and contracts and in complying with APU and sponsors' regulations and policies.

OFFICE OF UNIVERSITY ADVANCEMENT

The Office of University Advancement, in addition to its work with donors and alumni, has the task of seeking funding to support building projects, endowed chairs, scholarships, and special projects. All grant requests to private foundations and organizations must first be approved by Advancement. ORG and Advancement work closely together on identifying potential private sources for grants.

OFFICE OF HUMAN RESOURCES

The Office of Human Resources (HR) serves the APU Community in a variety of capacities from recruiting highly qualified employees to coordinating benefits and providing workplace learning.

PRINCIPAL INVESTIGATOR/PROJECT DIRECTOR

The principal investigator/project director is responsible for the grant writing and preparation and will work closely with ORG Director of Sponsored Research to coordinate the application routing and submission. In the post-award phase, the principal investigator/project director is responsible for the overall management of the grant, and must partner with the Business Office and the ORG Director of Grants Management to assure compliance with applicable federal, state and/or local regulations, completion of all required reports, and submission of all in-house documentation (i.e., requests to transfer funds, personnel requisitions, and budget modifications). Principal investigators/project directors are accountable for ensuring that the project is conducted as described in the proposal and that the project goals are met. The principal investigator/project director also maintains required records dealing with grant execution and achievement. Records should be organized such that individuals unfamiliar with the project can easily review them.

COMPLIANCE PARTNER: INSTITUTIONAL REVIEW BOARD (IRB)

The Institutional Review Board (IRB) is responsible for reviewing and approving all studies and research activities involving human subjects. Principal investigators/project directors submit applications to the IRB Coordinator. The IRB meets monthly.

COMPLIANCE PARTNER: INSTITUTIONAL ANIMAL CARE AND USE COMMITTEE (IACUC)

The Institutional Animal Care and Use Committee (IACUC) is responsible for reviewing and approving all studies and research activities involving animal subjects. Principal investigators/project directors submit applications to the IACUC Coordinator.

OFFICE OF GENERAL COUNSEL

The Office of the General Counsel provides quality legal services in support of APU's mission by representing and advising the university on a broad range of legal matters. On grant and contract related activities, the General Counsel reviews and approves all Memoranda of Understanding (MOUs), grant awards, subawards, and contracts. The Office of General Counsel also will assist with ensuring appropriate insurance coverage is obtained, where needed, and with any investigations or audits of grant activities and expenditures.

INFORMATION AND MEDIA TECHNOLOGY (IMT)

The Chief Information Officer (CIO) reviews grant applications regarding equipment, computer hardware and software purchases. The CIO also considers space arrangements to ensure proper support and service. All university computer hardware (including external funded grants) should be purchased through IMT.

DEPARTMENTS

Principal investigators/project directors and their Deans must sign the Grant Routing Form before a grant application can proceed through the APU approval system. Department chairs and research administrators, if any, often work with the principal investigator/project directors to develop budget line items; determine the use of time, space, and equipment to conduct grant activities; and in some cases, to provide fiscal and program oversight to the project. Department research administrators or equivalent staff should support the principal investigator/project director with any administrative responsibilities such as purchasing and travel reimbursements and grant activities in general.

APPENDIX IV: COMPLIANCE

FEDERAL AND STATE REGULATIONS

The University complies with all state and federal regulations, including:

- Title VI of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972
- Section 504 of the Rehabilitation Act of 1973
- The Older Americans Act of 1975
- The American with Disabilities Act of 1990
- OMB Circulars A-21, A-110, A-122, A-133
- OMB 2 CFR Chapter I, Chapter II, Part 200, et al. (Uniform Guidance)

Contractual Policy: All APU agreements are to be reviewed and approved in accordance with APU contracting policies, including Legal Review of Contracts, Financial Review of Contracts, and Contract Signing – Authorized Signatures.

Non-discrimination Policy Azusa Pacific University does not discriminate on the basis of race, color, national origin, gender, age, disability, or status as a veteran in any of its policies, practices, or procedures. Women and minorities are encouraged to apply.

APU is a private university and is exempt from Federal Income Tax under section 501(c) (3) of the Internal Revenue code. Questions related to tax deductible donations may be directed to the Advancement Office.

ETHICAL COMPLIANCE

Responsible Conduct of Research Training

Azusa Pacific University encourages the highest standards in the conduct of research. In order to foster ethical research and to comply with federal guidelines, the university has implemented an institution-wide program to support the Responsible Conduct of Research (RCR). This program is intended to inform and remind faculty, staff, and student researchers of best practices and to prevent conflicts and ethical breaches in the ten core RCR areas:

Animal Subjects Research	Human Subjects Research
Authorship	Mentoring
Collaborative Research	Peer Review
Conflicts of Interest	Plagiarism
Data Management	Research Misconduct

Certification for research with human subjects is governed by the Institutional Review Board. Certification for research with animal subjects is governed by the Institutional Animal Care and Use Committee. All other RCR areas are administered either through online core modules of the RCR program hosted by the Collaborative Institutional Training Initiative (CITI) at the University of Miami, or through workshops sponsored by the Office of Research and Grants.

All faculty, staff, and student researchers are strongly encouraged to complete the RCR series through a combination of completing the CITI online modules for RCR and attending at least two workshops, one on Research Misconduct, and the other on Conflicts of Interest in Research. Additional workshops will be offered periodically and are also strongly encouraged. A schedule

of upcoming workshops and information on access to the CITI program is available through the Office of Research and Grants.

While strongly encouraged for all researchers, the RCR program is required for faculty who receive extramural funding for research. At the discretion of the dean, completion of the RCR program may also be required of department chairs, faculty who teach research classes, and faculty with release time for research. Completion of the RCR program may also be required by the Office of the Provost.

Students paid by National Science Foundation grants are required to complete five (5) hours of face-to-face training in addition to the online RCR modules through CITI¹, and all researchers on National Institutes of Health training grants are required to complete an additional eight (8) hours of face-to-face training.² Verification of this training must be submitted to the Director of Grants Management. Training must be renewed every three years.

Conflicts of Interest

Project and prospective principal investigators/project directors must take reasonable steps to ensure that applying for a given grant will not constitute an impropriety or conflict of interest for them or for APU. Such situations include, but are not limited to areas of personal, financial gain for the applicant; circumstances that might appear to compromise the University's reputation or to give the University unfair, competitive advantage. The principal investigator and other collaborators (including faculty, staff, students, consultants and co-investigators) must submit signed Potential Conflict of Interest (PCOI) forms with the external grant routing form. The PCOI forms must be renewed annually. New collaborators should complete and sign a PCOI form when they join the project. Additional detail can be found in the APU Conflict of Interest in Research: <http://www.apu.edu/researchandgrants/policies/>.

Research Integrity

All principal investigators/project directors are expected to uphold the highest integrity in data collection, analysis and dissemination to avoid every act, or remote appearance, of plagiarism. The policy on research integrity is compatible with the model policy suggested by the U.S. Department of Human and Health Services' Office of Research Integrity. See the policy for Conflicts of Interest in Research, at <http://www.apu.edu/researchandgrants/policies/>.

All questions and concerns about research integrity must be directed to the Research Integrity Officer (Vice Provost for Graduate Programs and Research), who will administer the investigation and hearing process, if needed, at the end of which all recommendations will be made to the Provost.

Research with Human and Animal Subjects

All projects that involve generalizable research with human subjects, including survey methods, must submit proposals to the Institutional Review Board (IRB). The IRB handbook is available at <http://www.apu.edu/researchandgrants/ethics/>. Projects involving animal research must submit proposals to the Institutional Animal Care and Use Committee (IACUC). Please check into

¹ It is highly recommend that faculty with NSF funding also attend the training required of their students.

² This applies to the following NIH programs: D43, D71, F05, F30, F31, F32, F33, F34, F37, F38, K01, K02, K05, K07, K08, K12, K18, K22, K23, K24, K25, K26, K30, K99/R00, KL1, KL2, R25, R36, T15, T32, T34, T35, T36, T37, T90/R90, TL1, TU2, and U2R. This policy also applies to any other NIH-funded programs supporting research training, career development, or research education that require instruction in responsible conduct of research as stated in the relevant funding opportunity announcement.

IACUC webpage for more information:

<http://www.apu.edu/researchandgrants/ethics/#institutionalanimalcareandusecommitteeiacuc>.

APU compliance support procedures are consistent with federal guidelines.

Biosafety

Guidance and assistance is provided to protect faculty, staff and students from exposure to bio-hazardous materials and to guide against the release of bio-hazardous materials that may harm humans, animals, plants or the environment. APU has established and maintains an Occupational Health and Safety Program (OHSP) that begins with the identification of hazards and the assessment of risk associated with those hazards. Facilities, equipment, and procedures should also be designed, selected, and developed to reduce the potential of physical injury or health risk to personnel. The OHSP is consistent with federal, state, and local regulations and focuses on maintaining a safe and healthy workplace.

Data Ownership

The Integrity in Research Policy,

https://docs.google.com/a/apu.edu/document/d/1eEaL26a0rTkXK1y5Y75ApbYwfP0s06kbqnuj_nE7D34/edit, discusses the ownership of data provided by any APU sponsored projects. APU's Copyright Policy for Works Created at or in Affiliation with Azusa Pacific University also addresses the ownership of works created with external funds.

Federally Sponsored Research Data: The principal investigator/project director needs to retain all scientific records three years from the submission of the final expenditure report, or three years from the completion of the research as defined in the original contract or grant award.

Scientific records include research or laboratory notebooks; preliminary research reports or summaries; protocols; records relating to the source of research materials and tools; adverse event reports; research reports; publications; and any other records that are necessary for the reconstruction and evaluation of the reported results of research and the events and processes leading to those results.

APPENDIX V: TYPES OF PROPOSALS AND TYPES OF AGREEMENTS

TYPES OF PROPOSALS

A proposal is a request for financial support for a research project or training program. The proposals (funding requests) are classified as follows:

Solicited Proposal: This proposal is submitted in response to a request (Request for Proposal: RFP or Request for Application - RFA) by a funding agency for research or training programs.

Unsolicited Proposal: An unsolicited proposal is a proposal on a subject of interest to the faculty member who makes it, which the targeted funding agency may find of interest as well because it is on a topic that might be deemed as priority.

Pre-Proposal: In some instances the funding agencies require an initial simpler proposal and if selected, institution will be invited to submit a full proposal. Other terms used for this type of submission (especially for foundation grants) are: Letter of Intent (LOI), Phase I application, Online Funding Inquiry.

Renewal: This type of submission is usually a competing renewal for additional funding for a project that is currently funded but the period of performance is ending. Competing renewals generally include new work based on the results of the existing grant (subject to peer review).

Resubmission: This usually is a proposal that has been reviewed before. The updated application should include revisions in response to critical comments from initial reviewers.

Revision: A revision is a request to an agency for additional support for an existing project to expand the project's scope or to meet unforeseen expenses. A revision may be submitted to request support for a significant expansion or a project's scope or research protocol. An administrative revision, also known as "supplement", is a request for additional funding to cover the increased costs that are within the scope of the approved application (on the condition that the new costs were not foreseen when the new or competing renewal application was submitted).

Continuation: This is a non-competing request for additional funding. The application is not subject to peer review.

TYPES OF FUNDING AGREEMENTS

If a proposal is accepted, funding may be awarded in one of the following forms:

Grant: This is the instrument for providing support for an activity for specified purpose initiated by the applicant that falls within the guidelines and priorities of the funding agency.

Contract: This is the instrument by which non-Federal entities are considered a contractor/vendor when they provide goods and services within normal business operations and operate in a competitive environment. In general, there are greater performance expectations associated with contracts. Contracts are usually designed to benefit the sponsor.

Cooperative Agreement: This is an undertaking in which the research or training project is jointly administered by the funding agency and the recipient institution. It is distinguished from a grant in that it provides for substantial involvement between the federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity laid out in the federal award.

APPENDIX VI: DIRECT AND INDIRECT COSTS

DIRECT COSTS

All APU expense categories are described on the Grants website. Please review any unallowable cost categories. If you are uncertain if funds can be spent in certain areas, check with the Grant Accountant or the Director of Grants Management.

Personnel

Time commitments and teaching reassignments for faculty members involved in external grant activity must be consistent with pertinent university policies. Please make sure to communicate with your department chair on time commitments.

Faculty/Staff Salaries

All salary requests must be made in accordance with the sponsor's Request for Proposal (RFP) budget guidelines. Salaries for faculty must also be consistent with the Faculty Handbook including overload limits. Faculty stipends for an academic semester can be counted as overload or underwriting current salary, and may be calculated based on the current adjunct/overload teaching rate. Department Chair and Dean must approve all faculty compensation from grants.

1. Salary Cap. To incentivize grant applications, faculty members may request up to 37.5% of potential additional income based on a regular 12-month salary when applying for grants that include salary. For more details see Appendix VIII on the Policy for Faculty Compensation from Grants. NIH and NSF have their rules pertaining to salary cap and limitation on number of months of salary allowed.
2. Approval for Course Buy-out or Overload Pay. Faculty buyout and/or overload from grants must be approved by the department chair and dean before a grant application is submitted. Grant applications must clearly state whether salary income from grants would create a course buy-out situation, or would entitle the faculty member to be paid in addition to their regular salary. For more details on the calculation of the buyout rate, see Appendix VIII on the Policy for Faculty Compensation from Grants.
3. Supplemental Pay from Grants for non-PIs. Pay for supplemental hourly services for faculty on grants should follow the established rates for adjuncts. For more details, see Appendix VIII on the Policy for Faculty Compensation from Grants.
4. Administrative and Clerical Salaries on Federal Awards
 - a. APU must comply with the federal regulations in the Cost Accounting Standards (CAS) and the OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR 200, (Uniform Guidance). The Part 200.413(c) states that "the salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs."
 - b. However, the Uniform Guidance does provide for criteria, that if met, can justify inclusion of administrative and clerical salaries as direct charges on federal awards. Therefore, administrative and clerical salaries should be included as direct charges on federal awards ONLY when they meet the Uniform Guidance criteria and definition of "unlike purpose or circumstance."
 - c. The Uniform Guidance allows for direct-charging of administrative and clerical salaries if and only if all of the following four conditions are met:
 - i. Administrative or clerical services are integral (over 10% effort) to a project or activity;

- ii. Individuals involved can be specifically identified with the project or activity;
- iii. Such costs are explicitly included in the budget and/or have the prior written approval of the Federal awarding agency, and
- iv. The costs are not also recovered as indirect costs.

Fringe Benefits

Fringe benefits are calculated for all salary lines, except when disallowed by grant guidelines. APU uses an estimated benefit rate of 25% for full time university employees, and 8% for part time employees and student workers. The rates are in accordance with the APU Business Office Policy and Procedures for Employee Fringe Benefits for Sponsored Programs and Grants (<http://www.apu.edu/businessoffice/departments/grants/>). The university-wide rate for the fringe benefits to be used for full time employee is estimated at 30%. The 5% difference relates to faculty/staff tuition discount. The Indirect Costs Agreement negotiated by APU with US DHHS restricts the fringe benefits to retirement, payroll taxes, worker's compensation, health insurance. This indicates that the tuition remission is not an allowable direct cost.

Under Federal awards, fringe benefits are allowances and services provided by the university to its employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. The costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, university-employee agreement, or an established policy of the university.

Ref: Uniform Guidance §200.431 Compensation-fringe benefits

Student Employment

Regular hourly student employees may be included in grants, as appropriate. Please refer to the Student Employment Handbook for pay scale and related policies and procedures:

<http://www.apu.edu/studentemployment/working/>

Since payment rates and financial assistance programs for undergraduate student workers and work-study program participants are established on a case-by-case and availability basis, they must be coordinated with the student employment office.

Please refer to the Student Employment Handbook for pay scale and related policies and procedures: <http://www.apu.edu/studentemployment/working/>

Expenditures

Expenditures for a sponsored project must be in line with the approved budget appearing in the proposal or letter of award. Any changes to the budget and any transfer across line items must be made in accordance with funding source guidelines and discussed with the Director of Grants Management and the Grant Accountant. Some expenditures will require budget-modification requests. The principal investigator/project directors must seek input from the Director of Grants Management regarding how to spend or deal with any funds carried over from one funded year to another.

The Grants Accountant must process all grant-related invoices. No invoice generated and submitted to an outside entity by the principal investigator/project directors is considered binding and/or official.

Consultants

When dealing with consultants and sub-contractors, please work with the Director of Sponsored Research prior to grant submission and the Director of Grant Management following the award. Depending on the funding source, there may be a ceiling limit per hour pay for consultant and contractor. No work should be started prior to necessary institutional approvals.

For non-APU consultants, the pay rate determination should be fair and reasonable. If the consultant is an individual, submit the Independent Contractor Determination Worksheet (<http://www.apu.edu/humanresources/forms/>) to the Office of Human Resources (HR). HR will set up a contract with each contractor.

If the consultants are APU faculty and staff members, the supplemental hourly services on grants should follow the established rates for adjuncts. This rate is \$24.50 per hour. The pay rate should be commensurate with the job, but typical remuneration follows this adjunct rate. Deviations should be clearly justified. An Extra Services Payment Request Form should be submitted with proper approval. All consultant and sub-contractor hiring paperwork needs to include the purpose of the hiring and how the service is beneficial to the projects.

All grant-related consultants and contractors should submit invoices for services provided and the project support administrative designee needs to get all the required approval signatures before forwarding to the Grant Accountant.

Under Federal awards, costs of professional and consultant services by persons associated with a particular profession or possess a special skill, and who are not officers or employees of the university are allowable given parameters are met for determining the allowability of costs and that retainer fees are supported by evidence of bona fide services available or rendered (genuine or real services).

Relevant factors for determining the allowability of costs include:

1. The nature and scope of the service rendered in relation to the service required.
2. The necessity of contracting for the service, considering the university's capability in the particular area.
3. The past pattern of such costs, particularly in the years prior to Federal awards.
4. The impact of Federal awards on the university's business (i.e., what new problems have arisen).
5. Whether the proportion of Federal work to the university's total business is such as to influence the non-Federal entity in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have a weak relationship to work under Federal awards.
6. Whether the service can be performed more economically by direct employment rather than contracting.
7. The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities.
8. Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).

Ref: Uniform Guidance §200.459 Professional service costs

Travel

Travel costs charged to grants and contracts must be reasonable and comply with policies established by APU, federal regulations and sponsoring agency terms. Travel policies vary depending on funding source. The specific terms and conditions of an award should be consulted

before making travel arrangements. If there is a conflict between a sponsor's rule and APU's rule, the more restrictive rule applies. International travel is governed by university policy requiring a pre-approval process and post-travel report. Further information can be found at: <http://www.apu.edu/generalcounsel/policies/>.

Grant-related travel must be approved by the dean/chair to ensure arrangements do not affect day-to-day business. Travel should be completed before the grant termination-period. Only in exceptional circumstances (requiring approval from the Director of Grants Management) may travel occur after the grant project has ended. In these cases, funds must be encumbered prior to the formal conclusion of the grant, including pre-approval from sponsors. Preapproval from sponsors is required for all federal and state funded foreign travel.

Lodging and subsistence

All travel expenses should be considered reasonable and allowable. Federal and state grants follow the per-diem rate system developed by the State Department, which has set an upper limit of related expenses per city and season.

Under Federal awards, costs must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the university in its regular operations as the result of the university's written travel policy.

Costs charged directly to the Federal award must have documentation justifying that

1. Participation of the individual is necessary to the Federal award; and
2. The costs are reasonable and consistent with university's established travel policy.

Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the Federal awarding agency.

Reference Uniform Guidance §200.474 Travel costs

Air travel

All grant travel should follow the APU travel policy. Also, Federal grant recipients should observe the Fly America Act and Open Skies Agreement with European Union.

The Fly America Act requires travelers whose air travel is being financed by the federal government to use a United States flag air carrier service for all international air travel when available. The airfare should be the lowest available commercial discount ticket. Also, the European Union (EU) and the United States (US) Open Skies Agreement is in effect too. The EU-US Open Skies Agreement is an open skies air transport agreement between the European Union and the United States.

When the airfare costs exceed the basic least expensive unrestricted accommodations class offered by commercial airlines, these costs are considered unallowable except when such accommodations would:

- i. Require circuitous routing (route that is longer than most direct way);
- ii. Require travel during unreasonable hours;
- iii. Excessively prolong travel;
- iv. Result in additional costs that would offset the transportation savings; or
- v. Offer accommodations not reasonably adequate for the traveler's medical needs. The university must provide proper justification for these conditions on a case by case basis in order for the use of first-class or business-class airfare.

Ref: Uniform Guidance §200.474 Travel costs

Auto vehicle travel

As of January 1, 2016, mileage should be calculated at a rate of \$0.54/mile.

Food

All catering and food service requests for on-campus APU functions go through banquet services. For rates and more information, go to:

<http://www.apu.edu/hospitalityservices/banquetservices/>

For planning food costs while traveling, use federal or state guidelines if the funder requires it.

Federal and state awards do not allow food expenses unless the expense has been budgeted in the proposal and is necessary for the project. If business meals are provided, it is essential to document attendance, activities and purpose.

Computer Hardware & Software

When purchasing computer hardware or software, it is important that both IMT and the Business Office are aware of the order. IMT becomes aware of the purchase when it approves the initial requisition, then once the merchandise is delivered. IMT installs and services it throughout its use. For more detail, Review the purchasing policy at:

<http://www.apu.edu/businessoffice/departments/purchasing/>.

Materials and supplies costs

Under Federal awards, costs incurred for materials, supplies, and fabricated parts necessary to carry out a project are allowable. Materials and supplies purchased must be charged at their actual prices (direct costs), net any applicable credits. Fees associated with transportation of materials and supplies are allowable.

Ref: Uniform Guidance §200.453 Materials and supplies costs, including costs of computing devices

Conferences

Under Federal awards, a conference is considered a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is to provide technical information beyond the university and is necessary and reasonable for successful performance under the Federal award. Conferences costs, paid by the university as a sponsor or host of the conference, deemed allowable include rental of facilities, speakers' fees, costs of meals and refreshments, local transportation, and other conference related costs. Conference hosts/sponsors must use proper judgment to ensure conference costs are appropriate, necessary and managed in a way that minimizes costs to the Federal award.

Ref: Uniform Guidance §200.432 Conferences

Carry-overs

Funds that are not expended at the end of a year or a grant cycle are not automatically carried over to the next year. Permission to do so must be obtained from the Director of Grants Management. In all cases, project grant guidelines will be followed. Some grants require the return of unspent funds prior to ending date. The principal investigator/project director may not make requests for a no-cost extension without prior consultation with the Director of Grants Management.

INDIRECT COSTS (FACILITY AND ADMINISTRATIVE COSTS)

Based on APU institutional indirect cost policy, indirect cost recovery funding is designed to support and increase external grant activity, thus enhancing curricular development, research and scholarship, as well as outreach by faculty, administrators, departments, centers, and other entities. The policy is aligned with best practices in the field of grants and contracts management at colleges and universities.

This policy will accomplish the following objectives:

- Provide individuals and departments with tangible incentives and rewards for seeking external funding in support of departmental, college and institutional stated missions;
- Enhance APU's competitiveness in seeking additional external funds through matching funds and internally supported pre-award planning activities;
- Cover institutional costs, induced by the granted project, from security and liability to utility costs;
- All indirect costs generated from external sources in support of a given grant award will be allocated as follows:
 - 50% will be directed to the University General Fund, to be used for covering overhead expenses and other hidden costs (space, utilities, technology, etc.).
 - 20% will be granted to the responsible Dean and/or department. Use of these funds is subject to the Dean's discretion and may include assistance with various school or department administrative costs. A few examples include personnel to complete preliminary research, writing, or editing, expenses for allowable supplies and research equipment not included in the grant application, and overtime clerical help.
 - 15% will be placed in a restricted account for the principal investigator/project director. Subject to the Dean's approval, these funds can be expended to assist with pilot studies, conference presentations of research (if not included in the initial grant), and individual membership dues.
 - 15% will be deposited in the Sponsored Program's restricted account managed by ORG, used at the discretion of ORG to enhance the grants and research activity at APU.

APU has a 35.0% federally negotiated indirect cost rate using the simplified method (Salary and Wage base). ORG has a copy of the *Federal Agency Acceptance of Negotiated Indirect Cost Rates* letter. A Federal awarding agency may use a rate different from the negotiated rate for a class of Federal awards or a single Federal award. [Ref: OMB Uniform Guidance §200.414 Indirect (F&A) costs]. All projects should request 35% indirect costs, if allowed, or the maximum amount specified by the funding agency. One should not assume that there are no indirect costs allowed unless it is clearly specified in the funding announcement. If the principal investigator/project director intends to charge less than the full 35% rate or to request waiving the indirect cost charge, an Indirect Cost Waiver/Reduction form should be submitted to justify the request. The waiver/reduction request will be reviewed and approved by the ORG Executive Director of Research.

Where the project in question has incurred tangible, direct expenses not covered by the grant, such expenses are covered by any available indirect costs with the remaining balance distributed as described above.

APPENDIX VII: FORMS

Since APU must be a good steward of grant funded awards, all expenses should be clearly justified showing benefits to the projects. Please refer to the grants website <http://www.apu.edu/researchandgrants/> for both pre-award and post-award forms. Please note requirements of grant projects to fulfill APU internal and external funding policies.

Forms and instruction may be updated frequently, as needed.

APPENDIX VIII: POLICY ON FACULTY COMPENSATION FROM GRANTS

1. Salary Cap. To incentivize grant applications, faculty members may request up to 37.5% of potential additional income based on a regular 12-month salary when applying for grants that include salary. To calculate the maximum income for faculty on non-12-month contracts, salary would be adjusted to the equivalent of 12-months pay using the monthly rate and 37.5% added. In this way, faculty members could earn a maximum of 137.5% of that 12-month amount from all sources, including all types of overload and research. Approval to do so must come from the dean.
2. Approval for Course Buy-out or Overload Pay. Faculty buyout and/or overload from grants must be approved by the department chair and dean before a grant application is submitted. Grant applications must clearly state whether salary income from grants would create a course buy-out situation, or would entitle the faculty member to be paid in addition to their regular salary.
3. Calculating Buy-out Rate. For each 3-unit course bought out, grant funds to underwrite that expense should be calculated at 10% of the faculty member's salary plus 25% of that amount for fringe benefits. In cases where the grant does not allow this level of expense, the adjunct rate plus 8% fringe may be used with the dean's approval.
4. Supplemental Pay from Grants for non-PIs. Pay for supplemental hourly services for faculty on grants should follow the established rates for adjuncts (one unit of adjunct/overload pay equals 40-45 hours of service, roughly \$24.50 per hour plus 10% fringe). Deviations should be clearly justified.

Policy originally approved by Academic Cabinet on July 13, 2011.

Revised by a subcommittee and re-approved by Academic Cabinet on June 26, 2013.

Reviewed and edited by Legal Counsel, HR, and Business Office (July 2013)

APPENDIX IX: SUBRECIPIENT INFORMATION

According to the OMB Uniform Guidance (2 CFR Part 200), APU is responsible for assessing the risk and monitoring the subrecipient's programmatic and financial activities. The following is a brief outline of subrecipient related activities:

PRE-AWARD STAGE

- Principal Investigator/Project Director should ask for the Subrecipient Information form (available at <http://www.apu.edu/researchandgrants/grants/>) and grant application documentation to be submitted by the potential subrecipient. ORG can provide support in that process.
- The Director of Sponsored Research will perform a Subrecipient Risk Analysis to determine the level of risk and whether a subaward contract can be issued or not. For more details, the Subrecipient Risk Analysis Tool is available on the ORG site at <https://sites.google.com/a/apu.edu/org/grant-routing>.
- If the risk assessment indicates that the subaward contract is not possible, the Director of Sponsored Research will communicate with all parties.
- For application submission purposes, ORG will generate the subaward section in Cayuse.

AWARD STAGE

- Subaward recipient candidates should submit all needed documents to the Director of Grants Management the scope of work, the budget, and Subaward Request Form for their project.
- Based on the Subrecipient Risk Analysis done in the pre-award, the Director of Grants Management will set up a Subrecipient monitoring plan for each subawardee.
- The principal investigator/project director and the Director of Grants Management will review the scope of work and the budget, and prepare an APU contract for subaward for review and approval by the Office of General Counsel and the Vice Provost for Graduate Programs and Research.
- Depending on the sponsors, a clearance from the sponsor may be required. Sub-recipients need to follow the policies and guidelines of the primary sponsor, as well as of APU guidelines and their own guidelines such as financial reporting and conflict of interest. Review the prime sponsor's agreement and budget to set up the budget limit for the Subrecipient.
- Negotiate and set up Subaward agreement(s) with prime sponsor agreement and monitoring plan. In this stage, the following aspects should be considered:
 - Subaward end date should be at least 90 days before the prime agreement end date to ensure to include all subawardee's expenses and needed reports in the final report to the prime sponsor
 - Related portion of the Prime sponsor agreement should be included
 - List report schedule, invoice schedule and other report requirements
 - Approved SOW and budget should be included as attachment
 - Include a term to state that any missing Subrecipient(s) information or late invoice and reports may delay the setup the accounts or payments
 - Specific audit language and monitoring plan details should also be included
- In compliance with the Federal Funding Accountability and Transparency Act (FFATA), the Director of Grants Management will enter the subaward recipient's information into

www.USASpending.gov within 60 days of the effective award date when Federal funding exceeds \$25,000.

POST-AWARD STAGE

- A New Subrecipient Package will be sent and this will include a Welcome Letter, Invoice template/sample, Report template/sample
- Follow Subrecipient Monitoring plan
 - Review spending and programmatic work completion timeline against budget and SOW
 - Review technical Reports, Progress reports and other deliverables such as effort reporting, RCR training, and cost share report, as needed
 - Follow the guidelines for a Sub-recipients submitted invoice review
- Keep Subrecipient Monitoring Action Record
- Take action, if there are problematic Subrecipient issues
- Any issues should be reported to ORG Director of Grants Management
- Send Problematic Subrecipient Letter
- Request an audit, if needed
- Get consultation with the office of General Counsel

AWARD CLOSING STAGE

- Determine if the sub-award agreement can be renewed/revised
- Check the SOW and the final report
- Initiate and remind the sub-recipient the award closing procedure and due date
- Contact subrecipient making sure the final invoice and appropriate final reports submitted to APU within 60 days following the subcontract end date.
- Forward the approved invoice to the Business Office for payment within 15 days of the receipt of the invoice.
- All necessary records should be maintained

GRANTS LEXICON

Allowable costs: Costs reimbursed under a grant or contract, which may be determined by the federal Office of Management and Budget (OMB), the funding source, or APU policy.

Audit: Review of financial transactions, documentation, accounting procedures and systems, internal or external auditors.

Award: Funds provided by an external funding source for support of a project. This term applies to both the original award and supplements

Award letter: Written notification from the funding agency that a proposal has been funded; the start and end dates, and the amount funded.

Blanket Purchase Orders: Purchase orders that show a maximum amount that can be spent

Budget: The spending plan in a proposal submitted to and/or approved by the funding source. After the award is approved, the budget becomes a spending guide for the grant project.

Budget amendment/modification: Administrative changes made to the project budget. These generally require funding source approval.

Budget category: A portion of a budget designated for a particular type of expenditure such as personnel, fringe benefits, travel, equipment, materials and supplies, sub-grants or subcontracts, supplies, indirect costs, etc.

Contract: An agreement to acquire services that benefit the project.

Cost reimbursement Contract: Contract under which allowable and reasonable costs incurred by a contractor in the performance of a contract are reimbursed in accordance with the terms of the contract.

Cost share: The portion of costs not borne by the funding source.

Mandatory cost sharing: When cost sharing is mandatory, the requirement for cost sharing will be described in the application guidelines. Mandatory cost sharing must be tracked and reported.

Voluntary cost sharing: The cost is specifically pledged on a voluntary basis.

Voluntary committed cost sharing: This is voluntary cost sharing that includes in the award budget or the budget justification assurances that the cost sharing will be tracked.

Direct costs: An expense that relates to the grant project, (e.g., salaries, supplies, services, travel, equipment).

Disallowed costs: Questioned expenditures, which are not reimbursed by the funding source. Repayment to the funding source may be required if payment has already occurred.

Equipment: Property that is not permanently attached to buildings or grounds has an acquisition cost of \$2,500 or more, and a life expectancy of one year or more.

Capital equipment is classified differently, depending on ownership or title to the equipment. Title to or ownership of equipment is determined by the provisions of the sponsoring award, contract, or agency policy. There are four classifications of capital equipment:

1. Sponsor Purchased/University-Titled
2. Government-Titled Equipment
3. Government-Furnished Property
4. University-Funded Equipment

Fixed-price contract: A contract where the contractor pays a fixed amount for the agreed-upon work regardless of the ultimate cost to complete the project. In these types of contracts, there is a risk that the institution must complete the work even if there are costs overruns. However, the institution may retain any unexpended balance that remains after the contracted work is complete.

Fringe benefits: Benefits such as life and health insurance, retirement, unemployment compensation and workers compensation that are paid in addition to salary. Benefit packages are subject to change. Also referred to as Employee Related Expenses (ERE).

Grant: The funding of an approved award made on the basis of a submitted proposal.

Grant Contract: The legal document representing an award, which includes the following: 1) a grant agreement with appropriate exhibits; and 2) a copy of the proposal, which describes the project and incorporates information about the budget and evaluation activities; 3) any subsequent amendments and/or budget modifications.

Grantee: The recipient of a grant.

Grant proposal: A written plan for a project or program to secure funding for specific objectives. Typically, grant proposals are written in response to and in accordance with a grant application or set of instructions and must be submitted by a specific deadline. Most grants are competitive.

Grantor: Funding source that provides funds for the purpose of carrying out projects.

Indirect costs: Overhead and administrative costs that cannot be identified specifically with a particular program, project, or activity. These costs are incurred for the necessary operation of the university, and include library resources, building maintenance, and general administration.

Matching funds: Are cash or "in-kind" support contributed by the university to fulfill the objectives of the project. Required matching funds are usually stated in the grant contract. A term often used interchangeably with matching funds, is "Cost Share".

NIH Public Access Policy: Effective from April 7, 2008, Principal Investigators must ensure that electronic versions of any peer-reviewed manuscripts arising from NIH funding and accepted for publication after that date are deposited in PubMed Central (PMC), NIH's digital archive of biomedical and life sciences journal literature, and that the articles may be made publicly available by PMC no later than 12 months after publication.

Effective from May 25, 2008, anyone submitting an application, proposal, or progress report to NIH must include the PubMed Central reference number (PMCID) when citing articles that arise from their NIH funded research.

Principal Investigator/Project Director: The individual responsible for carrying out the requirements of the grant project or program.

Program Officer: The funding source representative who has the task of monitoring the project, providing technical assistance, approving major changes, and ensuring that project or program objectives are carried out.

Proposal: An application submitted to an external funding source that may lead to a funding award. All proposals require institutional approval by officials with the authority to commit the University's resources.

Reporting: Performance and fiscal requirements set by the funding source. The principal investigator/project director is responsible for the performance report and Grants Accounting is responsible for producing and submitting financial reports.

Stewardship: The obligation to be a responsible caretaker of public and private funding resources awarded to the university.

Sub-Award Agreement (Sub-contract or Sub-recipient agreement): Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract (Uniform Guidance §200.92)

Supplanting: Illegal use of grant funds to pay for ongoing activities already budgeted for, or for the usual activities assigned to a position.

Unobligated balance carryover: An unobligated balance from a prior award period that the funding source approves to be added to the subsequent award budget.

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