PreAwards

PreAward activities: proposal, contract negotiations, award, modification or amendment, overdraft

Proposals that require a K-State signature or budget must be submitted through PreAward Services (PAS) office prior to submission to the sponsor.

ERGP: Proposal preparation instruction – currently under construction in new ERGP website:
  • Proposal Preparation Tip Sheet
  • Proposal Submission Timeline
  • Budget Preparation Tipsheet
    o Fringe Benefit Rates table
    o Facilities and Administrative (F&A) Costs Rates table
    o F&A Costs Rate Agreement
  • Preparing a Budget Justification
  • Current and Pending (C&P) Support
  • Export Controls Information (K-State Export Control Review Sheet routed at award stage)
  • Sponsor links

PAS: Proposal preparation information and general university information, http://www.k-state.edu/research/preaward/propinfo.htm
  • Authorized Institutional Representative (signature authority)
    o Paul R. Lowe, Asst. Vice President for Research
  • Legal name and official address for all proposals (do not use your department’s name or address)
    o Kansas State University
    PreAward Services
    2 Fairchild Hall
    Manhattan, KS 66506-1103

Electronic submission systems for commonly submitted Engineering proposals
  • NSF FastLane
  • Grants.gov
  • Cayuse system

Determining Facilities and Administrative (F&A) Costs
  • Terminology – different terms, same meaning
    o F&A – Facilities and Administrative cost rate
    o SRO – Sponsored Research Overhead
    o Indirect costs
  • K-State indirect rate agreement effective 07/01/12 to 06/30/16
    o http://www.k-state.edu/research/preaward/indirect.htm
  • College of Engineering F&A cost distribution rates
Transmittal sheet (SP001) University form for collection of project information and approval purposes

- Human subjects, Block 10a (IRB committee chair signature required)
- eSign system
  - Electronic signature process for K-State sponsored programs
  - Email notifications indicating are auto-generated from eProposals.

Cost sharing requirements required by sponsor

Schedule of Charges (SOC) – departmental or internal charges such as equipment use fees

Memorandum of Agreement (MOA)

Overdraft – internal form submitted to open an account prior to final acceptance of an award

**Post Award Administration**

Sponsored Programs Office (SPO).
Note: To help eliminate confusion, this office is still often referred to by its previous acronym, SPO.

SPO’s primary functions
- Assign and activate fiscal accounts
- Submit financial reporting
- Maintain auditable records
- Monitor subawards and consultants
- Maintain effort reporting and cost sharing systems
- Prepare F&A Cost Rate proposal for the federal government (submitted every four years)

Process for assignment of account numbers
- Signatures of authorized representatives of both parties have been obtained (or an overdraft request is completed).
- The award is reviewed and accepted for K-State by PAS representative.
- The award is entered to the PAS database at PAS.
- The pending award file is sent to SPO where it is reviewed for accounting requirements, entered in to the K-State FIS system, and assigned an account number.
- SPO sends an email with the account details to departmental accountants. The email includes the project transmittal sheet, budget, and award in PDF format.

Effort reporting, cost transfers, cost share
- See SPO’s website for further post award information.

Financial Record Retention
- SPO retains financial records for three years after submission of the final report or final cash received. Exception is for sponsors who may specify a longer record retention period.
Office of Management Budget (OMB) Circulars, Educational Institutions

- [http://www.whitehouse.gov/omb/circulars_default](http://www.whitehouse.gov/omb/circulars_default)
- OMB Circular A-21, Cost Principles for Educational Institutions
  - Section J, General provisions for selected items of cost. Helps to determine unallowable costs.
- OMB Circular A-110, Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
- OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations

Consultants, subawards and other professional service resources

- [http://www.k-state.edu/finsvcs/sponsoredprograms/consulsubs/](http://www.k-state.edu/finsvcs/sponsoredprograms/consulsubs/)

**Modifications or Amendments**

Official modifications or amendments are required to be processed through PreAwards. Format is usually determined by terms of the award and include

- change in Principal Investigator/Project Director,
- change in scope of work,
- change in period of performance (time extension or no-cost time extension),
- budget revision,
- carryover of funds,
- other contractual terms and conditions.

**OPAS Form (Organizational Prior Approval System)**

**Subaward (or Consultant) Process**

Transfers a portion of the project or substantive effort of the prime award to another institution or organization written under the authority of, and consistent with the terms and conditions of a prime award by subaward (sometimes referred to as a subcontract) or consultant agreement.

Minimum documentation required for University approval for a subawardee on a K-State budget (or if K-State is entering into a subaward arrangement with another lead organization)

- Letter of commitment signed by authorized organizational representative
- Statement of work (SOW)
- Budget

Other documentation that may be required

- Budget justification
- Other documents as required by sponsor RFP such as C&P and biosketches

**Sole source**

- Service exceeds $5000 or more in the proposal budget
- Must be named in proposal as the only source for the desired supplies or services, or is uniquely qualified to perform the desired services because of location, reputation, and expertise.
- Must be approved through Purchasing in the Division of Financial Services
- Drawback: being too specific defining equipment
Consultants, subawards, and other professional service resources
http://www.k-state.edu/finsvcs/sponsoredprograms/consulsubs/

Contacts

- Preaward activities:
  - ERGP for nontenured faculty and $1M+ proposals:
    - Carole Lovin, Research Administrator, Engineering Research and Graduate Programs, 1048 Rathbone, clovin@ksu.edu, 532-5844
  - For all other PreAwards activities:
    - Namrita Berry, PreAward Services, grant and contract administrator assigned to the College of Engineering, namrita@ksu.edu, 532-6804
- Post award activities: Sponsored Project Office (SPO) representative and departmental accountants
- Post award non-financial activities (no-cost time extension, OPAS, etc.)
  - Cecelia Scaler, PreAward Services, Database/Project Modification Specialist, 532-6804, escaler@k-state.edu
  - For routing internal documents (transmittal sheets, OPAS, overdrafts): Carole Lovin, Research Administrator, Engineering Research and Graduate Programs, clovin@ksu.edu, 532-5844
- Funding opportunities and Pivot (on-line funding opportunity tool) contact,
  - Beverly Page, bbpage@ksu.edu, 532-5045

Resources and Websites

Engineering Research & Graduate Programs (formerly Engineering Experiment Station)
ERGP site is coming soon!

eSign
ERGP site is coming soon!

PreAward Services
http://www.k-state.edu/research/preaward/

PreAward Services, Chapter 7010, Policies and Procedures Manual (PPM) (last updated 2005)
http://www.k-state.edu/policies/ppm/7010.html#

Sponsored Programs Office
http://www.k-state.edu/finsvcs/sponsoredprograms/

Post-Award Procedures and other applicable PPM Chapters
http://www.k-state.edu/finsvcs/sponsoredprograms/ppm/

Office of Management and Budget, OMB circulars
http://www.whitehouse.gov/omb/circulars_default

University Research Compliance Office
http://www.k-state.edu/research/comply/index.htm

Definitions, Terms, and Additional Information

Award: This is an acceptance of support from an agency through a signed document from the sponsor notifying the University that a project is being funded at a specified level, usually for a specified term. Notification of an award comes in various forms, such as by a letter, grant, contract, cooperative agreement, service agreement, or purchase order. Official awards must be accepted by both the sponsor and the University. That is, communications such as phone conversations, letters of intent, or unsigned documents are not official awards and will not be honored. Awards are reviewed in PreAward Services for acceptance and negotiation as needed.
Consultant: A consultant is an individual who provides professional advice or services for a fee, but normally not as an employee of the engaging party. Consultants also include firms that provide professional advice or services. (per NIH Grants Policy Statement). Note intra-university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full-time salary. All costs for the consultant should be included in the K-State budget as a single line item with the following footnote: “In order to facilitate payment, consultant fees, travel and per diem are combined in one payment.”

Cost Sharing, matching and in-kind contributions: This is commitment of university resources in support of a project beyond the funds provided by the sponsor. These funds may be required by the sponsor or may be offered to emphasize the University's commitment to the project. This commitment may be from the University's resources, from a third party, or from a combination of both. Regardless of the source, the University is responsible for maintaining records that satisfy state and federal audit requirements. The identification of all sources of matching funds is required at the proposal stage. Third party contributions, whether monetary or in-kind, must be documented in the proposal by a binding letter of commitment or via an existing agreement which includes details.

eSign: The electronic Proposals (eProposals) signature process developed by the Engineering Experiment Station is called eSign. Once a proposal, award or modification (a proposal component) has been created and has been designated as 'eSign', all personnel related to this component that participate in eSign have the ability to electronically sign the related electronic document.

Facilities & Administrative (F&A) costs: These are real costs incurred by the University and the project that are not so readily identifiable. In essence, facilities and administrative costs are "pooled research support costs", averaged over many users at the University that benefit from those facilities or services. These pooled costs, which are separated into two categories called facilities costs and administrative costs, include such diverse items as: research library expenses, computer facilities, electric power, building use and depreciation, heating and air conditioning of research space, janitorial services, research administration in departmental or college offices, etc. As these are clearly real costs that must be paid by sponsored program activities, it is critical that each project pay its appropriate share. F&A may also be referred to as Sponsored Research Overhead (SRO) or indirect costs.

Memorandum of Agreement (MOA): For non-federal sponsors that do not have a standardized format for making awards or that do not require that their format be used, the University's standard Memorandum of Agreement (MOA) is recommended.

Modification (or amendment): A modification is a change in the initial terms of the award which must be reviewed by the University (PAS) and is subject to the approvals for the initial proposal or award. Initiation of a modification varies by sponsor terms. Typically where not stated, a letter of request is submitted.

OPAS form (Organizational Prior Approval System): This is an internal K-State form used only for certain federal agencies that delegate OPAS authority, when award terms allow OPAS authority to be used, and must be filed in advance of the action.

Organizational Prior Approval System (OPAS): Under this system the University is empowered to authorize to approve preaward costs, no-cost time extensions, carryover of funds, rebudgeting of funds from one category to another, spending for non-budgeted items. Under OPAS, the University cannot authorize change in principal investigator, Change in scope of work, or expenditures not directly related to the agency-approved scope of the project. OPAS guidelines require that any changes approved by the University must be in advance of the action, that all changes must be deemed necessary to carry out most effectively the goals for which the original award
was made, and must be adequately justified in writing. Federal agencies that delegate OPAS authority to Kansas State University include: AFOSR, DHHS, DOE, EPA, NASA, NASA, and USDA.

**Overdraft:** Completion of an Overdraft Request Form establishes an account prior to actual receipt of the official award when a department or college has received either verbal or written notification that an award is forthcoming and believes that the risk is minimal. The amount of funding requested in an overdraft should be limited to anticipated expenses to be incurred prior to receiving the official award notice. ERGP representatives can sign overdrafts of up to $10,000. For more than $10,000 the Associate Dean for Research must sign the overdraft request and documentation of sponsor’s intent to award must accompany the overdraft. If the PI receives verbal affirmation from the sponsor, the Associate Dean for Research will accept an email from the PI naming the sponsor, contact name, contact information, and estimated date of award receipt. If the project is not funded, the unit(s) indicated on the Overdraft Request Form assumes financial responsibility for all expenses incurred.

**PreAward Services (PAS):** This office provides assistance to faculty, staff and administrators in obtaining and administering funding from non-University sources to support K-State's creative and scholarly activities. PAS is responsible for providing value added services for K-State faculty in the form of budget/proposal development, review and University sign-off. In addition, PAS has the responsibility for contract and grant review, negotiation and University acceptance, along with serving as liaison with the sponsoring entities.

**Proposal:** A proposal is an offer made to an external agency for the purpose of requesting financial support for the proposed research, instruction, service, or other University programs including solicited proposals in the form of a Request for Quotation (RFQ), Request for Proposal (RFP), or Request for Application (RFA), unsolicited proposals in various formats, standard applications such as those to federal agencies or to foundations.

**Schedule of Charges (SOC):** A schedule of charges is established by a department/unit with the Controller's Office when a department or unit of the University provides a service for a fee. The Schedule of Charges defines the service and states the fee charged for the service, and must include only the direct costs of providing the product or service. Line items contained in budgets to sponsors that propose the use of university service centers must be consistent with an approved schedule of charges and be verifiable prior to proposal approval.

**Sole source:** When a subrecipient or a consultant is a "sole source" and the service is expected to exceed $5,000, the name of the source and the justification for the sole source are both required. "Sole source" justification may consist of 1) a statement or representation in the proposal that the named supplier/contractor is the only source for the desired supplies or services, or 2) a statement in the proposal that the named supplier/contractor is uniquely qualified to perform the desired services because of location, reputation, and expertise. Note if the sole source is not identified in the proposal, bids must be let at time of University’s receipt of the award. This is a standard purchasing mandate contained in both State and Federal laws and regulations.

**Sponsored Programs Office (commonly referred by its previous acronym, SPA):** The Sponsored Programs Office provides fiscal administration services for grants and contracts funded from external sources for the purpose of research and other creative and scholarly activities at K-State.

**Subaward (or subrecipient):** A subaward transfers a portion of the research or substantive effort of the prime award to another institution or organization, or in seeking professional advice or services from external sources, a determination must be made during the proposal development stage as to the appropriate mechanism for this transfer of effort, or outside consultation. Excluded from subawards is procurement of items such as commercially available supplies, materials, and equipment or general support services. Subaward agreements are prepared through PreAward Services. A subaward will be prepared upon receipt and acceptance of the
prime award by PAS if such was part of the original proposal. PAS will consult with the PI/PD concerning the statement of work, budget details, billing requirements, and other issues not detailed in the original proposal and will provide a draft copy of the agreement to the PI/PD for review before sending originals to the consultant or subrecipient for signature. Subawards may also be referred to as subgrants or subcontracts.

*Transmittal sheet (also commonly called a SP001):* This is a university control form used for recording sponsored project related information. As an official document of the University it must accompany proposals, revised proposals, award notifications, and project modifications. All University commitments of personnel, matching funds, and additional space requirements, along with certifications regarding research compliance issues such as conflict of interest, use of human subjects, use of biohazards, use of animals, etc. are made on this form, and these must have signature approval of all parties responsible for making these commitments and or certifying compliance.

**Commonly-used Acronyms**

C&P – Current and Pending  
EAR – Export Administration Regulations  
EEX – Engineering Extension  
EES – Engineering Experiment Station (former name of Engineering Research and Graduate Programs)  
EPN – Early Proposal Notification (eSign system)  
ERGP – Engineering Research and Graduate Programs (formerly Engineering Experiment Station)  
F&A – Facilities & Administration  
FIS – Financial Information System  
IACUC – Institutional Animal Care and Use Committee (animal subjects)  
IBC – Institutional Biosafety Committee (biohazards such as DNA, infectious agents)  
IDC – Indirect Costs  
IRB – Institutional Review Board (human subjects)  
ITAR – International Traffic in Arms Regulations  
MTDC – Modified Total Direct Cost  
MOA – Memorandum of Agreement  
PAS – PreAward Services  
PI/PD – Principal Investigator/Project Director  
RFA – Request for Application  
RFP – Request for Proposal  
RFQ – Request for Quotation  
OMB – Office of Management and Budget  
OPAS – Organizational Prior Approval System  
SOC – Schedule of Charges  
SOW – Statement of Work  
SPO – Sponsored Programs Office  
SP001 – Sponsored Projects Transmittal Sheet (Sponsored Projects form 001)  
SRO – Sponsored Research Overhead  
TDC – Total Direct Costs