

Dartmouth Sponsored Research Manual

Post-Award Project Management

Email: Sponsored.Projects@Dartmouth.edu

Website Address: <http://www.dartmouth.edu/~osp/>

11 Rope Ferry Road, HB6210
Hanover, NH 03755

Tel: (603) 646-3007

Fax: (603) 646-1941

TABLE OF CONTENTS

Introduction to the Office of Sponsored Projects	1-2
Office of Sponsored Projects Staff Directory	3
Office of Sponsored Projects Organizational Chart	4-5
OSP Grant Manager – Assigned by Department	6
Role of the Principal Investigator	7-9
Role of Sponsored Research Manager	9-10
Proposal Preparation	10-11
Preliminary Activities in Financial Management of Sponsored Research	12
Types of Awards	12-14
Pre-Award Costs	14-15
Notice of Award/Account Set-Up	16-18
Sub-Awards	18-20
How Dartmouth Collects Funds on Awards	21-22
Overview of Financial Management Activities	22-23
OGA Reports	24
Journals	25
Cost Transfers	26-28
Labor Account Distribution Change & Wage Transfers	29-30
Allowable, Allocable, and Reasonable Costs	31
Five Principles of Financial Transactions Management	32
Items Requiring Approval by Office of Sponsored Projects	32-33
Payroll Authorizations	34
NIH Salary Cap	35-37
Compensation Funding Agreement Instructions	38
Labor Verification Reports	39-40
Consultants	40
Dartmouth College Capital Equipment Policy	41-42
Capital Equipment Transfer Guidelines	43
Travel, Entertainment and Meals	44-50
Facilities & Administration Costs (Indirect Costs)	51-52
Cost-Sharing	52-54
Matching Funds	55
In-Kind Contribution	56

TABLE OF CONTENTS

Project Management Reports	57
Federal Demonstration Partnership/Expanded Authorities	58-60
Federal Sponsored Research Awards Not Covered by the FDP	61-62
Changes Requiring Prior Approval	62-64
Continuing the Project	65-66
Financial Management Problems	67
Unexpended Funds	68
Closing Out a Sponsored Research Award	69-70
Title to Capital Equipment Acquired with Sponsored Research Funds	71
Record Retention	71
Audits	72
Glossary	73-80
Website Resources	81-82
Updates to Manual	83

ABOUT THE OFFICE OF SPONSORED PROJECTS

The Office of Sponsored Projects (OSP) contributes to the academic mission of Dartmouth College by providing support for obtaining sponsored research funds, and managing sponsored research activity. OSP's primary responsibilities include:

- Serves as the contact point for information and interaction with faculty, deans, administrators, and governmental officers and sponsor representatives on a variety of sponsored research matters.
- Maintains a portfolio of current services that assist faculty and administrators in identifying potential funding sources for their projects.
- Reviews sponsored research proposals submitted by Dartmouth faculty, and signs proposals and accept awards on behalf of the Trustees.
- Maintains and updates all assurances for Federal, State, and non-governmental sponsors.
- Prepares and negotiates scores of sub-awards, and reviews and negotiates clinical trials.
- Negotiates sponsored research agreements with regard to budget, terms and conditions.
- Through the Committee for the Protection of Human subjects (CPHS), also referred to as the Institutional Review Board (IRB), reviews and approves protocols submitted by faculty who intend to use humans as subjects for their research.
- Assists faculty and researchers with patenting, marketing, and licensing of inventions through its Technology Transfer Office.
- Reviews and negotiates industrially sponsored research, confidentiality, and material transfer agreements through its Technology Transfer Office.
- Assists Dartmouth researchers in negotiating agreements funded by government and business assistance programs, such as SBIRs and STTRs, through its Technology Transfer Office.

SERVICES OFFERED BY THE OFFICE OF SPONSORED PROJECTS

Today's researcher is faced with many challenges when seeking and securing sponsored research awards. To remain competitive, researchers must take advantage of new technologies and electronically provided services. The OSP is committed to assisting the Dartmouth Community in these efforts. The OSP routinely provides a wide variety of essential services:

- Alert the Dartmouth community to funding opportunities via e-mail, an electronic bulletin board, and the OSP home page.
- Offers campus-wide workshops on sponsored research topics, such as techniques for finding funding, proposal development, and post-award project management.
- Assists faculty and staff in developing proposals, budgets, and other related documents.
- Subscribes to funding identification services such as ARIS, COS, and SPIN, and provides access to additional funding announcements through the OSP homepage and Resource Library.
- Answers questions on sub-awards, patent law, and College policies and government regulations pertaining to inventions conceived and developed under Federal and private sponsorship.
- Works closely with Dartmouth's Office of Foundation and Corporate Relations to coordinate pre- and post award policies and procedures.
- OSP is Dartmouth's registered user of NSF OGA@-Lane and NIH Commons, both of which use the World Wide Web to facilitate business and the exchange of information between NSF/NIH and their client communities, including researchers, reviewers, research administrators, and others doing business with NSF/NIH.

THE TECHNOLOGY TRANSFER OFFICE

The purpose of Dartmouth's Technology Transfer Office (TTO) stems from Public Law 96-517, the Bayh-Dole Act, which postulates that inventions arising from Federal government sponsorship and assigned to the university, must be actively transferred to the private sector for the benefit of the general public. Therefore, patenting and licensing of inventions originated in the College and its professional schools comprise the largest share of the TTO's activities. Industrially sponsored research agreements, including SBIRs and STTRs, material transfer agreements, State business assistance programs, and various other issues concerning academic collaborations with industry, also come under the TTO's purview.

THE COMMITTEE FOR THE PROTECTION OF HUMAN SUBJECTS (Institutional Review Board)

The Committee for the Protection of Human Subjects (CPHS), also referred to as the Institutional Review Board (IRB), is a federally mandated committee with the charge of overseeing all research project involving human participants. All research involving humans (regardless of funding) must be reviewed and approved by the CPHS prior to initiation. The primary mission of the CPHS is to ensure that the rights and welfare of human research participants are protected. The CPHS office is a source of information for students, faculty and study coordinators who are involved with research involving humans.

OFFICE OF SPONSORED PROJECTS STAFF DIRECTORY

Jill Mortali, Director Ext. 6-0678
Karin Spanos, Office Manager Ext. 6-3007

PREAWARD

William Ploog, Associate Director Ext. 6-3682
Christine Bothe, Assistant Director Ext. 650-8836
Renee Brown, Proposal Development Coordinator Ext. 650-8837
Heather Arnold, Grant Officer Ext. 6-1559
Shelagh Eastridge, Subaward Coordinator Ext. 6-6575
Shea McGovern, Assistant Director Ext. 6-3977
Sherrie Read, Proposal Development Coordinator Ext. 6-9163

POSTAWARD

Kathy Page, Associate Director Ext. 6-3659
Aarron Clough, Manager, Sponsored Research Ext. 6-2713
Jody Patten, Research Grant/Ed. Program Manager Ext. 6-0218
Nancy Archibald, Sponsored Research Manager Ext. 6-2872
Jackie Paulsen, Sponsored Research Manager Ext. 6-0635
Catherine Saint Jean, Sponsored Research Manager Ext. 6-0465
Gene Rozyla, Sponsored Research Manager Ext. 6-1254
Darlene Howe, Sponsored Research Manager Ext. 6-9910

CASH MANAGEMENT

Rebecca Clogston, Assistant Director Post-Award/Cash Mgmt. Ext. 6-3009
Todd Berube, Accounting Specialist Ext. 6-6486
Cathy Sohngen, Financial Accounting Assistant Ext. 6-2873

INFORMATION SYSTEMS

Thomas Drinane, Manager, Information Systems Ext. 6-3008
Maureen Wetmore, Data Control Specialist Ext. 6-2718
Yvonne Salazar, Information Systems Project Specialist Ext. 6-2968
Peter Vinton, Jr., Software/Systems Trainer Ext. 6-1428
Elaine Van der Stok, IS/Post Award Ext. 6-0465
Kristin McAdams, Data Warehouse and Business Intelligence Rep. Spec. Ext. 6-3097

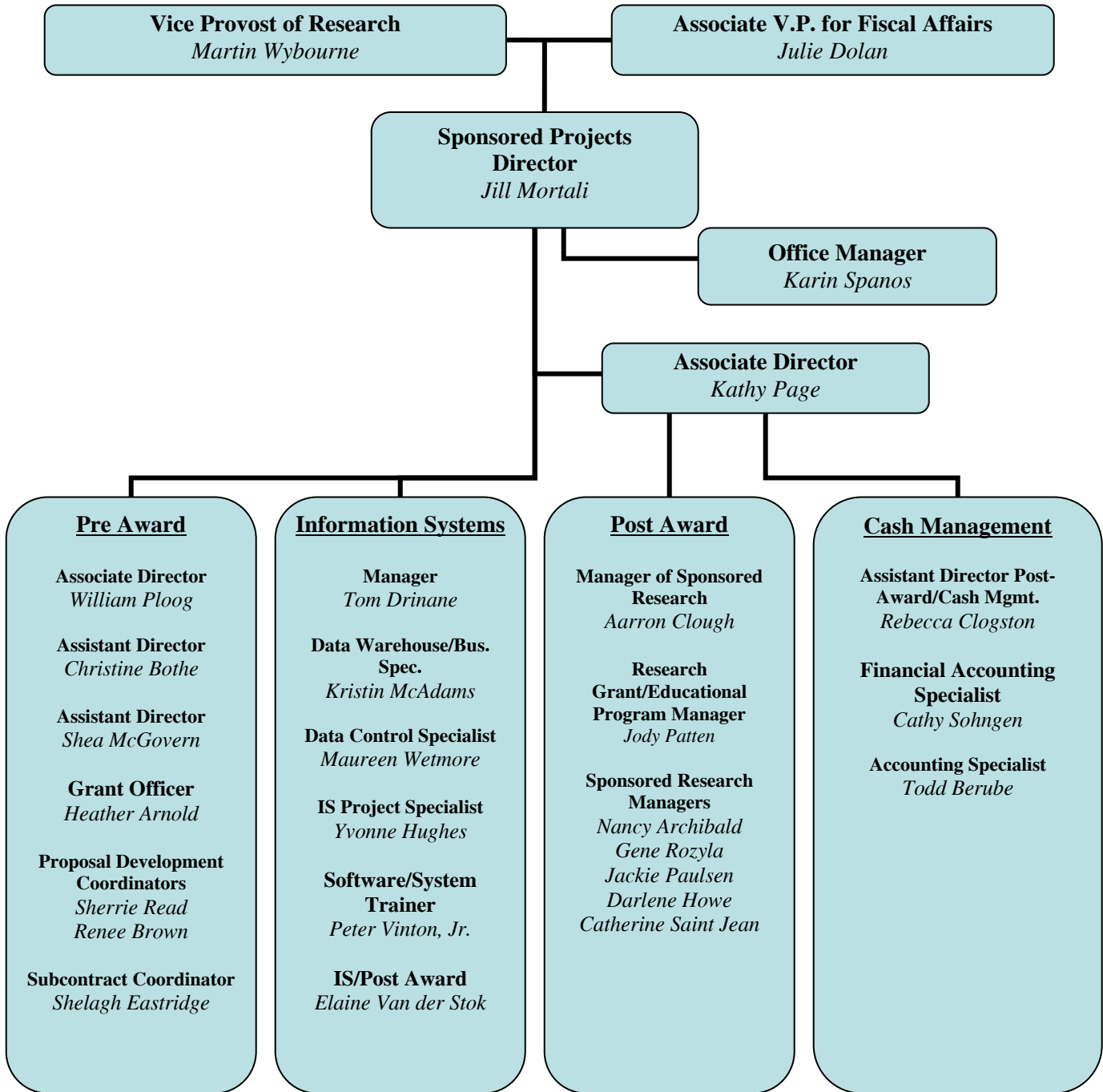
TECHNOLOGY TRANSFER

Alla Kan, Director Ext. 6-3675
Glennis Gold, Assistant Director Ext. 6-0976
Lisa M. Jones, Office Manager Ext. 6-6484
Shari Gonyea, Administrative Assistant Ext. 6-3027

FAX Numbers:

OSP-Hanover Office 1st Flr. 646-9141
OSP-Hanover Office 2nd Flr. 646-3670
OSP-Hanover Office 3rd Flr. 646-1941
DHMC 650-7815

Office of Sponsored Projects Organizational Chart



**Technology Transfer Office
Organizational Chart**

Vice Provost of Research
Martin Wybourne



Technology Transfer Office

Director
Alla Kan

Assistant Director
Glennis Gold

Office Manager
Lisa M. Jones

Administrative Assistant
Shari Gonyea

OSP GRANT MANAGER – ASSIGNED BY DEPARTMENT

Administration - ARTSCI	Aarron Clough	ISTS	Jody Patten
Administration - DMS	Aarron Clough	Kiewit	Aarron Clough
Anatomy/Cytology	Aarron Clough	Koop Institute	Aarron Clough
Anesthesiology	Aarron Clough	Language	Aarron Clough
Anthropology	Aarron Clough	Library	Aarron Clough
Biochemistry	Nancy Archibald	MALS Program	Aarron Clough
Biological Sciences	Jackie Paulsen	Math	Aarron Clough
Chemistry	Nancy Archibald	Medicine	Gene Rozyla
Classics	Aarron Clough	Cornellius Cornell	Aarron Clough
Community & Family Medicine	Jackie Paulsen	Microbiology	Jackie Paulsen
CFMED/BIO-EPI	Aarron Clough	Music	Aarron Clough
Computer Science	Nancy Archibald	Native American Studies	Aarron Clough
Continuing Education	Gene Rozyla	NCCC	Jackie/Aarron
DCAC	Aarron Clough	Obstetrics & Gynecology	Nancy Archibald
Dickey Endowment	Aarron Clough	Orthopedics	Aarron Clough
Drama	Aarron Clough	Pathology	Aarron Clough
Earth Sciences	Gene Rozyla	Pediatrics	Nancy Archibald
Economics	Aarron Clough	Pharmacology/Toxicology	Gene Rozyla
Education	Gene Rozyla	Philosophy	Gene Rozyla
English	Gene Rozyla	Physics & Astronomy	Nancy Archibald
Environmental Studies	Nancy Archibald	Physiology	Gene Rozyla
Ethics Institute	Aarron Clough	Psychiatry	Jackie Paulsen
Financial Aid-College	Aarron Clough	Psychology	Jackie Paulsen
Financial Aid-DMS	Jody Patten	Radiology	Nancy Archibald
French & Italian	Aarron Clough	Rassias Foundation	Aarron Clough
Genetics	Nancy Archibald	Religion	Aarron Clough
Geography	Aarron Clough	Rockefeller Center	Gene Rozyla
German	Aarron Clough	Sociology	Aarron Clough
Government	Aarron Clough	Surgery	Aarron Clough
Graduate Study	Aarron Clough	TDI	Catherine Saint Jean
Health Services	Aarron Clough	Thayer School	Jody Patten
History	Aarron Clough	Tuck School	Aarron Clough
Hood Museum	Nancy Archibald	Tucker Foundation	Aarron Clough
Hopkins Center	Nancy Archibald	University Press of NE	Aarron Clough
Inst. Services & Ed. Research	Gene Rozyla	Women In Science (WISP)	Aarron Clough

Please go to the following website to get the most recent Institutional Profile:

<http://www.dartmouth.edu/~osp/resources/profile.html>

INTRODUCTION

While the process of managing sponsored research awards is a shared responsibility between the Principal Investigator and the staff of the Office of Sponsored Projects, both have unique areas of primary responsibility. The purpose of this section of the Manual is to outline those specific responsibilities, present an overview of project management with special emphasis on the Principal Investigator's role in sponsored projects management, and provide Principal Investigator's with the Dartmouth College documentation and forms needed to manage successfully a sponsored research award.

ROLE OF THE PRINCIPAL INVESTIGATOR

The Principal Investigator has primary responsibility for achieving the technical success of the project, while also complying with the financial and administrative policies and regulations associated with the award. Although Principal Investigator's may have administrative staff to assist them with the management of project funds, the ultimate responsibility for the management of the sponsored research award rests with the Principal Investigator. These fundamental responsibilities of the Principal Investigator during the post-award phase of a sponsored research award include:

- Execute the project as outlined in the funded proposal, using sound management techniques.
- Carry out the project's financial plan as presented in the funded proposal, or make changes to the plan following a prescribed set of policies and procedures.
- Report project progress to the sponsor as outlined in the terms of award.
- Maintain an accurate record of project related expenses.
- Comply with all Dartmouth College and DHMC policies and procedures related to project management and personnel practices.
- Comply with all applicable sponsor rules, regulations and/or terms and conditions of the award.

The Principal Investigator's responsibilities may be divided into two related but distinctly different sets of activities: those activities involving the management of the work of the project, and responsible spending of project funds. While the work of the project should drive the financial activities, sound management practices in both arenas are required. The financial stewardship of sponsored research funds is a shared responsibility with other areas of the College, among them the OSP.

Once a project has been funded, there is the expectation by both the Sponsoring Agency and OSP that the Principal Investigator will responsibly spend the award. Sound fiscal management of sponsored research funds requires knowledge of and adherence to a prescribed set of federal and locally developed financial guidelines. Over the life of a sponsored research award, a researcher may initiate changes to a project that impact on the management of these awarded funds. A Principal Investigator must have a good understanding of the procedures associated with initiating financial transactions or changes to a sponsored research award's financial plan.

ROLE OF PRINCIPAL INVESTIGATOR Continued

To facilitate Principal Investigators' fulfillment of these responsibilities, the OSP is committed to assisting Principal Investigators in the administration of research and other sponsored activities. In addition to offering workshops and training sessions, the OSP has prepared a number of training and procedural documents aimed at acquainting a Principal Investigator with the policies and procedures that affect the management of a sponsored research award.

Definition of a Project: A project is the allocation of resources directed toward a specific set of goals that follows a planned organized approach to meeting those goals. Sponsored research awards have an added explicit dimension of time that sets them apart from many internally funded and managed projects. Most sponsors expect the Principal Investigator to meet the budget and timeframe that were outlined in the proposal. This expectation puts special emphasis on a Principal Investigator's ability to carefully plan and manage the work of the award.

The most basic project-operating document is the project plan. All resource allocation, including funding and staffing, must support the objectives outlined in the project plan. As project manager, the Principal Investigator has three primary responsibilities:

- Managing the resources of the project.
- Planning and controlling the work of the project.
- Communicating with individuals and groups about the project.

While management of project resources may appear to take the bulk of the project manager's time, it is the planning, controlling, and communicating tasks that will prove most time consuming.

Principal Investigators, particularly if they manage multiple awards or complex projects, may find a public domain or commercially available software package to assist in the management of their projects extremely helpful. Use of project management software, such as Microsoft Excel, can assist the Principal Investigator in reporting project progress, tracking work, analyzing project generated data, fund management, and time keeping. Although sponsored research funds are managed by the Dartmouth College accounting system (OGA), Principal Investigator's are encouraged to develop means by which they or their administrative assistants, can also track expenditures and reconcile expenses with the OGA monthly printout. Similarly, the College payroll system will handle the production and distribution of salaries, but the Principal Investigator is still responsible for the day-to-day recordkeeping related to the hours and tasks worked on by each member of the project's team.

Adherence to Certifications: At the time a proposal is submitted, the Principal Investigator will have signed and agreed to a specific set of obligations covering the management of a project's work. Particularly in the case of use of human and animal subjects, these certifications must be thoroughly followed. Failure to follow certification guidelines may result in sanctions imposed by the Dartmouth College Council on Sponsored Activities under the Misconduct in Science Policy.

ROLE OF PRINCIPAL INVESTIGATOR Continued

Project Staff: The Principal Investigator has responsibilities and prerogatives in the selection, training, and evaluation of project staff, subject to the policies and procedures of Dartmouth College's Office of Human Resources. These College personnel policies and procedures conform to federal and state laws, and reflect Dartmouth College's approach to the management of human resources. Consistent with these policies and procedures, a Principal Investigator may select staff to carry out the work of the project. Principal Investigator's unfamiliar with Dartmouth College personnel policies and procedures are encouraged to contact staff in the Office of Human Resources.

ROLE OF THE SPONSORED RESEARCH MANAGER

Within the OSP the Sponsored Research Manager acts as the primary administrative liaison in the area of post award with Sponsoring Agencies, Principal Investigator's and Departmental Grant Administrator's. The most direct link in the financial management of an award is the partnership between the Departmental Grant Administrator, Principal Investigator and the Sponsored Research Manager.

When notice of an award is received in the OSP, a Sponsored Research Manager will be assigned to the award based on the Sponsored Research Manager's administrative area of responsibility. The primary responsibilities of the Sponsored Research Manager during the post-award phase of a sponsored research award are:

- Establish and monitor sponsored research financial accounts.
- Outline sponsors' guidelines and regulations to researchers at Dartmouth College and the DHMC.
- Monitor expenditure activities on sponsored research PTAEO Accounts to ensure compliance with federal regulations, agency specific requirements, and college policies and procedures.
- Initiate interim and final financial reports in a timely manner, as required by a sponsor.
- Initiate discussions, as needed, between Principal Investigator's and funding agencies related to the interpretation and application of a sponsor's regulations and policies.
- Facilitate good award management techniques by disseminating information to Principal Investigator's on a wide range of topics related to sponsored research.

ROLE OF THE SPONSORED RESEARCH MANAGER Continued

Quick Reference:

WHAT OSP DOES:

Monitors the award
Review budget
Labor verification reports by grant account and Employee
Process subaward requests
Approve transactions over \$5,000
Use OGA Reports to review accounts
Approve/process no cost extensions
Requests-Rebudget/Change in PI/Transfers

Follow Closeout grid
Prepare and submit Financial Reports
Compliance/Interpret guidelines/Rules & Regs.
Communicate with sponsor on regs/issues
Cash management/collections

WHAT DEPT ADMINS DO:

Reviews notice of award
Submit budget
PI verify/sign labor reports
Employee verify/sign labor reports
Prepare and submits subaward requests
Submit transactions
Use OGA Reports to reconcile accounts
Request no cost extensions
Inform OSP of pending changes
Financial changes
Personnel changes
Project Changes
Follow Closeout grid
Prepare supporting documents of outstanding transactions
Put through cost/wage transfers
Process/follow up with delayed charges
Process employee paperwork

PROPOSAL PREPARATION

ROUTING FORM

- OSP required form when routing a sponsored research proposal through OSP
- Form provides an overview of sponsored research proposal
- Proposal, budget page, human subjects approval, if applicable, animal use approval, if applicable, cost sharing/matching approval, if applicable, should be attached to routing form
- Requires signatures of Principal Investigators, Department Chair, Dean/Designee and Assistant Director of OSP
- Routing form with required attachments sits in pending file until OSP receives the Notice of Award

PROPOSAL PREPARATION Continued

HUMAN SUBJECTS

- When Principal Investigator's plan using Human Subjects on a sponsored research proposal, they need to get prior approval by the Committee for the Protection of Human Subjects (also known as CPHS or IRB Group) before submitting sponsored research proposal
- Once the Principal Investigator receives approval to use Human Subjects, they get an approval letter from CPHS, the letter also provides a CPHS number
- CPHS approval letter needs to be included with Routing Form
- All sponsored research proposals (federal or non-federal) are charged a \$1,500 IRB Fee after CPHS reviews the use of Human Subjects, expedited reviews are charged a \$500 IRB Fee, regardless if the proposal is awarded
- Cannot set up a sponsored research PTAE0 Account until we have IRB Approval

ANIMALS (IACUC)

- When Principal Investigator's plan on using Animals on a sponsored research proposal, the Principal Investigator needs to get prior approval by the Institutional Animal Care and Use Committee (also known as IACUC) before submitting a sponsored research proposal
- Once the Principal Investigator receives approval to use Animals, they get an approval letter from IACUC, the letter also provides an IACUC Number
- IACUC approval letter needs to be included with Routing Form
- No fees are charged to a sponsored research proposal for IACUC review
- Cannot set up a sponsored research PTAE0 Account until we have IACUC Approval

ENVIRONMENTAL HEALTH & SAFETY

- If a Principal Investigator's proposed research involves using biological, chemical or radiation, they need to contact the Environmental Health & Safety Office

PRELIMINARY ACTIVITIES IN FINANCIAL MANAGEMENT OF SPONSORED RESEARCH AWARDS

Funds for sponsored research are awarded to the College, though managed by the Principal Investigator and staff in the OSP. Without written approval by the sponsor, the funds are to be spent only for the purpose and at the level designated in the final approved proposal budget. The Principal Investigator is responsible for implementing the sponsored research award in accordance with sponsor guidelines, hiring staff, expending sponsored research funds, and conducting the as described research in the proposal and agreed to with the acceptance of the award. In many areas of the College, the financial management of a sponsored research award is delegated to an administrative assistant or financial manager. While the award then becomes a shared responsibility among the Principal Investigator, the administrative assistant, and the OSP Sponsored Research Manager, the Principal Investigator is still ultimately responsible for the overall success of the project, including adherence to sponsor's guidelines. While these statements may seem redundant, they are presented to emphasize the Principal Investigator's responsibility to both the sponsor and Dartmouth College. Again, the OSP is a Principal Investigator's best source of information and guidance on the financial aspects of sponsored research management.

THE SPONSORED RESEARCH FILE

When a proposal is first submitted through the OSP it is assigned a proposal number and becomes the foundation document of a sponsored research file. The Principal Investigator's name, project title, and other information related to the sponsored research file are entered into an internally maintained database in the OSP. The file remains dormant until a decision on funding status has been received in the OSP.

NEGOTIATION AND ACCEPTANCE OF SPONSORED AGREEMENTS

The OSP in conjunction with the Principal Investigator is responsible for reviewing all terms and conditions of an award prior to acceptance by the College. The OSP is also responsible for assuring that sponsor's requirements are compatible with College sponsored research policies, consistent with government-wide regulations applicable to educational institutions, and reflect the understandings agreed upon prior to receiving the award. The OSP has primary responsibility for resolving any disagreements between the College and sponsor with regards to terms and conditions of awards.

Acceptance of sponsored research funds binds both the sponsoring agency and Dartmouth College to certain financial commitments as outlined in the approval and acceptance of the final budget. While the OSP maintains complete financial records on cost-sharing, matching funds, and in-kind contributions, the Principal Investigator is the Dartmouth College representative most responsible for overseeing cost-sharing, and soliciting matching funds, as outlined in the funded proposal.

TYPES OF AWARDS

There are three basic relationships that may exist between a sponsor and the recipient of sponsored research funds. These three types of awards are reflected in how the funds are allocated and controlled. Each award type carries with it a set of regulations as articulated in OMB Circular A-21 and reflected locally in the policies and procedures of the OSP.

TYPES OF AWARDS Continued

Grant: A grant is an award of funds included in a written instrument executed by the head of the awarding agency or his/her duly authorized representative. Grant funded project activities support the aims and objectives of the sponsoring agency. Except in monitoring project progress and financial transactions, the sponsor is not involved in the management of the project. Generally, grants have the following characteristics:

- They are made for a stated purpose.
- The purposes are specified in writing.
- They are usually made for a stated period of time during which funds may be spent.
- The grant instrument names the Principal Investigator or Project Director under whose direction the project will be carried out.
- The grant carries a minimum number of limiting conditions, which are stated in the award document.

Contract: A contract is "an agreement between two or more people to do something, especially one formally set forth in writing and enforceable by law." Awards made by contractual agreements are usually more complicated than awards made as grants. They commit the College to a specific and usually narrowly focused set of tasks. The sponsor is usually in partnership with the College and therefore takes a much more active role in the management of the project. The OSP is responsible for preparing and negotiating contracts with industry, agencies of state and federal government, local municipalities and non-profit organizations. Cooperative efforts are encouraged with private and public partners to support research and creative activities that are consonant with the College's research, teaching, and public service mission. Generally, contracts have the following characteristics:

- The terms of a contract tend to be spelled out in greater detail.
- The activities supported by the contract are frequently dictated by the sponsor rather than being generated by the applicant.
- The applicant is generally given less latitude to modify the scope of the agreed upon activities and/or the expenditure of funds provided by the sponsor.
- A greater number of terms or conditions are included in a contract.
- There is a greater likelihood that the sponsor, through its technical representatives, will be directly involved in the day-to-day conduct of the sponsored research award.

TYPES OF AWARDS Continued

Clinical Trial Contract:

- Are research studies that typically involve testing an experimental drug or device using human subjects
- Principal Investigator's need prior approval from the Committee for the Protection of Human Subjects (CPHS) before submitting a proposal involving human subjects
- All clinical trials (federal and non-federal) are charged a \$1,500 IRB Fee, if review is expedited, IRB Fee is \$500
- Payments from sponsors on Clinical Trials, is based on the number of patients enrolled
- Only budget into OGA what we have actually received in payment from sponsor
- Clinical Trials tend to be open ended, there are no specific end dates, it ends once the study has been completed or has been terminated
- If there are remaining funds, and if the sponsor allows, the money is transferred into the department's subvention account (research reserve account). Principal Investigator needs to confirm that study is completed (via email)

Cooperative Agreement: Cooperative agreements create a partnership between the institution and the sponsor. The principal differences between a grant, contract or a cooperative agreement are in the ways the statement of work is defined. A grant or contract's statement of work has been articulated in the proposal. Alternatively, the statement of work may be defined with some degree of specificity in the contract instrument itself. A cooperative agreement, however, tends to describe a more open-ended statement of work; details are filled in during the term of the funded project by mutual agreement between the sponsor and the recipient. A cooperative agreement is necessary in instances where it is difficult, if not impossible, at the outset of a project to anticipate most contingencies and define the full parameters of the project.

HOW TO REQUEST PRE-AWARD COSTS IN ADVANCE OF FUNDING

Occasionally, a sponsor will approve funding for a project but are slow in releasing the funds. A more common situation for a Principal Investigator is that expenditures related to hiring project staff or ordering equipment need to be made before the project begins. A Principal Investigator may request that an account be established before the official notification of award has arrived. The Principal Investigator must request Pre-award Costs or Account Number in Advance of Funding form, have the department chair or administrative head sign the form, and submit the form to the OSP. *It is important to note that if funds are not awarded, the Principal Investigator's department or administrative area will be responsible for covering any expenses that are incurred on the account.*

HOW TO REQUEST PRE-AWARD COSTS IN ADVANCE OF FUNDING Continued

Quick Reference:

PRE-AWARD (OSP Form)

- The Principal Investigator has a good sense that the project will be funded
- Department is responsible for covering the expenses if not funded by the sponsor
- Needs complete routing form, budget, scope of work
- Which type of Pre-Award
- True Pre-Award costs
- PTAEO Account in advance of being funded, due to delay in receiving the paperwork
- Department Chair needs to sign form
- Department submits the signed form to OSP
- OSP Sponsored Research Manager reviews form, signs off
- Gives pending folder to Information Systems group in OSP
- Allowable costs prior to funding

For a copy of the Pre-Award Request Form, please go to the following website:

<http://www.dartmouth.edu/~osp/resources/forms.html>

NOTICE OF AWARD

WHEN THE NOTICE OF AWARD IS RECEIVED FROM SPONSOR

The first formal indication that a sponsored research award has been funded is usually in the form of an agency Notice of Award (NOA). This notice is sent directly to the OSP. The NOA will include:

- Dates of the budget period or other specified funding period
- The amount of the funds authorized for obligation by the sponsor during the period indicated,
- Special terms and conditions binding upon the award
- Outline all general terms applicable to the award
- An additional notification will be a schedule for filing technical and financial reports

Verbal notification from a sponsor is not sufficient for the College to authorize work to proceed. Under most circumstances the NOA must be received by the OSP before the project can begin or anticipated funds may be expended.

HOW YOU'LL BE NOTIFIED - INTERNAL NOTICE OF AWARD SENT OUT

NOA Processing will send out the following information to the Principal Investigator, Grant Administrator in the department and the OSP, Sponsored Research Manager responsible for the monitoring of that department:

- The budget, period of award, title of project and dollars awarded
- Copy of restrictions/prohibitions to the award and other information that is of special consideration
- Either an electronic copy or a photocopy of the Notice of Award will be sent to the Grant Administrator in the department

ACCOUNT SET-UP

PTAEO Accounts are used for Sponsored Research Awards, PTAEO stands for Project, Task, Award, Expenditure Type and Organization Number (every department has a distinct Org Number).

If a Pre-Award Request has been received by OSP, a Pre-Award PTAEO Account is set up if we have the following information from the department:

- Human Subjects (IRB/CPHS) Approval (if applicable)
- Animal (IACUC) Approval (if applicable)
- Updated Conflict of Interest Forms for all Key Personnel listed on that particular project have been submitted to OSP
- Invention Agreements for all Key Personnel listed on that particular project have been submitted to the Technology Transfer Office

On Notice of Awards, once NOA Processing sends the Department Grant Administrator, Principal Investigator and OSP Grant Manager for that department an electronic Notice of Award, a PTAEO Account is set up if we have the following information from the department:

- Human Subjects (IRB/CPHS) Approval (if applicable)
- Animal (IACUC) Approval (if applicable)
- Updated Conflict of Interest Forms for all Key Personnel listed on that particular project have been submitted to OSP
- Invention Agreements for all Key Personnel listed on that particular project have been submitted to the Technology Transfer Office
- Budget Template which assigns Expenditure Type Codes to the awarded budget categories on that particular project, to find a current list of Expenditure Type Codes to choose from please go to the following website address:

<http://www.dartmouth.edu/~osp/resources/financialservices/OGAfaqpage.html>

Sub-accounts are typically set up when multiple Principal Investigators or multiple Departments are involved on the same sponsored research award.

ACCOUNT SET UP Continued

The PTAEO Account stays the same or changes if the following scenarios apply:

- If a non-competing renewal and sponsor allows automatic carryover, the PTAEO Account string will be the same for each non-competing renewal budget period
- If a non-competing renewal and sponsor does not allow automatic carryover (prior approval from the sponsor is required) or sponsor requires an annual expenditure report, the Project Number (example 500243) in the PTAEO Account string will change each year for the non-competing renewal budget period
- If a non-competing renewal and sponsor requires a final expenditure report at the end of each non-competing renewal budget period or sponsor changes their award number, the entire PTAEO Account string will change yearly
- If a competing renewal, the entire PTAEO Account string will change
- If there is a unique set of circumstances that affect the PTAEO Account string set up, your OSP Grant Manager will contact you and discuss.

The Award portion of the PTAEO Account String represents how we receive payments from the sponsor, the following are the different ways we receive payments from the sponsor:

- Letter of Credit, the Award portion of the PTAEO Account String would be L00XXX
- Billed, the Award portion of the PTAEO Account String would be B00XXX
- Payment Schedule, the Award portion of the PTAEO Account String would be P00XXX

SUBAWARDS

A subaward is an award issued under a larger sponsored research award for the procurement of specific services or program-related tasks. Issuance of a sub-award under a federal prime award is subject to compliance with federal law. All sub-awards are subject to the terms and conditions of the larger sponsored research award and the normal purchasing requirements of Dartmouth College.

There are two basic types of subaward arrangements:

- When Dartmouth College is the recipient of a subaward
- When Dartmouth College is the grantor of a subaward

SUBAWARDS Continued

- ***When Dartmouth College is the recipient:*** This agreement ties Dartmouth College or the DHMC to a larger proposal submitted by another institution or group of institutions. The prime award is made to another institution or group of institutions, then a portion of it distributed to Dartmouth College to complete specific tasks as part of the larger proposal. When Dartmouth College or DHMC is part of a larger project, the management of funds is treated as a 'stand alone' project, for financial management purposes. While the Principal Investigator and OSP may have specific technical and financial reports to submit to the larger project, internally the project is viewed financially as an independent project. Facilities and Administration Cost rates are calculated on the percentage negotiated between Dartmouth College and the Federal government, not the hosting institution's rate.
- ***When Dartmouth College is the grantor:*** Work to be completed under the auspices of a Dartmouth College or DHMC sponsored research award is contracted out to a third party. Dartmouth College awards a portion of a sponsored research award to a third party. Usually, this third party is brought into the project because resources or skills for completing specific tasks are not readily available at the College or DHMC. The intended use of the third party will be articulated in the approved proposal. Attempts to add new subawards to an existing project must have prior approval by the sponsor. All questions concerning subawards should be referred to staff in the OSP. Once the proposal is awarded, staff in the OSP will prepare a subaward agreement, reflecting the specifics of the proposal (budget, workplan, etc.), the appropriate sponsor's terms and conditions and the policies and procedures of Dartmouth College. Because subaward agreements are written to assign a portion of the programmatic effort to another organization, they are responsible for managing the technical and administrative aspects of its scope or work and making progress reports to the Dartmouth College Principal Investigator or Project Director, and financial reports to OSP.

After an award has been made to Dartmouth College, it may become necessary to issue a subaward not outlined in the originally funded proposal. The Principal Investigator must prepare in writing a letter to the sponsor that addresses the reasons for selecting a particular subaward to complete the work. This letter must be signed by staff in the OSP, before being forwarded by the Principal Investigator to the sponsor.

Each Notice of Award should be reviewed for subawards by the Principal Investigator and the Department Grant Administrator. If there is a subaward present in the sponsor's notice of award the Principal Investigator and Grant Administrator are responsible for completing a Request for Subaward Form. The form should be signed and returned to the OSP.

SUBAWARDS Continued

Quick Reference:

SUB-AWARDS

- Department admin reviews proposal for new/existing subawards
- Not in budget/proposal – prior approval (agency specific)
- Setup: Notice of Award reviewed by department, submit Request for Subaward Form signed and dated to OSP Sponsored Research Manager
- Attach statement of work, budget, even if in proposal
- Carryover budget needs separate budget
- OSP Manager checks then gives to Subaward Coordinator to process (2 week turnaround under normal circumstances)
- Subaward mailed (3 originals, 1 for recipient, OSP, 1 for department)
- Payment: Invoice monthly (at least)
 - OSP Sponsored Research Manager sends original to department for Principal Investigator to review for appropriate costs, work progress and signature,
 - Returns signed and dated → OSP manager approves,
 - Department turnaround 5 business days (from date of receipt),
 - OSP turnaround 1 to 2 days,
 - Original to accounts payable; copy in file.

For a copy of the Subaward Request Form, please go to the following website:

<http://www.dartmouth.edu/~osp/resources/forms.html>

HOW DOES DARTMOUTH COLLEGE COLLECT THE FUNDS ON AN AWARD

The purpose of this section is to outline the methods by which funds awarded arrive at Dartmouth College, how those funds are controlled within the institution, and finally how payment for sponsored research activities is made.

- Billing
- Letter of Credit (Drawdown)
- Gifts
- Allocation of funds on a predetermined schedule

NOTE: The manner in which funds arrive from a sponsor to Dartmouth College should not impact on a Principal Investigator's ability to pay for project expenditures that meet the allowability, allocability, and reasonableness guidelines. The primary role of the Principal Investigator in relationship to these activities is in documenting the project's progress and conveying technical reports to the sponsor in a timely manner.

Billing

Some Federal and Private Agencies require billing as a method of payment. It is the responsibility of the Accounting Assistant in OSP to produce both monthly and quarterly bills for these PTAE0 Accounts. Billing is normally done on a reimbursement basis for expenses charged during a particular month or quarter. Check deposits and "aging" are also tracked.

Please note that billing of expenses on a PTAE0 Account should only be done by OSP.

Letter of Credit

The Office of Sponsored Projects is responsible for the draw down of funds for the awards from: Health and Human Services (HHS), Department of Education (OED), National Science Foundation (NSF) and National Endowment for the Humanities (NEH). The Assistant Director Post-Award/Cash Management manages the cash flow through OGA to determine the dollar amount to draw down from the appropriate agency on a weekly basis. The Assistant Director Post-Award/Cash Management is required to reconcile the draws in a quarterly report to the agency.

Gifts to Support Sponsored Research (Gift Recording)

Some sponsored research awards from private agencies such as foundations require that their awards be gift recorded. When a check from one of these agencies is received at Sponsored Projects, it is deposited into a Clearing Account. Gift recording notifications are then produced in the Sponsored Projects Office and sent to Gift Recording where they are processed. The money is then put into the appropriate general ledger account. This is done primarily for the agency's tax purposes and also to recognize the efforts of the Development Office.

Allocation of Funds on a Predetermined Schedule

Perhaps the most common method of transferring funds from a sponsor to Dartmouth College is by means of a predetermined schedule of payment. On a scheduled date a check will arrive from, or be issued by, the sponsor to be deposited in the College's general ledger account. Checks are made payable to the Trustees of Dartmouth College. Expenditures are then charged against the PTAE0 Account and paid for out of a general ledger account.

HOW DOES DARTMOUTH COLLEGE COLLECT THE FUNDS ON AN AWARD *Continued*

Final Financial Closeout

Recent A-133 audits have strongly recommended reminding departments of closeout procedures which are outlined in A-110 on sponsored research awards.

The Office of Sponsored Projects has developed a Closeout Grid that lists department and Office of Sponsored Projects responsibilities in closing out sponsored research awards. The Closeout Grid can be viewed on our webpage by clicking onto the following link:

Go to Final Financial Closeout Grid

<http://www.dartmouth.edu/~osp/docs/closeoutgrid.pdf>

OVERVIEW OF FINANCIAL MANAGEMENT ACTIVITIES

The OSP, as well as other administrative areas of the College, have developed policies and procedures to facilitate compliance with federal regulations and sponsor's policies.

The chart below has been developed as a quick reference tool. It presents an overview of the most common financial management activities a Principal Investigator will encounter. It does not go into any detail or attempt to explain the process and reasoning behind a particular policy. For an in depth review of each activity one must consult the appropriate narrative section of this manual.

ACTIVITY	INITIATED BY	FORM TO BE COMPLETED	TIME FRAME	SUBMIT TO	NOTES
Pre-award Spending	PI/Dept. Grant Administrator	Pre-Award Request Form	Before official NOA is received	OSP Grant Manager	Dept. is ultimately responsible for costs incurred Contact OSP
Prepare and Code Budget	PI & Dept. Grant Administrator	Budget Template	When official sponsor NOA is received	PTAEO Processing	PI should verify budget setup based on approved budget
Account Statement (OGA Report)	Dept. or OSP	OGA Budget vs Actuals needs to be run	Monthly	OSP/PI	Monitors financial activity of the project
Initiate New Subawards	PI/Dept. Grant Administrator	Request for Subaward Form	Start of project, or when need is identified	OSP Grant Manager	Requires Sponsor approval Contact OSP
Journal Entry	Dept/Admin. Area	CJE SPUD Journal	As needed	PTAEO Processing	Original charges or correction to expenditure type used within same PTAEO Account only Contact OSP
Cost Transfer	PI/Dept. Grant Administrator	Complete cost transfer SPUD Journal	Within award budget (within 90 days)	PTAEO Processing	Must have justification, date & signatures Contact OSP
Rebudget	PI/Dept. Grant Administrator	Written or email request to OSP	Prior to rebudgeting	OSP Grant Manager	Prior approval (OSP) or sponsor approval initiated Contact OSP
No Cost Extension	PI/Dept. Grant Administrator	Written or email request to OSP	At least 30 days before project is due to end	OSP Grant Manager	May be able to approve or will pass on to sponsor Contact OSP

Payroll Authorization	PI/Dept. Grant Administrator	Payroll Authorization Form	Monthly or Bi-Weekly	Payroll	Based on sponsor approved budget Contact Payroll
Labor Verification Report by Employee	OSP	Reviewed & signed by Employee	Annually (6/30) due back to OSP within 30 days	OSP	Contact OSP
Labor Verification Report by Account	OSP	Reviewed & signed by PI	End of budget period due back to OSP within 30 days	OSP	Contact OSP
Labor Distribution/Wage Transfer	PI/Dept. Grant Administrator	Labor Distribution Form & Wage Transfer Form	Monthly or Bi-Weekly (wage transfer within 90 days)	OSP (Sec 2) Payroll (Sec 1)	Based on sponsor approved budget. Contact OSP/Payroll
Cash Advances	PI/Dept. Grant Administrator	Cash Advance Form	Date as agreed upon issued of cash advance	Cashier's Office	See Dartmouth College Policies on Cash Advances Contact Cashiers Office
Invoices	PI/Dept. Grant Administrator	Purchase Requisition Form	As needed	Procurement Services	OSP staff monitor appropriateness of charges
Request for Payment	PI/Dept. Grant Administrator	RFP to be paid	As needed	Accounts Payable	Review list of items that need OSP's approval
MIPV	PI/Dept. Grant Administrator	MIPV to be paid	As needed	Accounts Payable	Review list of items that need OSP's approval
Charged Services	Service Center	CJE SPUD Journal	Monthly	OSP	OSP staff monitor appropriateness of charges Contact Service Center
Consultant Fees	PI/Dept. Grant Administrator	Submit signed & dated purchase req. and Consultant/Indepen. Contractor Form	As needed	OSP then Procurement Services	Contact Procurement Services to learn more about paying Consultants/Independent Contractors
Capital Equipment	PI/Dept. Grant Administrator	Purchase Requisition Form	As needed	Procurement Services	See Dartmouth College Equipment Capitalization Policy Contact Fixed Assets Coord.
Annual Technical Reports	PI	As indicated in sponsor's NOA	As indicated in sponsor's NOA	Sponsor, copy to OSP	Contact OSP for direction, if needed
Annual Financial Reports	OSP	As indicated in sponsor's NOA	As indicated in sponsor's NOA	Sponsor	Contact OSP
Final Technical Report	PI	As indicated in sponsor's NOA	As indicated in sponsor's NOA	Sponsor, copy to OSP	Contact OSP
Final Financial Report	OSP	As indicated in sponsor's NOA	As indicated in sponsor's NOA	Sponsor	Added to project file Contact OSP
Closeout of Award	OSP	Internal Procedures	OSP determined	Records Management	Official repository of project documents Contact OSP

OGA GENERATES REPORTS THAT HELP MANAGE PTAE0 ACCOUNTS

The following reports are used by Department Grant Administrators and OSP:

- OGA Actuals by Month – Report provides a month by month breakdown of all transactions on a PTAE0 Account
- OGA Budget vs Actuals – Report provides cumulative summary of budget vs actual expenses, best report to see what your overall balance is as of the day you run the report
- OGA Commitments – Reports provides committed costs on a PTAE0 Account
- OGA Indirects Warning Report – Report provides a list of PTAE0 Accounts that are close to having all awarded indirect costs spent out
- OGA PTA Balance Summary – Report provides a breakdown by department of balances remaining in each of the departments PTAE0 Accounts
- OGA PTA Overdraft – Report provides a breakdown by department of PTAE0 Accounts in that department that are currently showing up as overspent, this report would include Pre-Award PTAE0 Accounts since these type of accounts would not have a budget in them until we actually received the notice of award
- OGA Transaction Detail – Expenditures – Report provides detailed information on each individual transaction that hit a particular PTAE0 Account

The above reports allow Department Grant Administrators, Principal Investigators and OSP staff to review the following:

- Transactions are within agreement, budget, and agency guidelines
- Transactions are reflected in the correct budget categories
- Funds are being expended in a timely manner
- Cost overruns or under spending specific budget categories

NOTE: If a cost overrun appears to be developing, the Principal Investigator can explain them and take steps to correct the problem.

REALLOCATION OF CHARGES

Here is how you should move transaction(s) from one account to another, or move charges within one account from one budget category to another.

- **SPUD Journal Entries**
- **Cost Transfers**
- **Labor Account Distribution Change & Wage Transfer Form**

NOTE: It is important that you have a method for verifying the legitimacy of all charges to their accounts.

SPUD Journal Entries: Journal entries represent transfers of charges from one account to another. They differ from cost transfers in that a journal entry always represents an original charge.

For example: An invoice/service center charge is billed directly to a departmental or administrative account, but correctly belongs posted to a sponsored research PTAE0 Account (i.e., a department's monthly phone bill). The bill represents all phone charges made from specific phone numbers and placed by departmental faculty and staff. A portion of those calls may have been made by a particular faculty member or staff engaged in a specific sponsored research project. Phone calls made as part of doing the work of the project should rightly be charged to the sponsored research PTAE0 Account. By completing a journal entry the charges are distributed among the correct accounts. Journal entries are most frequently initiated by a departmental Grant Administrator.

HOW TO OBTAIN APPROVAL OF A JOURNAL ENTRY:

Any SPUD Journal entry which debits and/or credits a sponsored research PTAE0 Account must be emailed to PTAE0 Processing for approval and processing.

There are some exceptions to this policy of SPUD Journal Entries:

- Service or Recharge centers charging multiple accounts for services and/or merchandise are not required to send those SPUD Journal entries for approval prior to processing. These entries can be directly uploaded by the Service or Recharge center.
- Those departments that are not service or recharge centers, but do charge out to multiple accounts in multiple departments the costs of services, (such as copying, the cleaning of glassware, or the purchase of merchandise), are not required to send those SPUD Journal for approval prior to processing.

COST TRANSFERS

Cost Transfers: Cost transfers are non-payroll transactions that move funds from one account into another account. They differ from journal entries in that cost transfers may be initiated after the fact, *but within 90 days of incurring the expense*. The transfer of charges from other projects or programs to sponsored research awards is closely examined by auditors. Frequent, tardy or unexplained (or inadequately explained) transfers can raise serious questions about the propriety of the transfers and our accounting system and internal controls. The cost transfer form and system of approval signatures was developed to avoid audit questions regarding transfers.

Dartmouth College Cost Transfer Policy:

It is the policy of Dartmouth College that costs should be charged to the appropriate sponsored award when first incurred. However, there are circumstances where it may be necessary to transfer expenditures to a sponsored award subsequent to the initial recording of the charge.

To comply with allowability and allocability requirements of Office of Management and Budget (OMB) Circular A-21, it is necessary to explain and justify the transfer of charges to federal awards from other federal or non-federal accounts. Timeliness and completeness of transfer explanations are important factors in supporting allowability and allocability in accordance with the principles set forth in the Circular.

Additional Regulatory Requirements:

The NIH Grants Policy Statement (REV. 12/03, pp.83-84) suggests:

“Cost Transfers to NIH grants by grantees...should be accomplished within 90 days...The transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of the grantee...An explanation merely stating that the transfer was made “to correct error” to “transfer to correct project” is not sufficient. Transfers of costs from one project to another or from one competitive segment to the next solely to cover cost overruns are not allowable. Grantees must maintain documentation of cost transfers, pursuant to 45 CFR 74.53 or 92.42 (record retention requirements) and must make it available for audit or other review...Frequent errors in recording costs may indicate the need for accounting system improvements and/or enhanced internal controls. NIH also may require a grantee to take corrective action by imposing additional terms and conditions on an award(s).”

How to Initiate a Cost Transfer: All requests for a transfer of costs on PTAE0 Accounts should be on a Cost Transfer SPUD Form for non-payroll expenses. Transfers involving "PTAE0 Accounts" submitted on Journal Entries will be returned to the originator. The cost transfer should be initiated right after the original charge/error was made.

- All Cost Transfers involving a PTAE0 Account must be sent to OSP for approval. Department fills out electronic SPUD Cost Transfer Journal, then emails it to PTAE0 Processing, department needs to print a paper copy of the electronic SPUD Cost Transfer Form, have the PI(s), Fiscal Office and OSP sign the paper copy of the SPUD Cost Transfer, after OSP signs paper copy of the SPUD Cost Transfer, the fully signed paper copy of the SPUD Cost Transfer is given to PTAE0 Processing to then upload the electronic version of the SPUD Cost Transfer Journal.

COST TRANSFERS Continued

Filling out the Cost Transfer Form:

- Under the Template Column “CTX001” should be filled in
- Under the Source Column “COSTTRANSFER_DC” should be filled in
- Under the Category Column “SPUD_ADJUSTMENT_DC” should be filled in
- Under the Batch Name Column your initials plus that days date should be filled in, i.e. “JBE103008”
- Under the Accounting Date Column you put in the actual date you are filling out the form and it needs to be two digits for the Month/Day/Year, i.e. 10/30/08
- Under the Transaction Date Column you put in the actual date that transaction hit OGA, the transaction date needs to be two digits for the Month/Day/Year, i.e. 06/25/08
- Under the COA String/PTAEO is where you fill in the full account strings involved in the transactions, you would fill in the full account string to debit and the full account string to credit
- Under the Debit and Credit Columns you fill in the dollar amount you will be debiting and the dollar amount you will be crediting, the debit and credit always need to zero out since you are just moving the transaction off of one account string and onto another account string
- Under the Description Column you put in the actual description that is listed in OGA for that transaction
- Under the Reference1 Column you do not need to fill anything in, this column is optional and can be just used if you want to put any other additional information in the journal regarding the transaction involved

All of the relevant questions on the form must be adequately answered as follows:

- 1) Why was this transaction(s) originally posted to the account from which it is now being transferred?
- 2) Why should the transaction(s) be transferred to the proposed account to be charged? How does this transaction benefit the project?

If transfer request is over 90 days from the date of the original transaction please answer these questions:

- 3) Why is the transaction(s) being transferred more than 90 days after the original date the transaction was recorded?
- 4) What corrective action has been taken to eliminate future need for cost transfers of this type?

The form must be signed and approved by:

- The Principal Investigator (If the transfer involves more than one PTAEO Account and Principal Investigator is different for each PTAEO Account listed, each Principal Investigator must sign the form)
- Dean/Executive Officer
- Office of Sponsored Projects

Attachments: Please attach copies of original transaction documentation (i.e. invoice, procard receipt, etc.)

COST TRANSFERS Continued

Important Note:

Explanations such as "to correct a clerical error" or "to transfer to correct project" are not adequate. Transfers of costs from one budget period to the next solely to cover cost overruns are not acceptable. Generally, the older the charge the more involved the explanation of the transfer should be.

Since Procurement Services tracks capital equipment, please inform Procurement Services of any Cost Transfers that involve capital equipment transactions being moved from one account to another.

COST TRANSFER EXAMPLES

Situation #1

During the period of transition between sponsored research awards some charges that should have been placed on the new sponsored research award year ended up being charged to the old sponsored research award year.

Justification

Authorization is requested to transfer the cost of supplies to the appropriate sponsored research award. The transferred supplies were purchased at the end of the old sponsored research PTAE0 Account but are actually being used on the new sponsored research PTAE0 Account. This action will enable the costs to fall on the proper account for the research being performed.

Situation #2

Some telephone charges were placed on a closed PTAE0 Account.

Justification

Authorization is requested to transfer telephone charges identified above to the appropriate PTAE0 Account. Ms. Smith's telephone charges were inadvertently placed on a closed PTAE0 Account instead of to her active PTAE0 account.

Situation #3

Confusion over the appropriate PTAE0 Account to charge by staff.

Justification

There are two PTAE0 Accounts that represent two proposals awarded simultaneously to the same Principal Investigator. Both PTAE0 Accounts share the same support staff; the awards and their respective numbers were inadvertently reversed by staff members. The resulting errors are being corrected by cost transfer.

To see a copy of the Cost Transfer Form, please go to the following website:

<http://www.dartmouth.edu/~osp/resources/forms.html>

WAGE TRANSFERS

Labor Account Distribution Change & Wage Transfer Form: Labor Account Distribution Change & Wage Transfer Form are payroll transactions that move funds from one account into another account. They differ from cost transfers in that cost transfers are moving non-payroll expenses. Labor Account Distribution Change & Wage Transfer Form *must be processed within 90 days of incurring the expense*. The transfer of charges from other projects or programs to sponsored research awards is closely examined by auditors. Frequent, tardy or unexplained (or inadequately explained) transfers can raise serious questions about the propriety of the transfers and our accounting system and internal controls. The Labor Account Distribution Change & Wage Transfer Form and system of approval signatures was developed to avoid audit questions regarding transfers.

Situations that prompt a Labor Account Distribution Change & Wage Transfer Form. The most common situations include:

- Clerical error
- Cost over-runs
- Effort of personal is different than what the Payroll Authorization is set up as
- General problems with the original setup of the budget

NOTE: By carefully monitoring the monthly OGA printouts these errors can be caught in a timely manner. Requests for transfers necessitated by clerical or bookkeeping errors should be made promptly after the error has been discovered.

Limiting the Need for Labor Account Distribution Change & Wage Transfer Form: Avoidance of cost overruns or significant unexpended fund balances requiring Labor Account Distribution Change & Wage Transfer Form begins when the proposal budget is first developed. Inaccurate projections related to an awards schedule, objectives, or methodology and reflected in the budget can follow, or haunt, the award throughout it's life. Each month the Principal Investigator and the Grant Administrator should compare budget projections with expenses and balances to-date, and adjust future spending accordingly.

How to Initiate a Labor Account Distribution Change & Wage Transfer Form: All requests for a transfer of personnel costs on Sponsored Research PTAEO Accounts should be on a Labor Account Distribution Change & Wage Transfer Form Form for payroll expenses. The general guidelines for initiating a Labor Account Distribution Change & Wage Transfer Form are as follows:

Initiate the Labor Account Distribution Change & Wage Transfer Form right after the original charge was made.

- Transfers MUST be made within 90 days of the original charge and should contain a full justification of the transfer.

Fringe benefits do not have to be listed unless different than the amount that will automatically be calculated by payroll.

WAGE TRANSFER Continued

The Labor Account Distribution Change & Wage Transfer Form must include a complete detailed explanation:

- 1) Why was this transaction(s) originally posted to the account from which it is now being transferred?
- 2) Why should the transaction be transferred to the proposed account to be charged?
How does this transaction benefit the project?

If transfer request is over 90 days from the date of the original transaction, please answer these questions:

- 3) Why is the transaction(s) being transferred more than 90 days after the original date the transaction was recorded?
- 4) What corrective action has been taken to eliminate future need for cost transfers of this type?

The form must be signed and approved by:

- The person preparing the Labor Account Distribution Change & Wage Transfer Form
- The Principal Investigator (If transfer involves more than one Principal Investigator, each Principal Investigator must sign the form)
- The school's fiscal office representative
- The Office of Sponsored Projects only signs if the wage transfer section is filled out and involves a PTAE0 Account

IMPORTANT NOTES:

Explanations such as "to correct a clerical error" or "to transfer to correct project" are not adequate. Transfers of payroll expenses from one budget period to the next solely to cover cost overruns are not acceptable. Generally, the older the charge the more involved the explanation of the transfer should be.

Department administration should regularly monitor payroll deadlines (Blitzmail Bulletins).

To see a copy of the Wage Transfer Form, please go to the following website:

<http://www.dartmouth.edu/~osp/resources/forms.html>

ALLOWABLE, ALLOCABLE, AND REASONABLE COSTS

The concepts of allowability, allocability, and reasonableness of costs address directly the legitimacy of a cost charged against a specific sponsored research PTAE0 Account. Determination of allowability, allocability, and reasonableness of a given expense is based on specific guidelines of the sponsor and according to federal cost principles.

Allowability, allocability and reasonableness are defined and determined by the Office of Management and Budget (OMB), the sponsor's requirements and/or College policy. OMB Circular A-21, Section C, states that "The recipient institution is responsible for ensuring that costs charged to a sponsored research agreement are allowable, allocable, and reasonable ..." Each financial transaction charged against a sponsored research PTAE0 Account is evaluated against these three concepts.

A *primary* responsibility of the Office of Sponsored Projects is to insure that all costs charged to the sponsored research award are allowable and allocable. A determination of allowability and allocability for a given cost is based on the specific guidelines of the sponsoring agency and according to federal cost principles.

Allowability: Expenses charged to a sponsored research award must meet the following allowability criteria:

- The costs must be reasonable.
- The costs must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances.
- The costs must conform to any limitations or exclusions set forth in the sponsored agreement or in the Federal Cost Principles (OMB Circular A-21).

Allocability: Once allowability criteria have been met, the cost must be evaluated against the criterion of allocability. That is, the cost has been incurred solely to support or advance the work of a specific sponsored research award. It also means the process of assigning a cost, or a group of costs, to one or more cost objectives, in reasonable and realistic proportion to the benefit provided or other equitable relationship. A cost objective may be a major function of the institution, a particular service or project, a sponsored agreement, or Facilities and Administration Cost activity. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

Reasonableness: The cost must be able to withstand public scrutiny, i.e. objective individuals not affiliated with the institution would agree that a cost is appropriate on a sponsored research award or as a component in its Facilities and Administration Cost proposal.

Once a determination of allowability, allocability and reasonableness has been made, it is important that all expenses (those charged to PTAE0 Accounts and department accounts) be charged to the appropriate Natural Class/Expenditure Type. Budget and expenditure information recorded in the accounting system serves the basis for: (a) the preparation of yearly financial statements for the College; (b) departmental-level planning and reporting; (c) project/account specific planning and reporting; (d) Facilities and Administration Cost proposal preparation and rate calculation; and (e) audit reviews and many other uses.

This section of the Grants Administration Manual is intended as a quick reference for common types of costs. This section is not exhaustive, and the Office of Sponsored Projects should be contacted for specific questions concerning a cost, preferably in advance of the incurrence of a cost.

FIVE PRINCIPLES OF FINANCIAL TRANSACTIONS MANAGEMENT

There are five overall principles to managing the financial transactions of sponsored research funds. Policies and procedures within the OSP have been developed in support of these principles. The five principles are:

- Consistency
- Timeliness
- Justification
- Documentation
- Certification

Consistency: Transactions must be handled in a consistent manner. That is, policies and procedures have been established to address similar types of transactions in a routine manner.

Timeliness: Transactions must be handled within a reasonable period of time consistent with time frames outlined for federal agencies, a private sponsor, and Dartmouth College.

Justification: There must be a reason for the transaction that supports the project's goals, and adheres to guidelines outlined by federal agencies, a private sponsor, and Dartmouth College.

Documentation: Sufficient documentation to support the transaction must exist. The documentation must be retained, organized, and complete enough to stand up to an audit.

Certification: Transactions must be approved and carry all the correct authorizing signatures.

ITEMS REQUIRING APPROVAL BY OFFICE OF SPONSORED PROJECTS

Requests for Payment

All Request for Payments charging PTAE0 Accounts over \$5,000 need to be approved by OSP before being sent to Accounts Payable.

Miscellaneous Income Payment Vouchers

All Miscellaneous Income Payment Vouchers charging PTAE0 Accounts over \$5,000 need to be approved by OSP before being sent to Accounts Payable.

Consultant Payments

Each Consultant/Independent Contractor Agreement which is being paid on a PTAE0 Account must be approved by OSP before being sent to Procurement Services, regardless of dollar amount. (Contact Procurement Services Department to find out the whole process for paying consultants and independent contractors)

Invoices

All paper invoices charging PTAE0 Accounts over \$5,000 need to be approved by OSP before being sent to Accounts Payable. All Purchase Requisition Forms over \$5,000 need to be approved by OSP.

ITEMS REQUIRING APPROVAL BY OFFICE OF SPONSORED PROJECTS Continued

Labor Account Distribution Change & Wage Transfer Form

If filling out the Wage Transfer section of this form and it involves a PTAEO Account, this form needs to be approved by OSP before being sent to the Payroll Office. If just filling out the Labor Account Distribution Change section of this form, this form can be sent directly to the Payroll Office after obtaining appropriate signatures. If the distribution change involved a PTAEO Account, the Payroll Office will send OSP a copy after they have processed. All Wage Transfers need to be made within 90 days.

Cost Transfers

All Cost Transfers involving a PTAEO Account must be sent to OSP for approval. Department fills out electronic SPUD Cost Transfer Journal, then emails it to PTAEO Processing, department needs to print a paper copy of the electronic SPUD Cost Transfer Form, have the PI(s), Fiscal Office and OSP sign the paper copy of the SPUD Cost Transfer, after OSP signs paper copy of the SPUD Cost Transfer, the fully signed paper copy of the SPUD Cost Transfer is given to PTAEO Processing to then upload the electronic version of the SPUD Cost Transfer Journal. All Cost Transfers need to be made within 90 days.

Travel Vouchers

OSP only requires copies of vouchers over \$500 for the PTAEO Account file. Cashier's Office will send OSP copies of vouchers over \$500 and involve a PTAEO Account after they have processed the voucher. (Foreign travel requires prior approval if not originally approved.)

Cash Advances

Cash advances do not require approval at OSP.

CATEGORIES OF EXPENDITURES

Please contact the Payroll department for information on the use of the appropriate Payroll Authorization Forms

PERSONNEL

Payroll Authorization (PA): Salary charged to sponsored research awards are considered allowable and routine in that documentation is submitted on the same schedule as standard payroll authorization forms for permanent Dartmouth College staff.

- Payroll authorization forms require the signature of the Principal Investigator, Project Director, or Supervisor.
- The Principal Investigator's payroll authorization form should be signed by the Department Chair or Administrative Head.
- Payroll authorization forms are used to hire new employees, increase/reduce rate of pay, change employee's position classification and terminating an employee.

Quick Reference:

Payroll

- When paying Dartmouth College employees on a PTAEAO Account, a payroll authorization form needs to be filled out (contact the Payroll Office for instructions on which form to use)
- After the payroll form has been signed by appropriate individuals, it can be sent directly to the Payroll Office (DMS Departments need approval from DMS Fiscal Office before sending to the Payroll Office)
- After the Payroll Office processes the employee's payroll, if it involves a PTAEAO Account, the Payroll Office will send OSP a copy
- When changing an employee's salary allocation that involves a PTAEAO Account, a Labor Account Distribution Change and Wage Transfer form needs to be filled out
- If the department is only charging the employee's salary allocation on the Labor Account Distribution Change and Wage Transfer form, then section #1 of this form needs to be filled out, this form can then be sent directly to the Payroll Office after all appropriate signatures have been obtained (if the form involves a PTAEAO Account, the Payroll Office will send OSP a copy after they have processed it)
- If the department is moving salary charges that have hit OGA, then section #2 of this form, along with a justification for moving the salary charges needs to be filled out, if moving charges involving a sponsored research PTAEAO Account, this form needs to be sent to OSP before going to the Payroll Office, if it does not involve a sponsored research PTAEAO Account, it can be sent directly to the Payroll Office after obtaining appropriate signatures
- When a PTAEAO Account is ending, a payroll authorization form can be filled out moving the employee off the sponsored research PTAEAO Account or a Labor Account Distribution Change and Wage Transfer form can be filled out if you are moving the employee's salary to another account

CATEGORIES OF EXPENDITURES Continued

NIH Salary Cap: For sixteen consecutive years, Congress has legislatively mandated a provision for the limitation of salary. The Consolidated Appropriations Act 2005, Public Law 108-447, which includes appropriations for the Department of Health and Human Services, restricts the amount of direct salary of an individual under an NIH grant or cooperative agreement (referred to here as a grant) or applicable contract to Executive Level I of the Federal Executive Pay scale.

For the purposes of the salary limitation, the terms "direct salary," "salary," and "institutional base salary" have the same meaning and are exclusive of fringe benefits and facilities and administrative (F&A) expenses, also referred to as indirect costs. An individual's institutional base salary is the annual compensation that the applicant organization pays for an individual's appointment, whether that individual's time is spent on research, teaching, patient care, or other activities. Base salary excludes any income that an individual may be permitted to earn outside of the duties to the applicant organization.

According to the Consolidated Appropriations Act 2005, "None of the funds appropriated in this Act for the National Institutes of Health, the Agency for Healthcare Research and Quality, and the Substance Abuse and Mental Health Services Administration shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level I" of the Federal Executive Pay Scale.

For more information on the NIH Salary Cap please go to the following websites:

<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-05-024.html>

http://grants.nih.gov/grants/policy/salcap_summary.htm

NIH SALARY CAP Continued

The below referenced NIH Salary Cap examples can be found at the following website:

<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-05-024.html>

Example 1. Individual with Full-Time Appointment (based on grant award/contract issued after January 1, 2005 with a \$180,100 salary limitation)

Individual's institutional base salary for a FULL-TIME twelve month) appointment \$ 195,000

Research effort requested in application/proposal - 50%

Direct Salary requested	\$ 97,500
Fringe benefits requested (25% of salary)	\$ 24,375
Subtotal	\$ 121,875

Applicant organization's F&A (indirect) costs at a rate of 45% of subtotal	\$ 54,844
--	-----------

Amount requested - salary plus fringe benefits plus associated F&A (indirect) costs	\$ 176,719
---	------------

If a grant/contract is to be funded, the amount included for the above individual will be calculated as follows:

Direct salary - restricted to a RATE of	\$ 180,100
Multiplied by effort (50%) to be devoted to project	\$ 90,050
Fringe benefits (25% of allowable salary)	\$ 22,513
Subtotal	\$ 112,563

Associated F&A (indirect) costs at 45% of subtotal	\$ 50,653
--	-----------

Total amount to be awarded due to salary limitation	\$ 163,216
---	------------

Amount of reduction due to salary limitation (\$176,719 requested minus \$163,216 awarded)	\$ 13,503
---	-----------

NIH SALARY CAP Continued

Example 2. Individual with Half-Time Appointment (based on a grant award/contract issued after January 1, 2005 with a \$180,100 salary limitation)

Individual's institutional base salary for a HALF-TIME appointment (50% of a full-time twelve month appointment) \$ 97,500

Research effort requested in application/proposal 30%

Direct Salary requested	\$ 29,250
Fringe benefits requested (25% of salary)	\$ 7,313
Subtotal	\$ 36,563

Applicant organization's F&A (indirect) costs at a rate of 45% of subtotal \$ 16,453

Amount requested - salary plus fringe benefits plus associated F&A (indirect) costs \$ 53,016

If a grant/contract is to be funded, the amount included in the award for the above individual will be calculated as follows:

Direct salary - restricted to a RATE of	\$ 90,050
For a 50% appointment multiplied by 30% effort	\$ 27,015
Fringe benefits (25% of allowable salary)	\$ 6,754
Subtotal	\$ 33,769

Associated F&A (indirect) cost at 45% of subtotal \$ 15,196

Total amount to be awarded due to salary limitation \$ 48,965

Amount of reduction due to salary limitation (\$53,016 requested minus \$48,965 awarded) \$ 4,051

CATEGORIES OF EXPENDITURES Continued

Compensation Funding Agreement: Provides compensation to Hospital or Clinic paid employees from alternate assigned funding sources (i.e., Dartmouth College PTAE0 Account, department GL-account, Hitchcock Foundation account, etc). A separate agreement is to be completed for each source of funding (i.e., if you have an employee paid from multiple accounts).

- [Compensation Funding Agreement](#) (*Excel document*)
- The Agreement is to be completed at the beginning of each funding period, for instance on a grant, the agreement would be filled out at the beginning of the budget period.
- The Agreement is NOT required for standard annual increases or fringe adjustments. You may utilize the quarterly billing sheet to make those adjustments.
- Upon receipt of a notice of award, the form should be initiated by the Department Grant Administrator/Manager. For the Hitchcock Foundation, form is initiated by Karen Jones.
- First action is to call Taruna Nagpal at (603) 653-1213 to address salary, departments and parties to sign.
- After Department Grant Administrator and Practice/Department Manager have signed the ORIGINAL Agreement, Department Grant Administrator will forward ORIGINAL Agreement to Taruna Nagpal who will obtain appropriate signature for Corporate Accounting. If ORIGINAL agreement involves a PTAE0 Account, it will be sent to OSP for their signature.
- After OSP signs ORIGINAL Agreement that involves a PTAE0 Account, it is scanned and emailed to Taruna Nagpal and Department Grant Administrator. ORIGINAL Agreement is put into PTAE0 Account file at OSP.
- Once ORIGINAL Agreement has been completed and signed by all appropriate individuals, invoice can then be generated by the Hospital or Clinic. No invoices can be generated by the Hospital or Clinic without a completed Compensation Funding Agreement.

LABOR VERIFICATION REPORTS

- The Office of Management and Budget's (OMB) Circular A-21 "Cost Principles for Educational Institutions" is the federal government's cost principles for colleges and universities. It defines what costs are allowable and allocable to federal grants and other "assistance" agreements.
- OMB Circular A-21 (Section J.10) Compensation for Services sets forth the following general principals:
 - (a) There will be a documentation process that will provide for after the fact verification of the distribution of actual payroll costs for sponsored projects. The verification will occur at least annually.
 - (b) Institutions may include in a residual category all activities that are not directly charged to sponsored agreements. The components of the residual category are not required to be separately documented.
- Recognizing there is no single best method, the apportionment of employees' salaries and wages chargeable to more than one sponsored agreement or other cost objective (instruction, research, patient care, administration), will be accomplished by methods that produce an equitable distribution of charges for employee's activities. A-21 outlines criteria for acceptable methods of charging salaries and wages to federally sponsored projects which include the following:
 - (a) At a minimum, the verification process will allow confirmation of activity allocable to each sponsored agreement.
 - (b) To confirm that the distribution of activity represents a reasonable estimate of the work performed by the employee during the period, the reports will be signed (electronic signature/ approval is acceptable) by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed.
- To comply with these requirements Dartmouth has established a Labor Verification Report by Grant Account, and a Labor Verification Report by Employee (Dartmouth Employee's).
- The Labor Verification Report by Grant Account is produced monthly for review purposes, but on an annual basis the PI must complete the verification statement confirming the salaries are appropriate for the worked performed. If PI is not in agreement with the report they should work with department grant manager to correct the information. This completed report is returned to the Office of Sponsored Projects.
- On an annual basis, usually the month following the Dartmouth fiscal year end, a Labor Verification Report by Employee will be distributed to each employee that has worked on a sponsored project during the past year. The individual must review the report for accuracy and if in agreement with the salary distribution for the worked performed, sign the verification statement. If the individual does not agree with the report, they should work with the PI or department grant manager to correct the information. This completed report is returned to the Office of Sponsored Projects.
- A reminder when reviewing the salary allocation, time spent preparing a proposal or a bid is not normally directly chargeable to a sponsored project.

Quick Reference:

Labor Verification Reports

- Labor Verification Reports by Grant Account are generated at the end of the sponsored research budget period (annually)
- Labor Verification Reports by Employee are generated at the end of Dartmouth's fiscal year end (June 30)
- Labor verification Reports by Grant Account are reviewed and signed by the Principal Investigator
- Labor Verification Reports by Employee are reviewed and signed by the Employee
- Labor Verification Reports by Grant Account are due back to OSP 30 days after the department receives report
- Labor Verification Reports by Employee are due back to OSP 30 days after the department receives report
- These reports do not replace the monthly payroll reports that are generated by the Payroll Office

CONSULTANTS

Use of Consultants on Sponsored Research Awards: Funded sponsored research awards periodically make use of consultants to perform specific project tasks. Consultants are defined at Dartmouth College as independent contractors who specifically provide professional advice, and are not considered employees of the College. They usually have a separate skill or expertise not available within the College. The need for their services does not commonly extend beyond a limited period of time in which to complete a specifically defined project. A consultant may or may not carry out these tasks at the site of the project, and payment may be made at stated intervals based on an agreed upon rate. Contact the Procurement Services Department to find out how to pay consultants.

DARTMOUTH COLLEGE EQUIPMENT CAPITALIZATION POLICY

Below is the complete capitalization policy, which can be found on DCIS.

Acquisition cost - the net invoice price of the equipment including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the equipment operable. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included in determining the acquisition cost.

*****Special Note*****

No capital equipment may be purchased during the last 6 months on a PTAEO Account.

Policy:

Capital equipment at Dartmouth College is tangible personal property having a useful life of one year or more and an acquisition cost of \$5,000 or more per unit. All equipment meeting this definition should be recorded on the College's equipment inventory and should be tagged with a control number for tracking purposes.

Personal Computers

All personal computer system packages valued at \$5,000 or more are to be recorded on the equipment inventory. PC system packages consist of a central processing unit (CPU), system software, and all accessories necessary to make the property operable. The value of computer monitors purchased with PC systems should be capitalized as part of the PC system. Monitors purchased as replacements or upgrades to existing systems are to be accounted for in the manner outlined below under 'Repairs, Replacements, and Upgrades.'

Software

Software is intangible property and is not considered capital equipment under this policy. The value of pre-loaded computer software may be included in the cost of the equipment recorded on the College's inventory when the cost of this software is not separately identified on the sales invoice. Major systems software valued at \$25,000 or more may be capitalized for financial statement purposes. Please refer questions regarding capitalization of major systems software to the Controller's Office.

Accessory Equipment

The cost of an accessory purchased separately – after the equipment has been received and made operable – should not be added to the value of an item of capital equipment listed on the inventory. When an accessory meets all the criteria of capital equipment (i.e., it is tangible personal property having a useful life of one or more years and an acquisition cost of \$5,000 or more), it should be treated as a separate item of capital equipment and assigned a Dartmouth College control number and recorded on the College's equipment inventory.

Repairs, Replacements, and Upgrades

Equipment repair, replacement, and upgrade costs will be capitalized only when these costs are \$5,000 or more and they extend the useful life of the original piece of equipment by one year or more. When these costs are capitalized, the asset value and useful life of the original piece of equipment – as recorded on the College's equipment inventory – should be updated to reflect the new value and remaining useful life of the asset.

DARTMOUTH COLLEGE EQUIPMENT CAPITALIZATION POLICY Continued

Donated Equipment

Equipment donated to the College by a third party is covered by this policy. For capitalization and inventory purposes, the recorded value of the donated equipment should be the fair market value of the equipment at the date of the gift. Generally, the fair market value of such an item of property is the price at which the item or a comparable item would be sold at retail, taking into consideration the age and condition of the property on the date of the gift.

Capitalized Manufactured Equipment

Capitalized manufactured equipment is equipment that is assembled or manufactured by the College using purchased materials, in-house machinery or tools and College labor. Manufactured equipment valued at \$5,000 or more and having a useful life of one year or more shall be capitalized and recorded on the College's equipment inventory. Departments manufacturing equipment are responsible for determining the cost of the equipment. Additionally, it is the responsibility of the department to notify the Purchasing Department of the equipment's existence.

Contact Information:

Fixed Assets Coordinator, Procurement Services

Dartmouth College Policy on Capitalization of Fabricated Equipment:

Capitalized fabricated equipment is equipment that is assembled or manufactured by the College using purchased materials, in-house machinery or tools and College labor. Fabricated equipment valued at \$5,000 or more and having a useful life of one year or more shall be capitalized and recorded on the College's equipment inventory.

Principal Investigator's fabricating equipment, are responsible for determining the cost of the equipment. Additionally, it is the responsibility of Principal Investigator's, or their respective department(s), to notify the Fixed Assets Coordinator of Procurement Services, of the equipment's existence or the start of a fabricating project.

CAPITAL EQUIPMENT TRANSFER GUIDELINES

As written in the Faculty Handbook (Policies and Procedures, page 52)

TITLE TO CAPITAL EQUIPMENT ACQUIRED UNDER SPONSORED RESEARCH AWARDS

Title to most capital equipment purchased with sponsored research funds shall rest with Dartmouth College. No such equipment shall be sold or otherwise disposed of without notification of the Director, Office of Sponsored Projects, to allow for checking of further agency regulations governing such disposal.

General guidelines concerning title to such equipment permit full vesting upon closeout of the award under which property was acquired. In special circumstances, such as the transfer of a principal investigator to another institution, arrangements sometimes can be made to transfer property with written approval from the awarding agency and Dartmouth College; such transfers may involve reimbursement to Dartmouth College. These arrangements should be coordinated through the Director, Office of Sponsored Projects. Such transfer requires the approval of the Department Chair, the appropriate Dean, and the Director, Office of Sponsored Projects.

Government-furnished equipment remains the property of the awarding agency, which retains the right to recall such property for use in other research areas. For this reason, the College is required to account, on an annual basis, for all such equipment in its possession. Because receipt of this equipment does not follow Dartmouth's established purchasing procedures, the Office of Sponsored Projects is not systematically informed of its presence on campus. It is, therefore, imperative that all government-furnished equipment be reported to this office both when received and before it is relocated. All items of government-furnished equipment must bear a label identifying it as such. These labels are available in the Office of Sponsored Projects. Disposition of such equipment remains the prerogative of the awarding agency.

PROCEDURES FOR TRANSFERRING CAPITAL EQUIPMENT

When a Principal Investigator is transferring from Dartmouth College to another institution and they want to transfer capital equipment purchased with sponsored research funds they should do the following:

- Type up a letter formally requesting to transfer the capital equipment from Dartmouth College to another institution. The letter should list the current market value of the capital equipment and it should describe the piece of equipment.
- The letter needs to be signed by the Principal Investigator, their Department Chair and the Director, Office of Sponsored Projects.
- Fixed Assets Coordinator of Procurement Services needs to be notified when capital equipment is being transferred so they can then remove the piece of equipment from the inventory list. Fixed Assets Coordinator of Procurement Services should be carbon copied on this letter.
- Once proper signatures have been obtained, the letter should be sent to the appropriate OSP Grant Manager. The OSP Grant Manager will keep the original letter in the grant file.

MATERIALS AND SUPPLIES

Standard materials and supplies up to \$5,000 may be purchased or charged from sponsored research award funds without prior approval from OSP. The Principal Investigator should follow the supply purchasing procedures established by the Principal Investigator's department or administrative area. If the OSP Grant Manager notices what appears to be an odd expenditure, they may ask the Principal Investigator/Department Grant Administrator for information on the expenditure and how it relates to the work on that particular sponsored research award.

CHARGED EXPENDITURES

In 1995, the Dartmouth College Procurement Services Department initiated a purchasing card system. The system is designed to improve efficiency in processing low dollar value transactions (\$500 or less). The Purchasing Card may be used to purchase all non-restricted commodities as described in the Purchasing Card Policy Statement. A Principal Investigator who is interested in using this service should refer to the guidelines and procedures outlined in Purchasing Card Program: Survival Guide for Department Representatives, or contact the Purchasing Card Program Administrator (646-1851).

EXPENDITURES INCURRED AS PART OF A SUBAWARD

Invoices submitted by subaward recipient institutions must be reviewed and signed by Dartmouth's Principal Investigator and OSP for that particular award before payment is processed.

TRAVEL, ENTERTAINMENT AND MEALS

For a complete description of Dartmouth's Travel Policy and Procedures please refer to the Travel Office.

The primary responsibility for adherence to these policies rests with the departments and supervisors who are authorizing travel and approving expense reimbursements. Travelers should also bear in mind that government agencies and other observers may perceive certain expenditures as being either excessive or inappropriate in the context of a regulatory audit, an IRS audit, or other similar review of College activities. Thus, moderation and discretion should guide travelers' decisions to incur expenses on the College's behalf.

- The College will only reimburse expenses incurred in connection with College business that are appropriately documented by the employee.
- The basic policy governing travel expenses is that an individual should neither gain nor lose funds in the course of conducting College business.
- The College will not reimburse travelers for expenses that are inherently personal in nature, such as child care, clothing, personal recreation or entertainment, etc. Reimbursable expenses must have a business purpose.
- The College will not reimburse travel expenses that have been or will be reimbursed from any outside sources (other than travel on College-administered sponsored research awards).
- Reimbursement will be on the basis of actual and reasonable expenses incurred for transportation, meals, lodging, and other necessary business expenses. A per diem travel reimbursement allowance is not available for travel by faculty, staff or students, but is allowed for visitors to the Hanover area.

TRAVEL, ENTERTAINMENT AND MEALS Continued

- Travel and Entertainment Expense Vouchers must be approved by the traveler's immediate supervisor or a more senior officer who has the authority to approve such expenditures.
- The College will not provide travel advances or make reimbursements for the travel expenses of spouses who accompany faculty or other employees on College business, except in unusual circumstances which require their presence. These exceptions must be approved in advance and in writing by the President, a Dean, or a Vice-President.

Quick Reference:

- The department is responsible to adhere to the College's travel policy
- Travel & Entertainment vouchers are sent to the Cashier's Office; if the voucher is for \$500 or more and it involves a PTAEO Account, the Cashiers Office will forward a copy to OSP for the file
- Department scrutinizes charges
- OSP review award for travel
- Foreign travel – US Carrier; if prior approval needed then a written request is submitted to OSP
- See Dartmouth Travel Policy guidelines – Policy is kept by the Procurement Office

Travel, Meals & Entertainment Expenses Related to Sponsored Research Awards

One category of costs that should receive special attention is entertainment and meals expenses. In general, entertainment expenses are not allowable on sponsored research awards. The allowability of entertainment expenses on sponsored research awards depends upon the guidelines of the specific sponsor. Entertainment has been loosely defined by OMB (Office of Management and Budget) Circular A-21 as "Costs incurred for amusement, social activities, entertainment, and any items relating thereto, such as meals, lodging, rentals, transportation, and gratuities, are unallowable." The following guidelines should be used in determining the allowability and categorizing of expenses for meals, lodging and social activities on sponsored research awards:

- Alcoholic Beverages are *not* generally allowable on sponsored research awards unless specifically authorized in the approved budget and consistent with the purpose of the award. The instances where alcohol is approved in the budget are extremely rare. Alcohol purchased during meals, travel, conferences or meetings should be deducted from the amount to be charged to a sponsored research award. In most instances alcohol should be charged to a department GL-Account.

TRAVEL, ENTERTAINMENT AND MEALS Continued

- Reasonable and actual out-of-pocket expenses incurred while traveling to a scheduled meeting are allowable when the travel will provide direct benefit to the award. Allowable expenses related to travel include meals for the individual. Guest meals and expenses are not allowable and should be deducted from reimbursement requests. Travel expenses should be charged to the appropriate travel expenditure type.
- Meals for subjects and patients under study are allowable when included in the approved budget. Meals for research subjects should be charged to Rooms/Meals/Other expenditure type.
- Certain meals that are an integral and necessary part of a conference (i.e. working meal where business is transacted) and are associated with a sponsored research award that has been designated as a Conference Grant by the sponsor or meals that are provided to key project participants during an all day scheduled meeting with an agenda are generally allowable on sponsored research awards with limitations. Conference are generally defined as "A symposium, seminar, workshop, or any other organized and formal meeting lasting 1 or more days where persons assemble to exchange information or clarify a defined subject, whether or not a published report results from the meeting." Meals for guests not attending the conference are unallowable. Allowable expenses for "working" meals associated with an all day conference should be charged to the appropriate meals expenditure type.
- Costs associated with recruitment of personnel generally are allowable, but you should confirm with the sponsoring agency's guidelines. These allowable recruitment costs include help wanted advertising costs, travel costs to pre-employment interviews incurred by applicants, and travel costs of employees while engaged in recruiting personnel. Guest (other than the applicant and Principal Investigator) expenses are unallowable.

IMPORTANT NOTE:

Sponsored research funds may be used to cover the costs associated with travel and entertainment, i.e. transportation, meals, and lodging. However, there are a number of factors that enter into approval of sponsored research funds to cover travel and entertainment expenses.

- The funded proposal must have explicitly stated an amount and justification for the travel. This will translate into a budget category for travel when the sponsored research PTAEO Account is established.
- The expenses incurred related to travel and entertainment must be fully documented as outlined below and more explicitly stated in the Dartmouth College Travel Policy.
- The expenses incurred related to travel and entertainment on a federally sponsored research award must conform to federal regulations.

Individual federal agencies have further and more explicit policies covering reimbursement of these expenses. Non-federal sponsors will have their own set of policies on the reimbursement of travel and entertainment expenses. While an overview of key points is presented here, the Principal Investigator is advised to study the more extensive documents, such as the full College Travel Policy and contact staff in the OSP for further clarification of individual sponsor policies.

TRAVEL, ENTERTAINMENT AND MEALS Continued

Department Accounts & Natural Class: In addition to insuring the allowability of expenses on sponsored research awards, it is very important that those persons responsible for departmental accounts insure that expenses are properly classified into a Natural Class. As stated in the introduction, important audit information is derived from all accounts (both department and sponsored research). Categories of costs that often require clarification on proper classification and subcoding are entertainment or meals expenses that are charged to department accounts. In general, any entertainment expense should be classified under an entertainment expenditure type. The following are guidelines to assist in properly classifying these types of expenses.

- Department meals are considered entertainment unless it is luncheon served during an all day conference.
- Costs associated with after-work-hours receptions or meals at restaurants where alcohol is served or the purpose is mainly social should be classified as entertainment.
- The subsistence and lodging costs of persons visiting the College for meetings or dissemination of technical information or the cost of travel to meetings for College personnel should be classified in the appropriate Natural Class according to the instructions on the reverse side of the Travel Voucher.

Meals provided to participants of an all day conference: list names of the attendees and include a statement that specifies the nature of the business conducted during the meal and why the meal was an integral and necessary part of the conference and the sponsored research award. This explanation should be put in the "Additional Comments" section and "see attached" should be written to reference any additional attached information. Attach a copy of the conference agenda, if available. Meals associated with recruitment of project personnel: specify the name of the applicant and the title of the open position.

Examples of Entertainment and Meals Situations

The following are examples of common situations that arise on sponsored research awards. These examples are intended as a guideline for determining the classification and allowability of expenses. We realize that the guidelines are subject to interpretation on a case-by-case basis. Please call OSP for questions regarding a specific case.

The institution invites a renowned scientist to deliver a paper. The Department of Pathology provides coffee and cookies during a break before a related question and answer session. The cost of the refreshments are not entertainment and should be allowable on a sponsored research award, so long as they are reasonable: they are associated with a meeting where the predominant purpose is the delivery of information.

After the meeting, the dean of the Medical School holds a reception for the scientist where beer, wine and hors d'oeuvres are served. The costs are probably considered entertainment and disallowed on a sponsored research award.

Instead, the dean takes the scientist and his department chair out for dinner. Alcohol is served. This is also considered entertainment, and is not allowable on a sponsored research award.

The College put this scientist up at a local inn after the talk. The costs of subsistence would be allowable on a sponsored research award where the principal purpose of the meeting like this, was dissemination of technical information.

TRAVEL, ENTERTAINMENT AND MEALS Continued

The President, Provost, and Vice-Presidents hold a retreat off campus to discuss a 3-year financial plan. There is a continental breakfast and lunch served. The participants go to a local restaurant for dinner. Since the primary purpose of the meeting is a technical discussion, and there is an agenda (the 3-year plan), the costs of travel, housing, breakfast, and lunch would not be considered entertainment. It would probably be hard to argue that the primary purpose carried over to dinner, however. In fact, it probably makes sense to exclude on this basis all meals where alcohol is served, except where on travel & meals are being reimbursed as part of travel reimbursement policy.

The Physics Department receives a sponsored research award to hold a symposium for leading scientists to discuss a new particle. In its sponsored research application, the Department listed the activities it planned to conduct, and the sponsored research application specifically provided for a working dinner the night before. This would be allowable on the sponsored research award since there was such a specific provision.

From time to time, the Chemistry Department Chairman holds lunches for the members of her Department at the faculty club to discuss academic and research issues. Unless the primary purpose of the lunch is dissemination of technical information, as evidenced by a formal agenda, the government would probably contend that the primary purpose was the meal, not the discussion (which could presumably have been held without the expenses); so the cost of lunch would be considered entertainment and not be allowed on a sponsored research award.

The provost travels to Cleveland to recruit a department chair. The reasonable cost of travel and subsistence (less alcohol, of course) would not be considered entertainment. Presumably this would include the costs of lunch or dinner with the recruit, assuming that it was inappropriate to meet at the recruit's place of business. Similarly, the reasonable cost of the recruit's travel to your institution would not be considered entertainment.

The President holds a reception in honor of the Medical School's 100th anniversary. This is entertainment. Presumably the exclusion would also run to any glossy publications that were produced on or after the affair.

CASH ADVANCES FOR TRAVEL

The College will provide cash advances in limited amounts for faculty and other employees traveling on authorized business to cover reasonable miscellaneous costs such as taxi fares, tips, and other expenses which cannot readily be charged to a corporate card. Cash advances must not be used to cover personal expenses or any activity that is the sole responsibility of the traveler. The size of the advance must be a reasonable estimate of the amount of cash necessary to conduct College business.

Each cash advance is the personal obligation of the traveler until it has been discharged by processing a properly completed Travel and Entertainment Expense Voucher. Thus, the traveler is responsible for any lost or stolen cash advances. Employees are responsible for the proper record keeping of expenses incurred while traveling and for settling any unused advance owed to the College. *Travel advances must be accounted for on a Travel and Entertainment Expense Voucher within 10 working days after returning from the trip.*

Advances will generally not be provided earlier than 3 working days before the planned departure date of the trip. Requests for large amounts of traveler's checks should be received by the Cashier's Office at least 24 hours before they are needed. Persons receiving cash or traveler's checks must sign for them in the presence of a Cashier and are responsible for the funds in the event of theft or loss.

TRAVELER'S CHECKS

Travelers requesting advances can obtain only \$250 in cash. Traveler's checks will be issued for any portion of the advance over this \$250 cash limit. The College provides American Express traveler's checks free of charge for use in the conduct of business travel; the College does not sell traveler's checks for personal use.

Unsigned traveler's checks are as negotiable as cash and should be signed by the traveler as soon they are received. Instructions for contacting American Express for prompt replacement of lost traveler's checks are included with issued traveler's checks or are available from the Cashier's Office. Only signed traveler's checks will be replaced, the loss of unsigned traveler's checks is the personal responsibility of the traveler.

REPORTING REQUIREMENTS

- Sufficient information to establish the business purpose of the travel, entertainment, or other expenditure;
- An adequate record of each expenditure, which would include the amount, date, and place;
- Substantiation of expenditures with original receipts -- at a minimum, receipts must be provided for all lodging and entertainment expenses (regardless of amount) and for all other expenses of \$75 or more to comply with IRS regulations; however, departments may elect to require receipts for all expenditures over \$25;
- The return of any unused monies from cash advances.

RECONCILING YOUR TRAVEL, ENTERTAINMENT & MEALS EXPENSES

Because travel vouchers are subject to audit by government agencies and other sponsors, thorough documentation and accounting for expenses is essential. If the expenses to be reimbursed are related to business travel or entertainment, the employee should complete a Travel and Entertainment Expense Voucher. If the reimbursement request is not related to business travel or entertainment, the employee should complete a Request for Payment.

Required documentation and receipts

Travelers are required to submit original receipts to substantiate their travel expenses. Original documentation is necessary to verify expenditures and eliminate the possibility of duplicate payments. When reviewing travel vouchers, the Controller's Office will expect that, at a minimum, any single expenditure of \$75 or more will be accompanied by an original receipt. In addition, all entertainment and lodging expenses must be supported by receipts, regardless of amount. If, in rare cases, original receipts are not available, an explanation must be submitted with the travel voucher prior to processing. *Travel vouchers that are not properly completed and approved will be returned unprocessed to the employee with an explanation of the deficiency.*

Bills or cash register tapes that support credit card charges are considered original receipts and must be submitted with the Travel and Entertainment Expense Voucher or Request for Payment. Photocopies of credit card charge slips or billing statements are not sufficient documentation, nor are tear-off stubs for meals. If no other form of receipt can be obtained, the original credit card slip will be accepted. In the case of airfare not charged directly to a departmental account through the College Travel Office, travelers must submit the passenger copy of their ticket. *Travel itineraries do not constitute receipts for reimbursement purposes.*

COMPLETING THE TRAVEL & ENTERTAINMENT EXPENSE VOUCHER

All requests for reimbursement to individuals for out-of-pocket expenses for either entertainment or meals, if allowable, should be requested on the Travel and Entertainment Voucher form. Incomplete forms and vague explanations will result in delays in processing. The following information should be completed on the form:

Business Purpose of Travel or Entertainment in terms of the criteria listed in this manual:

- For College or Non-College employee travel to a meeting, please include the destination and name or purpose of the conference in the "Business Purpose of Travel" line.
- For meals provided to patients or subjects under study, please attach a statement that fully explains the necessity of the meals in relation to the project goals. The amount of the expense should be listed in the "Misc. expenses" line of the travel voucher.
- For meals provided during all day conferences, please list all of the names of the attendees and include a statement that specifies the nature of the business conducted during the meal and why the meal was an integral and necessary part of the conference and the grant. Please put the explanation in the "Additional Comments" Section and write "see attached" to reference any additional attached information. Please attach a copy of the agenda, if available.
- For meals associated with recruitment, please specify the name of the applicant and the title of the open position.

Itemizing Expenses Expenses should be entered on the applicable lines of the voucher which best describe the type of expenses incurred. Except for segregating unallowable items and omitting non-reimbursable expenses, charges on itemized hotel or other bills such as meals, telephone, parking, etc. need not be broken out and reported separately, although this is preferred. Amounts reported under "Miscellaneous Expenses" on the voucher must be itemized and supported by original receipts where required. *Authorized persons approving vouchers are primarily responsible for enforcing these travel and expense reimbursement policies* and, in so doing, must be satisfied that the vouchers have been properly completed and that the expenses are appropriate, reasonable, and sufficiently described and documented.

Expenses that have been directly paid to a vendor by the College (i.e., airfare booked through the College Travel Office, conference registration fees, etc.) should be reported on the face of the travel voucher and carried over to the column titled, "Total Expenses CHARGED DIRECTLY to the College." These expenses, of course, are not eligible for reimbursement; however, documenting them on the travel voucher allows for a comprehensive report of all costs associated with a particular business trip.

Signature Authority Travel and Entertainment Expense Vouchers must be signed by the traveler and approved by his/her immediate supervisor or more senior officer in the department who has the authority to permit travel on College business and approve charges to the particular account(s). No employee is authorized to approve his or her own, a peer's or a superior's travel voucher or any travel charged to an account for which he/she is not authorized to approve expenditures.

FINANCIAL MANAGEMENT OF OTHER PROJECT COSTS AND INCOME

When a proposal is submitted to a sponsor for funding consideration, the budget will indicate specific dollar amounts of Facilities and Administration Costs, matching funds, in-kind contributions, and cost sharing. As with other budget categories, management of these funds falls under the purview of OMB Circular A-21.

FACILITIES & ADMINISTRATION COSTS (INDIRECT COSTS)

Facilities and Administration Costs are those costs also referred to as overhead, overhead costs, or administrative costs. They are actual costs incurred to conduct the normal business activities of an institution and are not readily identified with or directly charged to a specific sponsored research award. The normal activities of the College those general Facilities and Administration Cost expenses include:

- General Administration
- Departmental Administration
- Sponsored Research Awards Administration
- Operation and Maintenance
- Library
- Building and Equipment Depreciation
- Non-Capitalized Interest

Facilities and Administration Costs should be requested at the Department of Health and Human Services approved rate on all sponsored research applications unless the sponsor prohibits Facilities and Administration Costs or designates another rate. Exceptions must be requested in writing and sent to the appropriate Dean for your area.

The Off-Campus rate is to be charged only on those projects conducted at sites outside of Hanover and areas immediately surrounding Hanover. The Veteran's Administration in White River Junction, Vermont has a special research rate of 29.8%.

In all other projects not conducted in Dartmouth owned buildings, rent should NOT be included as a direct cost item if the On-Campus rate is used. Rent is automatically included in the On-Campus Facilities and Administration Costs and will be paid out of the Facilities and Administration Costs recovered. Please call the Associate Director at OSP, 646-3659 if you have questions.

Please Note: Facilities and Administration Costs cannot be charged on equipment, alterations and renovations, patient care costs, sub-award amounts over \$25,000, tuition remission, scholarships, fellowships, or rental costs of off-site facilities. Facilities and Administration Costs are real and auditable. If the College does not collect full reimbursement for these costs, other College resources must be used to subsidize them.

Facilities and Administration Costs are calculated using a negotiated rate of expense recovery based on the total cost of the sponsored research award, minus the Facilities and Administration Cost rate. Negotiated rates are to be used for all agreements with the federal government and for most non-federal awards, as allowable. Information on current Facilities and Administration Cost rates are available from the Office of Sponsored Projects.

FACILITIES & ADMINISTRATION COSTS (INDIRECT COSTS) continued

Once the budget has been approved and a PTAEO Account established for the sponsored research award, the Principal Investigator will generally not have responsibilities related to the recovery of Facilities and Administration Costs. Facilities and Administration Cost recovery is managed by the OSP. The Office maintains a database for each sponsored research PTAEO Account that computes Facilities and Administration Cost recovery monthly based on the project's monthly costs specific budget categories. The sponsor is then billed for these Facilities and Administration Costs. Dollar limits on the amount of funds that can be recovered per month have been programmed into the billing system. Funds received through Facilities and Administration Cost recovery flow back into individual college pool accounts. The OSP does not become involved in how those funds are then allocated.

Quick Reference

- Direct Costs Excluded from Indirect Costs:
 - Capital Equipment \$5,000 or more
 - Sub-Award after 1st \$25,000 (Per each Sub-Award Agreement)
 - Tuition Remission
 - Patient Care Costs
 - Alterations/Renovations
 - Scholarship/Fellowship
 - Rental cost offsite facility
 - IRB, CCRC, Pharmacy Fees
- Indirect Costs are real and auditable costs
- Indirect Costs recovered get distributed back to the school that generated the direct costs

COST-SHARING

Cost sharing is that portion of the total costs - direct and indirect - of a sponsored research award that meets the following criteria:

- It is not provided by the sponsor, i.e., Dartmouth College has agreed to fund it; and
- It is included in the itemized costs of the project or program's budget that has been approved by the sponsor.

Cost sharing as defined above may be included in either of the following categories:

- Mandatory Cost Sharing: cost contribution required of the grantee by the sponsor as a condition of the award, such as the matching requirements of challenge awards.
- Voluntary Cost Sharing: cost contribution voluntarily offered by the Principal Investigator and accepted by the sponsor in the program budget.

COST SHARING Continued

Cost sharing is a requirement for receiving an award from certain agencies and is proposed in the budget of the original proposal from Dartmouth to the prospective awarding agency. When the award is received, that same budget, or a modification of it, is referenced to and a condition of, the award. This means that Dartmouth is responsible for recording cost sharing in a centralized location (Office of Sponsored Projects), available and subject to audit. If Dartmouth is called upon to demonstrate cost sharing to an agency and does not have the documentation to do so, costs may be disallowed and future funding jeopardized.

Federal Regulations Regarding Cost Share Dollars

In order to be acceptable for cost sharing, costs must:

(Per OMB Circular A-21):

- Be allocable, i.e., necessary and reasonable for proper and efficient accomplishment of sponsored research award objectives;
- Be allowable under the applicable cost principles; and

(Per OMB Circular A-110):

- Be verifiable from the grantee's records;
- Not be included as contributions for any other federally-assisted sponsored research award;
- Not be paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching;
- Be provided for in the approved budget when required by the Federal awarding agency;
- Not be unrecovered Facilities and Administration Costs without prior approval of the Federal awarding agency; and
- Conform to all other applicable provisions of Circular A-110.

Required Approvals for Cost Sharing

When cost sharing appears on a proposal budget, the source, type and amount of funds should be identified by and authorized by the signature of the appropriate dean. If the proposal budget contains required matching funds, the Development Office should also review it to ascertain who is responsible for raising the funds externally.

COST SHARING Continued

Tracking Cost Share Transactions

- Department needs to send OSP a subvention account and cost share budget before we can set up a Cost Share Sub-Account
- OSP sets up a Cost Share Sub-Account, the Award portion of the PTAE0 Account String will have a C00XXX Number assigned, this lets you know this is a Cost Share Sub-Account String
- All Cost Share expenses should be charged directly to the Cost Share Sub-Account String, however if only indirect costs are being cost shared, they are cost shared on the main account

Costs financed by departmental budgets or any other non-Federal fund source(s) may be claimed as a cost sharing contribution for a Federal sponsored research award if they are directly identifiable with the applicable federal research award and are contributed during the performance period of the sponsored research award. Again, this depends upon how the cost sharing was proposed. Costs which duplicate the types of costs included in the Facilities and Administration Cost rate and costs which are charged to another federal sponsored research award cannot be used as cost sharing.

Quick Reference:

- Portion of total costs paid by Dartmouth College
- Set up a Cost Share Sub-Account to charge all cost share expenses for that project, if only indirect costs are being cost shared, they are cost shared on the main account
- Itemized cost share expenses reviewed by sponsor
- Mandatory/voluntary cost share
- Costs can only be counted once as cost share
- No federal funds can be used for cost sharing
- Most common types of cost sharing includes, salary/fringe, equipment and indirect costs
- Cost Sharing is reportable and auditable
- Cost Sharing is signed off by fiscal office via routing form; subvention account which funds the cost share account to be provided by department
- When the Notice of Award makes no mention about Cost Sharing, but cost sharing was listed in the proposal, we still need to track that committed cost share
- When cost sharing clinic or hospital employee's salary and fringe benefits, a DHMC Cost Share Form must be filled out, once fully signed, a copy needs to be kept by department, original is sent to Office of Sponsored Projects Grant Manager for that particular department

MATCHING FUNDS

Matching means the value of the third party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government. The National Endowment for the Humanities and the National Science Foundation are two agencies that use this mechanism for some of its awards (specifically the Presidential Young Investigator Award from NSF). The Principal Investigator and the department or administrative area to which the Principal Investigator belongs, are responsible for acquiring the matching funds. There are specific guidelines for appropriate matching funds from each agency that requires a matching commitment.

If a Principal Investigator fails to raise sufficient matching funds, there are three courses of action open to the Principal Investigator who is in this situation.

- The Principal Investigator may appeal to the sponsor for additional funding. This approach can be particularly effective if the Principal Investigator is able to prove that a good faith effort was put forth to raise the matching funds.
- The Principal Investigator can initiate steps to rebudget at a lower funding level and re-evaluate the objectives of the project, in light of the reduced budget. The Principal Investigator must work closely with both Office of Sponsored Projects staff and the sponsor as this option clearly changes the scope of the project, an action that can not normally be taken without prior approval from the sponsor.
- The Principal Investigator takes no action and continues to make expenditures based on the belief that matching funds will eventually be raised. At a certain level of over- spending, OSP will put a pending close on the project's budget. The Principal Investigator's department, Dartmouth College, and occasionally the Principal Investigator are responsible for covering the expenditure. This is NOT an acceptable or fiscally responsible method for handling problems in raising matching funds.

Quick Reference:

- Value of 3rd party
- Ratio 1:1 or 2:1, etc...

IN-KIND CONTRIBUTIONS

In-kind contributions are similar to cost sharing in that they represent contributions to the cost of a sponsored research award that will be covered by Dartmouth College resources. An example of an in-kind contribution would be if a piece of equipment was 'donated' in support of a sponsored research award. There is usually no financial tracking of transactions related to in-kind contributions. There is, however, a form titled In-Kind Contributions that must be completed by the department that is providing an in-kind contribution. Once this form has been signed, it is sent to the Office of Sponsored Projects Grant Manager for that particular department to be filed in the PTAE0 Account folder for that sponsored research award.

Quick Reference:

- Certification needed
- Doesn't run through our financial system (OGA)

For a copy of the In-Kind Contribution Form and DHMC Cost Share Form, please go to the following website:

<http://www.dartmouth.edu/~osp/resources/forms.html>

PROJECT MANAGEMENT REPORTS

Introduction: Dartmouth College, in response to Federal regulations, requires a number of internally generated policy certifications and reports. These certifications are the checks and balances imposed on the management of sponsored research awards. They are intended to guarantee that the agreed upon terms of an award, as outlined in the approved proposal and budget, are being met.

Sponsors typically request both periodic financial and technical reports. The schedule for completing and format requested should be outlined in the sponsor's notice of award. The OSP is responsible for completing financial reports, while the Principal Investigator is responsible for the technical reports.

INTERIM PROGRESS REPORTS

The Principal Investigator is responsible for submitting interim program/progress reports to the sponsor within the specified time frame and format indicated by the sponsor in the award document. The format of progress reports is usually determined by the sponsor. If a sponsor does not indicate a format, the Principal Investigator is advised to use a standard format that addresses the following project management concerns:

- A review of the accomplishments to-date as compared with schedule and objectives as outlined in the original proposal.
- A review of the challenges faced by the award in attempting to meet the schedule and objectives as outlined in the original proposal.
- Supporting statistical data or documentation.
- Management activities, such as documentation or training materials produced, staffing issues, etc.

Budget Review: Comparison of actual expenses against the projected expenses. Expected shortfalls, reasons for them occurring, and what steps the Principal Investigator has taken to remedy or forestall a shortfall should be included in the budget review. Likewise, if a project is under-spending, this should also be discussed.

An interim report does not have to be long, but should thoroughly describe accomplishment and problems. In describing problems it is important to accurately represent the extent of the problem, what is being done to address it, and what effect the problem may have on the long-term success of the project. The Principal Investigator should remember that the interim report can set the stage for initiating new projects, or requesting additional time or supplemental funding to complete the present project.

CHANGES TO THE PROJECT

Frequently, projects change or evolve from how they were first proposed to or funded by a sponsor. Many changes that occur in the conduct of sponsored research awards require prior approval. That is, before the change can take place the Principal Investigator must obtain approval for the change from the sponsor and/or OSP. Some Federal and nonfederal sponsoring agencies have delegated approval rights to the College, under what is frequently termed "expanded authority." The level at which approval may be granted depends upon the type of award and the sponsor's specific policies governing the award. If a sponsor has not granted expanded authority to Dartmouth College, making changes to a project requires written approval by the sponsor before the change may take place.

FEDERAL GRANTS

Federal Demonstration Partnership (FDP)

In 1986, five federal agencies began a demonstration project to eliminate unnecessary administrative burdens on sponsored research awards. The result of the project was an implementation of "expanded authorities" for selected institutions.

Our participation in the Federal Demonstration Partnership has reduced the number of situations demanding prior approval from the sponsoring institutions. The primary objective of the Federal Demonstration Partnership is to allow researchers to focus on research as opposed to administrative duties. The Office of Sponsored Projects can internally approve many changes that previously required the prior approval of the Sponsor, such as no-cost time extensions, pre-award costs of up to 90 days, rebudgeting to travel or equipment, rebudgeting Facilities and Administration Costs to direct costs, and automatic carryover of unobligated balances. In addition, many of the requirements for the non-competitive or continuation funding process were reduced significantly.

It should be noted that not all Federal sponsored research awards are covered by the terms of the FDP. For example, training sponsored research awards funded by Health and Human Services (HHS) are not covered by the FDP. Neither the National Endowment for the Humanities (NEH) nor the National Endowment for the Arts (NEA) participates in the FDP. Most federal agencies will state "Federal Demonstration Partnership" on the award notice, if the specific sponsored research award is included in the FDP. Also, each agency has exceptions to the general FDP terms and conditions and may have additional requirements. The following pages provide a summary of the general terms and conditions of the FDP and an agency-by-agency description of specific requirements. These summaries are intended as an easy reference. Please contact the Office of Sponsored Projects for additional information.

FEDERAL DEMONSTRATION PARTNERSHIP

General Terms and Conditions

Allowable Costs and Prior Approvals: Costs charged to a sponsored research award under the FDP must meet the same standards as all other Federal sponsored research awards for allowability, allocability and reasonableness. The allowability of costs shall be determined in accordance with the requirements of the award and the applicable Federal Cost Principles. Cost transfer forms with documentation are still required to transfer charges between accounts. Please contact the Office of Sponsored Projects for questions on the allowability of a specific cost.

Project Relatedness: When the same person serves as Principal Investigator on two or more Federal awards or when two or more awards with different Principal Investigators involve interrelated theoretical approaches or study the same phenomena, the Principal Investigators may request that "relatedness" be established. If two or more awards are determined to be "related" then they may be treated as a program for purposes of allocating costs. A cost that is allocable to the program may be charged to any one of the awards that make up the program, in any proportion. To establish "relatedness," a written request must be sent to the Federal agency. Please contact the Office of Sponsored Projects for additional information on the procedure for establishing "relatedness."

Changes in Objectives or Scope: The written approval of the awarding agency is required for any changes in the phenomenon under study or changes in the objectives of the project. Actions that may be considered a change of scope include substitution of one animal model for another, any change from the approved use of animals or human subjects, applying new technology, transferring the performance of substantive programmatic work to a third party and change of key personnel whose expertise is critical to the approved project. The principal investigator should submit a letter to the agency official detailing the proposed change. The letter should be countersigned by the Office of Sponsored Projects.

Absence or Change of Principal Investigator: The prior approval of the awarding agency is required for any absence of the Principal Investigator for a period of 3 months or more. A substitute Principal Investigator may be named or the award will be relinquished.

Preaward Costs: The Office of Sponsored Projects has the authority to approve preaward costs of up to 90 days prior to the effective date of an award. Please submit the Pre-Award Request Form to the Office of Sponsored Projects. Prior written approval is required for any preaward expenditure prior to 90 days of the effective date.

Extensions without Additional Funds: Upon request from the Principal Investigator and at least 60 days prior to the end date, the Office of Sponsored Projects can extend the expiration date of the sponsored research award for a period of up to 12 months. A sponsored research award may be no-cost extended only one time by the Office of Sponsored Projects. Additional extensions would need prior approval from the sponsor. Departments will need to send a No-Cost Extension Request Form to their OSP Grant Manager. The awarding agency will be notified by the Office of Sponsored Projects.

FEDERAL DEMONSTRATION PARTNERSHIP Continued

Equipment: The principal investigator may approve the acquisition of equipment not listed in approved sponsored research award budget, provided the cost of each item is less than \$25,000. Any items over \$25,000 necessitate the prior approval of the awarding agency. For items that don't require prior agency approval, please send a brief memo specifying the amounts to be rebudgeted to the OSP, Sponsored Research Manager. In addition, any "excess" Facilities and Administration Cost generated by the rebudgeting may be rebudgeted to direct cost categories. For items over \$25,000, please contact OSP, Sponsored Research Manager for assistance in requesting agency approval. **No equipment can be purchased during the last six months on a sponsored research award.**

Foreign Travel: The principal investigator may approve foreign travel not requested in the approved budget. All travel must occur on U.S. Flag Air Carriers unless such service is unavailable.

Unobligated Balances/Carryover Funds (if awarded under FDP): The Office of Sponsored Projects will automatically carryover any unobligated balance remaining at the end of the current budget period. The Office of Sponsored Projects shall notify the awarding agency by means of the required Financial Status Report. The ability to carryover any unexpended balance at the end of a competitive segment depends on the agency guidelines.

FEDERAL DEMONSTRATION PARTNERSHIP

Quick Reference:

- OSP can approve a one time no cost extension up to 12 months (Principal Investigator needs to request extension at least 60 days prior to current end date) additional extensions will require prior approval by the sponsor
- OSP sends no-cost extension notifications to funding agency
- 90 Day pre-award costs allowed
- Rebudgeting within agency guidelines without prior approval
- Automatic carryover – refer to agency for thresholds or Notice of Award for restrictions

FEDERAL SPONSORED RESEARCH AWARDS NOT COVERED BY THE FDP

1. Public Health Service (OASH, SAMSHA, AHCPR, ATSDR, CDC, FDA, HRSA, NIH)

Typically, non-research Public Health Services Awards such as Program Projects (P01), Cooperative Agreements (U01) or Training Awards are not covered by the Federal Demonstration Partnership. There are exceptions. Please contact the Office of Sponsored Projects for confirmation on whether a particular sponsored research award is under the Federal Demonstration Partnership.

The following actions require the prior approval of the agency for Public Health Services Awards not covered by the Federal Demonstration Partnership.

- Change of Scope
- Change of Principal Investigator
- Change of Grantee Institution/Successor in Interest/Recipient Institution Name
- Transferring Substantive Programmatic Work (Sub-Awards)
- Carryover of Unobligated Funds from One Budget Period to Another within an Approved Project Period
- Extensions of the Budget/Project Period with or Without Additional Funds
- Equipment exceeding \$25,000 per unit
- Alternative Use of Salary Support Due to Receipt of a Research Career Development Award
- Alterations and Renovations Projects over \$25,000
- Audiovisual Materials Exceeding \$25,000
- Transferring Amounts from Trainee Costs*
- Capital Expenditures for land or buildings
- Patient Care Costs
- Publication and Printing Costs Exceeding \$25,000 for a Single Publication
- Preaward Costs
- Consumer/Provider Board Participation
- Need for Additional Funds
- Closely Related Work/Project Relatedness
- Indemnification against Third Parties
- Transfer of Funds between Construction and Non-Construction
- Program Income/Sponsored Research Award-Related Income

*Public Health Services Training Awards/National Research Service Awards: Rebudgeting of Funds: Expenditure and rebudgeting of funds awarded in lump sum for training related expenses (staff salaries, consultant costs, equipment, research supplies, staff travel, and other expenses) do not require awarding unit prior approval. Funds awarded for trainee costs (stipends and tuition and fees including medical insurance) may not be used for other purposes except under unusual circumstances and then only with the prior written approval of the awarding unit. Rebudgeting into or within the category of trainee costs is allowable without awarding unit approval. Trainee travel is not considered a trainee cost for the purpose of rebudgeting.

FEDERAL SPONSORED RESEARCH AWARDS NOT COVERED BY THE FDP Continued

2. National Endowment for the Humanities (NEH) and National Endowment for the Arts (NEA)

Neither the National Endowment for the Humanities (NEH) nor the National Endowment for the Arts (NEA) participates in the Federal Demonstration Partnership. Most deviations from a sponsored research proposal and budget require that we go to the agency with your request. For sponsored research awards over \$100,000, NEH must approve the proposed budget revision if the cumulative amount of rebudget transfers exceeds \$10,000 or 5%, whichever is greater, of the total project budget as last approved by NEH. For sponsored research awards under \$100,000, we have rebudgeting flexibility so long as budget revisions do not add significant costs to equipment, foreign travel, or professional services.

3. U.S. Department of Education (EDGAR- Education Department General Administrative Regulations)

Requests for prior approval when required should be addressed to the ED Grants Officer. Prior approval is required for changes in the scope of the research, changes in key personnel, absence of the principal investigator for periods of time greater than 3 months, and transferring substantive programmatic work to a third party (sub-award). Budget changes requiring prior approval include rebudgeting from indirect to direct, rebudgeting amounts budgeted for student support (tuition waivers, stipends), equipment purchases when not included in the approved budget, and foreign travel when not included in the approved budget.

CHANGES REQUIRING PRIOR APPROVAL

Principal Investigator's often want to make changes to the budget or do something, which deviates from the proposal that was approved by the Sponsor. In some cases, it is necessary to request the prior approval of the Sponsor. In other instances, "internal", prior approval by the Office of Sponsored Projects is sufficient. The level at which approval may be granted depends upon the type of sponsored research award and the Sponsor's specific policies for that type of award. For simplicity, this manual will delineate the types of sponsored research awards as either Federal sponsored research awards (e.g. National Institutes of Health, Department of Defense) or Non-Federal sponsored research awards (e.g. State of New Hampshire, private foundations such as American Heart Association, Muscular Dystrophy Association, etc.). This manual is intended as a general reference. Please contact the Office of Sponsored Projects, if you have any specific questions or need assistance in contacting the sponsor.

Rebudgeting

Re-budgeting is the process by which the Principal Investigator produces a new revised plan for spending the awarded funds. New budgets may be necessitated by such events as a change in project scope, need for supplemental funding, or the inability to raise matching funds. Most sponsors place restrictions on budget revisions, including moving funds from one category to another. Significant changes to the budget almost always require prior approval by the sponsor.

CHANGES REQUIRING PRIOR APPROVAL Continued

Quick Reference:

- Indirect cost rate is checked and funds can be re-budgeted if the rate awarded is higher than what Dartmouth can recover
- Internal re-budgeting is allowed within the scope of the award and the OMB Circular costing analysis on FDP/EA awards
- Non-FDP/EA awards require sponsor approval for any re-budgeting
- Non-Federal awards require adherence to the guidelines of that particular sponsor
- Requests dealing with budget changes needing sponsor approval are to be submitted to OSP, Sponsored Research Manager

Project relatedness

When the same person serves as principal investigator on two or more Federal awards, or when two or more awards with different principal investigator's involve interrelated theoretical approaches or study the same phenomena, the principal investigator's may request that "relatedness" be established. If two or more awards are determined to be "related" then they may be treated as a program for purposes of allocating costs. A cost that is allocable to the program may be charged to any one of the awards that make up the program, in any proportion. To establish "relatedness," a written request must be sent to the federal sponsors funding the projects involved.

Change of Scope/Salary Allocation

In general, most Sponsors require that they be informed of any changes that may affect the scope of the actual research to be performed such as an absence/change of the Principal Investigator, change of grantee institution, a change in the approved use of animals or human subjects, or a change in the objective or emphasis of the study. Usually, a significant change (decrease) in the percentage effort devoted by the key project personnel to the project is considered as affecting the scope of the research. Since the Labor Verification Reports provide the documentation of salary allocation devoted to sponsored research awards, it is important that they reflect the effort planned in the approved budget.

Absence or change of key personnel

The prior approval of the awarding agency is required for any absence of the Principal Investigator for a period of 3 months or more. A substitute Principal Investigator may be named or the award will be relinquished. Changes of key personnel whose expertise is critical to the approved project must also have prior approval. Department Administrator/Principal Investigator must notify OSP of absence of Principal Investigator "prior" to absence.

Indirect Cost Rate Adjustments

The Principal Investigator is required to notify OSP if the work on the project is performed off campus for a continuous period of 3 months or more in order to receive a reduction in the approved indirect cost rate.

CHANGES REQUIRING PRIOR APPROVAL Continued

Extra compensation

Salary charges to sponsored research awards are allowable at the approved College base salary rate. Extra compensation over and above the approved base salary rate is not generally approved except under unusual circumstances, such as consultation across departmental lines or is performed at a remote location and the work performed is in addition to regular departmental responsibilities. Such consulting arrangements must be specifically provided for in the award agreement and are approved in writing by the sponsor and appropriate dean.

Equipment

The principal investigator may usually approve the acquisition of items of equipment not listed in the approved sponsored research award budget, provided the cost of each item is less than \$5,000. Any items over \$5,000 necessitate the prior approval of the awarding agency or OSP. Unplanned purchase of equipment under \$5,000 not requiring prior sponsor approval, are handled by OSP, Sponsored Research Manager. The Principal Investigator must submit a brief memo stating the cost of the new equipment. **No equipment can be purchased during the last six months on a sponsored research award.**

Foreign travel

A sponsor's terms and conditions must be followed with regard to foreign travel. Many sponsors require prior approval for foreign travel, even when the foreign travel has been included in the initially approved budget. Requests should be submitted with detailed justification to the OSP, Sponsored Research Manager and will be forwarded to the sponsor. Requests for foreign travel should be made **PRIOR** to taking the trip and at least 30 days in advance. Note: some sponsors require up to 90 days prior notice.

Unobligated Balances/Carryover Funds

When a sponsor requires prior approval to carryover funds from one budget period to another, the Principal Investigator needs to submit to OSP, Sponsored Research Manager, a letter requesting to carryover funds into the next budget period.

Stipends and tuition remission

Any change in the proposed stipend and/or in tuition remission requires written prior approval by the sponsor. Requests for changes must be submitted to the OSP with justification and approval of the appropriate dean.

Sub-Awards

Sub-awards that were not included in the proposal require the sponsor's approval prior to executing a formal agreement and commencing work. The choice of a particular sub-award must be documented with regard to the sub recipient's qualifications to perform the work and the award's need for such services.

PROCEDURE FOR INITIATING CHANGES REQUIRING PRIOR APPROVAL

When prior approval is required by the Sponsor, such requests should be in writing, addressed to sponsor and *in advance* of the change. Requests for retroactive approval should be avoided. In addition, all requests should be signed by the Principal Investigator and countersigned by an authorized official from the Office of Sponsored Projects.

CONTINUING THE PROJECT

Introduction: A Principal Investigator has the choice of three options for extending a sponsored research award beyond the original date stipulated in the Notice of Award. The three options are:

- Apply for a no cost extension
- Apply for a noncompeting continuation
- Apply for a competing continuation

In many cases the sponsor or sponsor's terms of the award will determine which option is most appropriate. Each option also has financial implications for the researcher's award and Dartmouth College. These three options are described in the section following.

Non-Competing Continuation: If a sponsored research award has been approved for funding for more than one year, the Principal Investigator must complete a noncompeting continuation application annually. This application usually includes a report on the work completed to-date, a financial report, plans for the next award cycle's work, and a budget plan. Non-competing continuations imply that the sponsor recognizes the research as on-going and assumes that, as long as the research is going well and funding is available, the project will be funded for multiple years. Noncompeting continuations do not compete with new projects for a sponsor's funds. With a sponsor's approval, funds may also be carried over from project year to project year. Noncompeting continuations imply additional funding will be added to the total sponsored research award.

Competing Continuation: A competing continuation requests additional funds from a sponsor to continue the work of a previously funded project. Competing continuations compete with new applications for a sponsor's funds. If funds are not awarded to continue the project, and no additional funding from other sources is available, the project must be completed by the date indicated in the original Notice of Award.

No Cost Extension (NCE): No-Cost Extensions are requests to extend the termination date of a sponsored research award without additional funds. A Principal Investigator must have prior approval before the award is allowed to continue past the termination date stated in the Notice of Award. In instances where additional time is required to complete the award, the department will need to send to their OSP Grant Manager a No-Cost Extension Request Form if the award is under the FDP/Expanded Authorities, if not under FDP/Expanded Authorities, a No-Cost Extension Request Letter along with a budget breakdown of how remaining funds will be spent during the No-Cost Extension Period will need to be sent to their OSP Grant Manager. The request letter will always need to be signed by the Principal Investigator and a representative from OSP. The No-Cost Extension Request should be submitted at least 60 days before the scheduled termination date. As a general rule, No-Cost Extensions cannot be approved retroactive to the termination date stated in the Notice of Award.

CONTINUING THE PROJECT Continued

Quick Reference:

No-Cost Extension under FDP

- One time No-Cost Extension (up to 12 months)
- Request need to be made to OSP 60 days in advance
- Request generated by Principal Investigator
- Any further No-Cost Extension requests beyond the first request must do the following:
 - Principal Investigator writes a detailed letter that:
 - Requests the No-Cost Extension
 - How long No-Cost Extension is needed
 - How remaining money will be spent
 - Why funds unspent and work not completed on time
 - Needs to be signed by Principal Investigator
 - Needs to be signed by OSP official
 - Provide latest IRB Approval or IACUC Approval (If Applicable)
 - 60 days in advance of current end date

No-Cost Extension under Non-FDP

- Agency specific guidelines
- Principal Investigator writes a detailed letter that:
 - Requests the No-Cost Extension
 - How long No-Cost Extension is needed
 - How remaining money will be spent
 - Why funds unspent and work not completed on time
 - Needs to be signed by Principal Investigator
 - Needs to be signed by OSP official
 - Provide latest IRB Approval or IACUC Approval (If Applicable)
 - 60 days in advance of current end date

FINANCIAL MANAGEMENT PROBLEMS

Overspent Projects: Overspending on a sponsored research award can reflect poorly on the Principal Investigator, OSP, and Dartmouth College. It can indicate the award was not planned carefully enough to support a request of sufficient funding to complete the award. It can also be seen as indication of haphazard internal financial management of a sponsor's funds. Because the implications of overspending are so serious, a major responsibility shared by the Principal Investigator and the Sponsored Research Manager is to carefully monitor the budget. PTAE0 Accounts that are in danger of becoming overspent may be put into a "Pending Close" status by the OSP, Grant Manager. This means that charges cannot be placed on "Pending Close" PTAE0 Accounts without approval from OSP.

If a sponsored research award ends with a deficit, the Principal Investigator's department or administrative area is responsible for covering the remaining expenditures. For those PTAE0 Accounts that end with a deficit, prompt cost-transfer requests must be submitted by the department or the administrative area. The cost-transfer will initiate the process of moving remaining outstanding expenditures from the frozen sponsored research PTAE0 Account to the appropriate departmental account.

Underspent Projects: While the financial implications of underspending on a sponsored research award are not nearly as serious, severe underspending, 20% or more of an award's total direct costs, can also reflect poor project planning, haphazard internal financial management of a sponsor's funds, or that the goals of the award were not met.

There is little virtue in ending a sponsored research award with a large balance of funds. Rarely does the sponsor allow the institution to keep the money. Rather, it must be returned to the sponsor where it can create a fair amount of accounting inconvenience. Institutions that return large unused portions of sponsored research funds are not rewarded for their frugality.

This does not mean that there will never be instances when there are legitimate reasons for major underspending of a sponsored research award. Nor does it mean that unbridled spending of remaining sponsored research funds should take place in the waning months of a project. Rather, careful planning, monitoring, ongoing communication with the sponsor, and revising of the workplan as needed should be the norm throughout the life of the award.

Unexpended Funds

Introduction: This section outlines the alternatives and process for managing unexpended balances on a grant or contract. The disposition of any balances remaining in a sponsored research account is generally stipulated in the grant or contract document. The first step in determining appropriate use of unexpended funds is to carefully review specific terms and conditions of the grant or contract. In addition, the originally proposed budget and scope of work must be reviewed to assure the obligations of the grant or contract have been met for fixed price agreements; budgets must be accurate and reasonable. In instances where the sponsor terms regarding unexpended funds are unclear, please contact your OSP Grant Manager for assistance. Your OSP Grant Manager will advise you on the appropriate course of action for managing unspent funds. Some possible scenarios are described below. In all cases, Dartmouth College reserves the right to evaluate the circumstances of a particular situation and make a determination about the appropriate disposition of funds.

Possible Actions for Management of Unspent Funds:

Retain Funds by Requesting a No-Cost Extension

Federal and non-federal sponsors typically provide a mechanism to request a no-cost extension to continue work on a grant or contract past the original awarded end date. Requests for no-cost extensions should be initiated by the PI and then approved by OSP. Some requests may require an additional approval by the sponsor.

Return Funds to Sponsor

Terms of the grant or contract may stipulate that any unspent funds must be returned to the sponsor. OSP will prepare a final reconciliation, in consultation with the PI and his/her department. OSP will be responsible for sending the refund check to the sponsor.

Review Balance of Funds and Alternatives for Use

Contracts performed on a fixed price basis where payments are based upon specific milestones or deliverables, may allow for retention of funds without sponsor approval. In reviewing the balance of funds and alternatives for use, the project and the account status should be reviewed to ensure that deliverables have been met and all costs incurred as a result of performance of a project have been charged to the applicable source of funds.

The table below only applies to those accounts in which the sponsor allows our institution to keep residual balances once the project has been completed.

	Total Unexpended Funds (% of total payments received)	Information to Send to OSP Grant Manager	Disposition
1.	Between 0 and 10%	<ul style="list-style-type: none"> • PTAEO Account Number, Title of the Project • Amount of funds available • A detailed explanation for why a balance exists • Certification that all costs (e.g. salaries, patient related charges, etc.) associated with this project have been charged to the account 	Transfer to a non-sponsored Dartmouth College research account. Research to be performed utilizing unspent funds must be of a nature similar to the originally funded project*
2.	Greater than 10% and less than 20%	<ul style="list-style-type: none"> • PTAEO Account Number, Title of the Project • Amount of funds available • A detailed explanation for why a balance exists • Certification that all costs (e.g. salaries, patient related charges, etc.) associated with this project have been charged to the account 	Director of OSP will review the justification and make a determination as to the appropriate disposition of the funds.**
3.	20% or greater	<ul style="list-style-type: none"> • PTAEO Account Number, Title of the Project • Amount of funds available • A detailed explanation for why a balance exists • Certification that all costs (e.g. salaries, patient related charges, etc.) associated with this project have been charged to the account 	Review and approval by the Director of OSP and the Vice Provost for Research who will consult with the appropriate Academic Dean and/or Department Chair on the disposition of the funds.**

****Note: Non-sponsored research accounts (commonly referred to as reserve accounts) are considered College funds and will be managed in accordance with the accounting policies and procedures of the relevant School and Dartmouth College.***

*****In cases (2) and (3), the disposition of funds may include one or more of the following: Return of funds to the sponsor; notification and consultation with sponsor concerning nature and amount of funds, transfer of funds to a school or department account under the direction of the Chair or Dean; transfer to a non-sponsored research account; and other suitable means as determined by the review.***

CLOSING OUT A SPONSORED RESEARCH AWARD

As the official repository for all documentation related to sponsored activity at the College, the OSP maintains a file for each sponsored research award undertaken. The file includes a copy of the proposal, a signed copy of the award, all relevant financial information, including copies of payroll authorizations, invoices over \$5,000 and documents requiring approval by the OSP, any correspondence between the College and the sponsoring agency, and copies of all project-related technical and financial reports. As the end date of a sponsored research award approaches, each project is reviewed by an OSP Grant Manager to ensure that all agency-specific and College requirements have been met and that all necessary records are in the award file.

Most funding agencies require Final Financial and Technical Reports. In general, the Financial Reports are prepared and submitted to the sponsoring agency by OSP, Cash Management Staff and the Technical Reports are prepared and submitted to the sponsoring agency by the Principal Investigator. A copy of the Technical Report should be sent to an OSP Grant Manager to serve as a record for the file. Please note that the failure to submit reports in a timely manner may jeopardize future funding.

It is common for invoices, which relate to expenses incurred during an approved project period, be processed after the end date of the award. In order to prepare Financial Reports within the time period specified by the award, an OSP Grant Manager may contact the Principal Investigator or project administrator and request information relating to all funds encumbered at the time of the awarded end date. Depending on the policies of the awarding agency, Final Financial reports submitted based on this information may not be subject to revision. It is important, therefore, to accurately identify all charges for a particular project at the time the Final Financial report is submitted.

For those PTAE0 Accounts that become overspent prompt cost-transfer requests must be submitted by the department. With a cost transfer request, the department may move the excess charges to either a department account or an appropriate sponsored research PTAE0 Account. Overspent PTAE0 Accounts that are in need of close monitoring by OSP, may be put into a "Pending Close" status by the OSP Grant Manager. Charges cannot be placed on "Pending Close" status accounts.

In general, close adherence to the terms and conditions outlined in the award by the sponsoring agency is necessary. Also, copies of all information pertinent to a particular award must be kept in the award file at OSP as accounts are frequently selected by outside agencies for audit.

OSP staff is responsible for coordinating audits with external auditors. It is the policy of the College that a member of the OSP staff will be present at each audit being performed by an external sponsor. At times auditors may request interviews with College personnel or wish to tour a particular College department or building. External auditors are to be accompanied by a member of the OSP staff during any such interview or tour of a College facility.

FINAL TECHNICAL REPORTS

Upon termination of the award, the Principal Investigator is responsible for submitting the Final Technical Report to the sponsor within the time frame specified. Failure to submit this report in a timely manner could jeopardize future funding by the sponsor. A copy of an award's Final Report should be submitted to an OSP Grant Manager. The report is added to the award file.

FINAL FINANCIAL REPORTS

Sponsoring agencies usually specify how soon after an award ends when the Final Financial and Technical Reports should be received the sponsor. In order to prepare Financial Reports within the time period specified by the award, the OSP Grant Manager may contact the Department Grant Administrator and request information relating to all funds encumbered at the time of the awarded end date. Depending on the policies of the awarding agency, Final Financial Reports submitted based on this information may not be subject to revision. It is important, therefore, to accurately identify all outstanding charges for a particular award at the time the Final Financial Report is submitted.

Contracts tend to have more reporting requirements than grants. Some of the more common reports required by contracts include:

- Contractor's Release
- Contractor's Assignment of Refunds, Rebates, Credits and Other Amounts
- Patent Release
- Government Property Forms
- Financial Status Reports
- Invention Statements

These reports are usually completed by OSP staff and may require input by the Principal Investigator.

Many private agencies and foundations have unique and rather extensive reporting requirements.

FLOW CHART FOR ACCOUNT CLOSE-OUT

Recent A-133 audits have strongly recommended reminding departments of closeout procedures which are outlined in A-110 on sponsored research awards.

The Office of Sponsored Projects has developed a Closeout Grid that lists department and Office of Sponsored Projects responsibilities in closing out sponsored research awards. The Closeout Grid can be viewed on our webpage by clicking onto the following link:

<http://www.dartmouth.edu/~osp/docs/closeoutgrid.pdf>

Please let us know if you have any questions.

TITLE TO CAPITAL EQUIPMENT ACQUIRED WITH SPONSORED RESEARCH FUNDS

Dartmouth College retains ownership of or title to most capital equipment purchased with sponsored research funds. Equipment should not be sold, transferred, or otherwise disposed of without first notifying the Director of the OSP. Staff in the OSP is responsible for researching and determining agency specific regulations governing the sale, transfer, or disposal of equipment purchased with sponsored research funds.

General guidelines concerning title to capital equipment permits full vesting upon close-out of the award under which the property was acquired. There may be special circumstances, such as the transfer of a Principal Investigator to another institution, when arrangements can be made to transfer property to another institution. In these situations written approval from the awarding agency and Dartmouth College is required. Additionally, Dartmouth College may require reimbursement for the equipment. These transfers of equipment require approval by the Department Chair, the appropriate Dean, and the Director of OSP. Arrangements should be coordinated by the Director of the OSP.

Government-furnished equipment remains the property of the awarding agency. The agency retains the right to recall such property for use in other research areas. For this reason, the College is required to account, on an annual basis, for all such equipment in its possession. Because receipt of this equipment does not follow Dartmouth's established purchasing procedures, the OSP is not systematically informed of the equipment's existence on campus. It is, therefore, imperative that Principal Investigator's report the existence of all government-furnished equipment to the OSP. Principal Investigator's should report this information both when the equipment is received and if or when it is relocated. All items of government-furnished equipment must bear a label identifying the equipment as belonging to the US government. These labels are available in the OSP. Disposition of such equipment remains the prerogative of the awarding agency.

RECORD RETENTION

OMB Circular A-10 outlines the Federal Government's record retention policies for sponsored research awards. "Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Federal awarding agency." (OMB Circular A-10, Sub-part C, section 53)

The OSP is responsible for retaining all information related to a sponsored research award. At the end of an award, Principal Investigator's, departments, and administrative areas are asked to send all sponsored research related information to the OSP. The information will then be merged with the award file and retained as the permanent record of the award's history. If a Principal Investigator or administrative assistant has questions regarding what information should be retained and sent to the OSP, they should contact their OSP Grant Manager.

Record Management Website:

<http://www.dartmouth.edu/~recmgmt/1Introduction/1Introduction.html>

AUDITS

As outlined in OMB Circular A-133 educational institutions are responsible initiating annual audits of federally sponsored research awards that address the adequacy of internal policies and procedures and verify compliance with federal laws and regulations, determine compliance with the general requirements, and determine compliance with specific requirements.

The OSP staff is responsible for coordinating audits with external auditors. It is the policy of the College that a member of the OSP staff will be present at each audit being performed by an external sponsor. At times auditors may request interviews with College personnel or wish to tour a particular College facility. External auditors will be accompanied by a member of the OSP staff during any such interview or tour of a College facility.

GLOSSARY

Abstract: A brief description of a project consisting of a concise summary of project goals, methodology, may also include staffing, and total cost of the project.

Academic Fraud: A deliberate effort to deceive, including plagiarism, fabrication of data, misrepresentation of historical sources, tampering with evidence, selective suppression of unwanted or unacceptable results, and theft of ideas.

Allowable Costs: OMB Circular A-21 defines allowable costs as those that are:

- Reasonable
- Allowable and allocable to the project
- Given consistent treatment by use of generally accepted accounting principles.
- Conform to any limitations or exclusions set forth by the sponsored agreement or OMB Circular A-21.

Amendment: Any change to a contractual agreement needing official signature.

Applicant: Usually refers to the institution submitting the proposal. In most cases it does not refer to the individual researcher who wrote the proposal or who will serve as Principal Investigator.

Application: A request for financial support of a project or activity usually submitted in a specified format and in accordance with a sponsor's guidelines and instructions.

Approved Budget: The financial expenditure plan, including revisions, that has been approved by the sponsor and supports the award's activities for a stated period of time.

Audit: A formal examination of an organization's accounts. An audit may also include examination of compliance with applicable terms, laws, and regulations.

Authorized Signature: The signature of a College official who is designated to give assurances, make commitments, and execute such documents on behalf of Dartmouth College as may be required by federal and state agencies and other organizations which provide financial assistance to the College; the signature of an authorized official certifies that commitments made on sponsored research proposals or sub-award agreements can be honored; and ensures that all sponsored research agreements conform to federal regulations, agency guidelines, and College policies.

Award: Funds provided from an external sponsor for support of a project at Dartmouth College or the Dartmouth-Hitchcock Medical Center. This term is used for both original award and supplements; it can mean moneys or equipment.

Budget: An estimate of expenditures to be incurred in the performance of an award or statement of work.

Budget Category: A portion of the budget designated for certain kinds of expenditures, e.g. salaries, materials and supplies, travel, equipment.

Budget Justification: The section of a proposal that explains why the funds listed in the budget pages are being requested.

Budget Period: The interval of time, usually 12 months, into which the project period is divided for budgetary and funding purposes.

Conflict of Interest: A certification assuring the Federal agency that the institution has established administrative policies for promoting objectivity in research.

Challenge Grant: A sponsored research award that provides money in response to money from other sources, usually according to a formula. A challenge grant may, for example, offer two dollars for every one that is obtained from a fund drive. The grant usually has a fixed upper limit, and may have a challenge minimum below which no grant will be made. This form of grant is fairly common in the arts, humanities, and some other fields, but is less common in the sciences. A challenge grant differs from a matching grant in at least one important respect: the amount of money that the recipient organization realizes from a challenge grant may vary widely, depending upon how successful that organization is in meeting the challenge. Matching grants usually award a clearly defined amount and require that a specified sum be obtained before any award is made.

Classified Research: Research sponsored by a federal government entity, or often the defense industry, that involves restrictions imposed by agreement or otherwise on the distribution or publication of the research findings, results following completion for a specified period or for indefinite duration, or access to facilities and information necessary to complete the work of the project.

Clinical Trial: a contract to test drugs, devices, or other controlled substances for FDA approval or for-profit corporations. This contract usually involves the use of human or animal subjects.

Competing Continuation (Renewal): A request for continued financial support from a sponsor to continue the work of a previously funded project. Competing continuations compete with new applications for a sponsor's funds. SEE ALSO: Noncompeting Continuation

Consortium: A consortium is two or more institutions working in collaboration on the same research award, either funded directly by the supporting agency or one prime institution sub-awarding out the funds to other members of the consortium.

Consultant: An independent contractor who specifically provides professional advice. They usually have a separate skill or expertise not available within the College, and the need for their services commonly does not extend beyond a limited period of time in which to complete a specifically defined project.

Contract: For purposes of this manual, a contract is an agreement to acquire services that primarily benefit the sponsor. For an award to be considered a contract, it normally must contain all of the following elements:

- Detailed financial and legal requirements must be included with a specific statement of work to be performed.
- A specific set of deliverables and/or reports to the sponsor is required.
- Separate accounting procedures are required.
- Legally binding contract clauses must be included.
- Benefits of the project accrue first to the sponsor, then to the university, then to the nation.

Contributed Effort: Effort expended on a sponsored research award that the sponsor does not compensate for; a form of cost-sharing.

Cooperative Agreement: A funding mechanism which can be used by federal agencies when a program requires more agency involvement and restrictions than a grant but requires less agency supervision than a contract.

CO-Principal Investigator (CO-PI): One investigator sharing equal responsibility for the direction of a sponsored research award. Some sponsors prefer the term 'Collaborating Investigator' or 'Investigator'. Federal sponsors officially recognize only one individual (per institution) as a principal investigator or project director.

Copyright: A narrow form of intellectual property protection. It protects only the fixed expression of an idea, not the idea itself. The Dartmouth College Copyright Policy governs copyright ownership of the works created by Dartmouth faculty and other employees.

Cost Share: College and non sponsor resources provided in support of sponsored research awards; includes contributed effort and matching funds.

Cost Transfer: Transactions that move non-payroll funds from one account to another. Transfers must be made within 90 days of the original charge and should contain a full justification of the transfer.

Deliverable: A generalized term for a product that is created in fulfilling the terms of a sponsored research award.

Direct Costs: Clearly identifiable costs related to a specific award. General categories of direct costs include but are not limited to salaries and wages, fringe benefits, supplies, contractual services, travel and communication, equipment, and occasionally computer use.

Discretionary Funds: Money that has not been earmarked for specific items and can be allotted at the discretion of an administrator.

Donated Property: Property provided by an outside party for specific activities related to sponsored research awards and/or research activities of the university; title to the property passes to the College at essentially no cost.

Donation: Transfer of equipment, money, goods, services, and property with or without specifications as to its use. Sometimes donation is used to designate contributions that are made with more specific intent than is usually the case with a gift, but the two terms are often used interchangeably.

Effort: The amount of time, usually expressed as a percentage of the total that a faculty member or other employee spends on a project. Effort is certified and documented through the Activity Distribution Report (ADR) system.

Employee Related Expenses: Total project costs related to the employment of project staff. This includes salaries and wages, benefits, and other costs associated with the employment of staff.

Encumbrances: A specific amount of funds that has been set aside in an account for the receipt of an order or the payment of an invoice. Encumbrances reduce the available balance of an account.

Endowment: A fund usually in the form of an income-generating investment, established to provide long-term support for faculty/research positions.

Equipment: Generally, an article of non expendable tangible personal property having a useful life of more than two years and an acquisition cost of \$5,000 or more per unit. Equipment is not a replacement part or component returning a piece of equipment to its original condition. If a component increases the capability of the original equipment and has an acquisition cost of \$5,000 or more, it is considered a capital equipment item.

Expanded Authority: Ability of the Office of Sponsored Projects to approve certain changes to a federally sponsored research award without going through the prior approval process. Expanded authorities are approved only for specific changes to awards funded by designated Federal agencies. SEE ALSO: Prior Approval

Expiration Date: The date signifying the end of the performance period, as indicated on the Notice of Award. May also be the date after such an agency's forms should not be used.

Extension: An additional period of time that may be given by the sponsor to an organization for the completion of work on an approved sponsored research award. A no cost extension allows previously allocated funds to be spent after the original expiration date and usually triggers a new Notice of Award from the sponsor.

Extra Mural Support: Funding for research, training or public service programs provided by federal or private sources outside the College.

Facilities and Administration Costs (Indirects): F&A costs are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. F&A costs are broad categories of costs. "Facilities" is defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses. "Administration" is defined as general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, and all other types of expenditures not listed specifically under one of the subcategories of Facilities (including cross allocations from other pools).

Facilities and Administration Cost Rates: The rates used to recover the Facilities and Administration Costs of a sponsored research award. Negotiated, approved rates are to be used for all agreements with the federal government and for most non-federal projects, as allowable. Information on current Facilities and Administration Cost rates is available from the Office of Sponsored Projects.

Federal Demonstration Partnership: Many changes that occur in the conduct of sponsored research awards require prior approval. That is, before the change can take place the Principal Investigator must obtain approval for the change from the sponsor and/or the OSP. Some Federal and nonfederal sponsoring agencies have delegated approval rights to the College, under what is frequently termed "expanded authority." The level at which approval may be granted depends upon the type of award and the sponsor's specific policies governing the award. If a sponsor has not granted expanded authority to Dartmouth College, making changes to a project requires written approval by the sponsor before the change may take place.

Financial Status Report (FSR): Required reporting of expenditures on sponsored research awards during a specific period of time.

Fiscal Year: Any twelve-month period for which annual records are kept. The fiscal year as defined by Dartmouth College is July 1 through June 30. The Federal fiscal year is October 1 through September 30.

Foreign Travel: Foreign travel includes travel outside of the United States and its territories and possessions (Guam, American Samoa, Puerto Rico, the Virgin Islands, and the Canal Zone) and Canada.

Formal Proposal: Any proposal submitted by a college employee to an outside entity that may directly lead to an award. The majority of formal proposals require an institutional endorsement by an official authorized to commit college resources.

Foundation: A private organization that makes awards to individuals or organizations for a broad range of projects.

Fringe Benefits: Those costs associated with employing staff that are not part of salary. Fringe benefits include such costs as health insurance, retirement benefits, vacation, and federal withholdings.

Full and Open Competition: The solicitation of bids from prospective suppliers which is used to assure that all responsible bidders are permitted to compete for the procurement.

Funding Cycle/Project Period: Range of time during which proposals are accepted, reviewed, and funds are awarded. If a sponsor has standing proposal review committees (or boards) that meet at specified times during the year, application deadlines are set to correspond with those meetings.

Gift: A unilateral transfer of money, property, or other assets to the recipient for the recipient's ownership and use by a donor who makes no claims on the recipient in connection with the gift. Gifts normally have the following characteristics:

- The statement of work allows the project director significant freedom to change emphases within the general area of work as the project progresses.
- No deliverables involved.
- Separate accounting procedures are not required.
- Benefits of the project are to accrue to the nation and the world.
- Sponsor has no audit rights.

Governmental Donated Property: Property donated or transferred to the institution by a municipality, county, state agency, or the federal government.

Government-Furnished Equipment (GFE): Equipment provided to the university by the federal government or government contractor; title may or may not remain with the government.

Grant: A financial assistance mechanism whereby money, or equipment, is provided to carry out an approved set of activities.

Grantee: A grantee is the recipient of a sponsored research award. When the College accepts a sponsored research award, on behalf of an individual, it becomes the grantee.

Human Subject: A Human Subject is a living individual about whom an investigator (whether professional or student) conducting research obtains:

- Data through intervention or interaction with the individual.
- Identifiable private information.

Independent Contractor: Someone who specifically provides professional advice, and are not considered employees of the College. They usually have a separate skill or expertise not available within the College. The need for their services does not commonly extend beyond a limited period of time in which to complete a specifically defined project.

Indirect Costs: (See Facilities and Administration Costs)

Informed Consent: The voluntary agreement obtained from a subject (or the subject's legally authorized representative) to participate in research or related activity, before participating in that activity. The consent must permit the individual (or legally authorized representative) to exercise free power of choice without undue inducement or any element of deceit, fraud, force, duress, or other form of coercion or constraint.

In-Kind Contribution: A noncash commitment (such as facilities use, or supplies) to share the costs of a sponsored research award.

Institutional Animal Care and Use Committee (IACUC): Committee that oversees the use of animals on sponsored research awards.

Institutional Authorized Officials: Individuals authorized by the Dartmouth College Board of Trustees to sign various documents such as a sponsored research award.

Institutional Review Board (IRB): A board or committee organized at the College to provide review at the institutional level for ethical concerns in research, such as laboratory animal care and the use of human subjects in research.

Letter of Intent: A letter of intent advises a funding agency that an application will be submitted in response to their solicitation. The letter may contain general program information, unofficial cost estimates, and a request for specific application guidelines, instructions and forms.

Matching Funds: A cash commitment to share the costs of a sponsored research award. Funds raised under a matching funds agreement are usually matched 'dollar for dollar' by the sponsor.

Material Transfer Agreement: Outlines who will retain final ownership of specific equipment purchased from sponsored research funds. Most frequently it refers to the transfer of ownership from a sponsor to Dartmouth College or from Dartmouth College to a principal investigator or another institution.

Misconduct in Science: Misconduct in science means fabrication, falsification, plagiarism, or other practices that seriously deviate from those that are commonly accepted within the scientific community for proposing, conducting, or reporting research. It does not include honest error or honest differences in interpretation or judgments of data.

Mission: A sponsor's stated purpose, which is designed to address a specified set of problems. Almost all federal research agencies are designated as mission agencies.

Modification: Any change made to an existing sponsored research agreement.

Modified Total Direct Costs (MTDC): Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subaward in excess of \$25,000.

No-Cost Extension (NCE): Provides for an additional period of performance to accomplish project goals. May be handled internally in certain circumstances or sought externally from the sponsor.

Noncompeting Continuation (Renewal): A request for financial support to a sponsor to continue the ongoing work of a previously approved project. Noncompeting continuations are not subject to competing review by the sponsor. Noncompeting continuations are, however, reviewed by the sponsor to assure that progress is being made on the project. SEE ALSO: Competing Continuation

Notice of Grant Award: A legally binding document that serves as a notification to the recipient and others that sponsored funds have been awarded to a grantee to support a specific project or activity.

OMB Circular A-21: Cost Principles for Educational Institutions, published by the federal Office of Management and Budget (OMB), this circular establishes the principles for determining the costs applicable to sponsored research awards with educational institutions (also known as the Office of Sponsored Projects).

Patent: An agreement awarded by the government, granting the inventor the right, for a limited period, to exclude others from making, using, or selling the described invention.

Principal Investigator (PI): Typically, a faculty member or administrator who submitted a proposal that was accepted and funded by an external sponsor also referred to as the project director. The Principal Investigator has primary responsibility for technical compliance, completion of programmatic work, and responsible spending of a sponsor funds.

Prior Approval: The process by which approval for specific changes to a sponsored research awards are granted from the sponsor and/or the Office of Sponsored Projects. SEE ALSO: Expanded Authority

Program Officer: A sponsor's designated individual officially responsible for the technical, scientific, or programmatic aspects of a particular sponsored research award. Serving as counterpart to the Principal Investigator, the program officer deals with the grantee organization staff to assure programmatic progress.

Project Director: See Principal Investigator.

Project Period: The total time for which support of a project has been programmatically approved. The total project period is comprised of the initial competitive segment, any subsequent competitive segment(s) resulting from a competing continuation award(s), and noncompeting extensions.

Proposal: The term used to describe the complete sponsored research award package, including required forms and budget.

Proprietary Research: Research sponsored by non governmental entity or individual that involves restrictions on the distribution or publication of the research findings or results following completion, for a specified period or for indefinite duration.

Rebudgeting: Process by which funds available for spending are reallocated between budget categories to allow best use of funds to accomplish project goals.

Research: A systematic investigation, including research development, testing, and evaluation, designed to develop or contribute to generalized knowledge.

Research and Related Activities: All formal investigative efforts (whether funded or unfunded) by faculty, students, and staff that are designed to develop or contribute to generalize knowledge, including analyses of secondary data.

Site Visit: An agency-initiated review of a proposed or funded award conducted at the applicant's institution.

Special Purpose Equipment: Equipment which can be used only for research, scientific, or other technical activities.

Sponsor: An external funding source which enters into an agreement with the College to support research, instruction, public service or other sponsored activities. Sponsors include private businesses, corporations, foundations and other not-for-profit organizations, other colleges and universities, and federal, state and local governments.

Sponsored Research: Research, training, or instructional projects involving funds, materials, other forms of compensation, or exchanges of in-kind efforts from sources external to an institution and funded through awards or agreements.

SubAward: An agreement issued under a prime award for the procurement of purchased program-related tasks. Issuances of sub-awards under federal prime awards are subject to compliance with federal law and all sub-awards are subject to the terms and conditions of the prime award and the normal purchasing requirements of Dartmouth College.

Supplemental Proposal: The request for additional funding from the project's sponsor to continue activities of an ongoing project.

Terms of Award: All legal requirements imposed on an award by the sponsor, whether by statute, regulation(s), or terms in the award document. The terms of award include both standard and special stated provisions that must be met in carrying out the goals and objects of the grant.

Total Cost: Dollar amount it will take to complete a proposed project. It includes sum of the direct and Facilities and Administration Costs of a project.

Total Direct Costs: The total allowable direct costs incurred by the institution to carry out an approved project or activity.

Unrestricted Funds: Funds having no requirements or restrictions as to use or disposition. Funds awarded under sponsored research awards are considered to be restricted funds.

FEDERAL SPONSOR WEBSITE ADDRESSES

National Institutes of Health (NIH)

<http://www.nih.gov/>

National Science Foundation (NSF)

<http://www.nsf.gov/>

National Aeronautics and Space Administration (NASA)

<http://www.nasa.gov/research.html>

Air Force Office of Scientific Research (AFOSR)

<http://afosr.sciencewise.com/>

Army

<http://www.army.mil/>

Office of Naval Research (ONR)

<http://www.onr.navy.mil/>

Department of Energy (DOE)

<http://www.doe.gov/>

Department of Education

<http://www.ed.gov/offices/OCFO/gcsindex.html>

Environmental Protection Agency: Office of Research and Development (EPA/ORD)

<http://WWW.EPA.GOV/docs/ORD/>

NON-FEDERAL SPONSOR WEBSITE ADDRESSES

Russell Sage Foundation
<http://www.russellsage.org/>

Alzheimer's Association
<http://www.alz.org/>

Arthritis Foundation
<http://www.arthritis.org/>

Cystic Fibrosis Foundation
<http://www.cff.org/>

McDonnell Foundation
<http://www.jsmf.org/>

Robert Wood Johnson Foundation
<http://www.rwjf.org/index.jsp>

MacArthur Foundation
<http://www.macfound.org/index.htm>

March of Dimes
<http://www.modimes.org/>

American Cancer Society
<http://www.cancer.org/>

American Heart Association
<http://www.americanheart.org/>

Dartmouth College's Close Out Grid for Sponsored Projects
<http://www.dartmouth.edu/~osp/docs/closeoutgrid.pdf>

Dartmouth College's Administrative Guide – Subcode List
<http://www.dartmouth.edu/~purchase/procurement/policies/subodelist.html>

Dartmouth College's Records Management
<http://www.dartmouth.edu/~recmgmt/1Introduction/1Introduction.html>

UPDATES TO MANUAL

11/14/2005	DHMC Cost Share Form	Page #75
01/20/2006	NIH Salary Cap	Page #43
02/13/2006	Staff Directory	Pages #3-5
02/13/2006	Pre-Award Form	Pages #16, 99
05/09/2006	Compensation Funding Agreement	Pages #47, 48, 103
05/09/2006	OSP Staff Directory	Page #3
05/09/2006	OSP Organizational Chart	Page #4
10/30/2008	Entire Manual	Pages #1-82
01/23/2009	Unexpended Funds	Pages #68-69