CONTRACTS AND GRANTS
CONTRACTS AND GRANTS FUNDAMENTALS

- Basics
  - Grant
  - Contract
  - Award

- Roles and Activities
  - Sponsored Projects Office
  - Contract & Grant Accounting
  - Department

- Internal Forms
  - Proposal Stage
  - Just in Time (NIH)
  - Award Stage

- Resources
WHAT IS THE DIFFERENCE BETWEEN A GRANT AND A CONTRACT?

Grant
- Idea originates with UNMHSC
- Public benefit
- Scientific freedom

Contract
- Need originates with sponsor
- Benefits the sponsor
- Procurement mechanism
WHAT IS A PROPOSAL?

- An offer to perform certain work for a specific amount of money to be spent according to certain terms and conditions.
WHAT IS AN AWARD?

- A commitment from the sponsor, subject to certain terms and conditions

- No money is sent until UNMHSC sends an invoice to the sponsor (usually)
CONTRACTS

- Signatures from both parties
- Statement of Work
- Budget
- Terms and Conditions:
  - Liability and insurance
  - Intellectual property
  - Termination
  - Invoicing and payment procedures
The terms and conditions of grants are standardized by the sponsor.

- Proposal
  - Research Plan
  - Budget

- Notice of Award (NOA)
  - Terms and conditions
DIFFERENT BILLING TYPES

- **Cost Reimbursement** (ex. NIH grants and many subawards)
  - Direct cost plus F&A cost
  - Detailed invoices of actual expenses

- **Fixed Price** (ex. professional services, industry sponsored research)
  - Simple invoices and payments
  - May be scheduled or tied to deliverables
  - May feature payment in advance of performance

- **Fee for Service** (ex. clinical trials and clinical services)
  - Number of services performed multiplied by a set fee
  - Typically billed monthly or quarterly
THE SPONSORED PROJECTS PROCESS
OVERVIEW OF SPONSORED PROJECT STAGES

- **Proposal Stage (5 Work Days Prior to Mailing)**
  - Proposal preparation, internal review, data entry, signatures. OR
  - (10 Work Days Prior to Submission) if submitting electronically through NIH

- **Just in Time Stage**
  - Response to request from funding agency for additional information needed for their review. Not required by all agencies.

- **Award Stage**
  - Notice of Grant Award received or contract signed, budget allocated to account codes, transmittal to Post-Award, Banner account set-up.
GRANT PROPOSAL ACTIVITIES

- PI selects Funding Opportunity Announcement, writes the research plan, and prepares the application

- PI or Principal Investigator’s Designate (PID)
  - Prepares budget
  - Gets F&A waiver
  - Gets F&A Cross College Split Commitments
  - Assembles the pieces
  - Fills out internal forms (more on this later)
  - Gets signatures

- SPO reviews and signs

- PI or Admin Staff mails application OR

- PI or SPO submits electronic application
**TIMELINE FOR GRANTS**

- PI / Dept provides internal forms, and proposal package
  - PI provides ABS form
  - SPO Processes Award
  - Up to 3 days

- SPO reviews and requests information and/or corrections
  - *10 days for NIH online*

- Signed face page sent to PI and PI mails OR SPO submits online
  - Agency may request JIT information
  - JIT information provided
  - Up to 7 days

- Agency awards grant
  - Variable

- C & G Accounting enters data into Banner and provides PI / Dept with index number
  - Up to 7 days
CONTRACT PROPOSAL ACTIVITIES

- Sponsor requests proposal (RFP)
- Sponsor and/or PI prepare Statement of Work (SOW)
- Sponsor and/or PI develop budget
- PI or PI’s Designate (PID)
  - Fills out internal forms (more on this later)
  - Gets F&A Cross College Split Commitments
  - Gets F&A waiver
  - Gets signatures
- Sponsor usually prepares draft contract
- Sponsor and SPO negotiate terms
- SPO consults with PI re: terms as needed
TIMELINE FOR CONTRACTS

- PI / Dept provides internal forms, and draft contract or contact info
- SPO reviews and requests information and/or corrections
  - Up to 5 days
- SPO and sponsor negotiate contract
  - 2 weeks to 90 days
- PI provides ABS form
- Contract is circulated for signatures
  - Approx. 10 days
- SPO Processes Award
  - Up to 3 days
- C&G Accounting enters data into Banner and provides PI/Dept with index number
  - Up to 7 days
AWARD ACTIVITIES

- Sponsor signs contract or sends Notice of Award
- PI or PID prepares ABS
- SPO transfers file to Post-Award
- C&G Accounting sets up Grant and Fund and obtains index number for PI and staff
SPONSORED PROJECTS TO C&G ACCOUNTING
WHAT ARE ALL THESE NUMBERS FOR?

- SPO tracks each proposal with a SPO number (HSC-10258)

- C&G Accounting tracks
  - each award with a Grant number (3R39J)
  - each budget period with a Fund number (339J1)

- The department allocates costs to an Index number (813482)
The FOPAL stream is 36 characters long!

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The Index number is a nickname.

The Organization and Program come from the PDS. (more on that later)
Each department has its own way of doing things.
SPO ROLE

- Proposal Review
- Contract Negotiation
- UNMHSC Approvals and Signatures
Material Transfer Agreements (MTAs)
Confidential Disclosure Agreements (CDAs)
Collect data
Prepare mgmt reports
No Cost Extensions
Early terminations
Amendments
Subawards
Adhoc Reporting
C&G ACCOUNTING ROLE

- Set-up new Grants and Funds
- Obtain index number
- Monitor restricted accounts
- Billing/ cost recovery
- Prepare financial reports
- Process Cost Share
- Carry Forward
- Pre-approval of Subaward Invoices*
- Close Out

* PI must approve
PI AND DEPARTMENTAL ROLE

- Prepare proposals and progress reports
- Conduct the research project
- Report expenditures and services provided
- Review invoices, monitor budget
- Request modifications as needed
  - Re-budgeting (C&G Accounting)
  - No cost extension (SPO)
  - Change in scope of work (SPO)
  - Change in effort > 25% (SPO)
  - Continuation/ progress report (SPO)
SPO ACTIVITIES: PROPOSAL REVIEW

- Review Proposal Data Sheet and COI forms – obtain clarification and correction as needed – and enter data into SPO database
- Review sponsor’s proposed terms and conditions
- Compare proposal to sponsor’s guidelines (content and format)
- Review budget details (calculations, F&A rates, cost-sharing)
- Record potential compliance issues (e.g., human/animal subjects, health and safety, conflict of interest)
- Ensure that any representations or certifications that the sponsor requires are attached
- Advise and support PI regarding errors, unusual risks, and other issues to be addressed
SPO ACTIVITIES: CONTRACT NEGOTIATION

- Review sponsor’s draft contract (or prepare draft contract)
- Identify problematic terms and conditions
- Prepare revised draft contract
- Obtain review from HSC Legal if needed
- Negotiate terms and conditions
- Contact, advise, and support PI regarding unusual risks, and other issues to be addressed
PIs are not authorized to sign:

- Proposals
- Contracts
- Clinical Trial Agreements
- Confidentiality Agreements
- Material Transfer Agreements
- Other Agreements
FROM DEPARTMENT TO SPO
OVERVIEW OF SPO STAGES

- **Proposal Stage** *(5 Work Days Prior to Mailing and 10 days prior to NIH online)*
  - Proposal preparation and internal review, data entry, signatures.

- **Just in Time Stage**
  - Response to request from funding agency for additional information needed for their review. Not required by all agencies.

- **Award Stage**
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PROPOSAL STAGE: WHAT TO SEND TO SPO

Proposal Data Sheet (PDS) signed by PI and Department Chair AND

Complete proposal, application, or progress report including budget AND

Sponsor’s funding opportunity announcement and application instructions
CONFlict of Interest Cover Sheet and Conflict of Interest Forms for research projects and/or projects involving humans or animals

F&A Waiver if less than standard F&A rate is proposed

Letters of Support to Sponsor

VA MOU for NIH proposals involving Joint Appointments

Research Committee Approval for Limited Competition Proposals

Cost Share Commitment Form(s) signed by Department Administrator or Accountant, Department Chair, and the Office of Research for projects requiring matching funds, institutional commitment, or in-kind contributions.

Cost Share Budget(s) on the ABS form
PROPOSAL WITH SUBAWARD (CONSORTIUM)

- Face page or similar document with Subawardee's authorized signature
- Detailed budget with budget justification
- Statement of Work
- Bio-sketches for Key Personnel
- Checklist page (for proposals to NIH only)
- Subawardee's F&A Rate Agreement
**PROPOSAL STAGE: PDS - BASIC FIELDS**

- **PIs Org Code**
  - Each PI is assigned an individual org code. This code drives setup of award.

- **Current Index # and Current Fund #**
  - For proposals that are non-competing or competing continuations or supplements. Leave blank if the proposal is new or a revision of an unfunded prior proposal.

- **Funding Agency**
  - The sponsor to which the proposal is being submitted. In the case of incoming subawards, the direct funder is the funding agency.

- **Solicitation#/Program Name**
  - The designation given to the project by the sponsor. For clinical trials, use the protocol number. For State of New Mexico contracts, use the contract number.
Grant

- The idea for the work originates with the PI and no substantial involvement of the sponsor is anticipated.

Contract

- A procurement mechanism for the purpose of acquiring services and/or property for the direct benefit or use of the sponsor. Typically, the idea for a contract originates with the sponsor.

Cooperative Agreement

- Somewhere along a spectrum between a grant and a contract – the sponsor is more involved than in a grant.

Subaward

- When the Funding Agency is the recipient of a primary award, specify the agency which will grant the primary award to the Funding Agency.

Clinical Trial

- A research project involving human subjects.
PROPOSAL STAGE: PDS – THIS ACTION IS

- **New**
  - A proposal never proposed before

- **Revision to #___**
  - A revised version of a proposal that was previously submitted to the same agency. Specify the proposal number that was assigned to the previous version so that its status can be recorded in the database.

- **Non-competing Continuation**
  - A progress report to be submitted so that the funding agency will award the funds already promised for the next funding period.

- **Competing Renewal**
  - A proposal for an additional funding cycle that competes for funding with other proposals.

- **Supplement**
  - A request for additional funding for the current funding period.

- **Transfer From**
  - A proposal to transfer an existing award to UNMHSC from another institution.
PROPOSAL STAGE: PDS – OTHER FIELDS

- Project Category
- Project Cost = Direct Cost + F&A
- Project Period – anticipated dates
- Clinical Trials – all considered RESEARCH
- Faculty Activity Database
- Special Issues – Subawards, Cost Share, F&A split, Export Control, Consultants

Signatures - proof of departmental approval
PROPOSAL STAGE: PDS – EXPORT CONTROLS

- Select Agents
- Key technologies re: national security
- Proposals require special handling
- Awards require security measures
- Potential fines and criminal prosecution for non-compliance
A list of investigators

An investigator is any person (whether faculty, staff, student, consultant, or collaborator) who is responsible for the design, conduct, or reporting of a UNM research activity and/or any personnel listed on the budget.

Required only for research projects and other projects involving humans or animals.
Investigators and those being paid off the Sponsored Project must complete and sign this form.
For projects requiring matching funds, institutional commitment, or in-kind contributions

Signed by Department Administrator or Accountant, Department Chair, and the Office of Research
For any new or competing renewal that proposes less than the full F&A rate:

PI requests F&A Waiver from:

- Dean of the College of Pharmacy
- Dean of the College of Nursing
- Sr. Associate Dean for Research, SOM
After proposal is completed and before the award is awarded...

Need $? so-called “shell” account

Department Chair approval needed.
Dean approval may be needed.

- New or competing applications
- Department unable to cover expenses
A Sponsor (NIH) may request the following:

- Updated “Other Support” – current and pending
- Updated “Key Personnel”
- Human subject education statement
- Subcontracting plan - if over $500,000
- Revised budget & justification
AWARD STAGE

1. Award Budget Sheet (ABS)

- F&A Cross College Split Percentage Commitments
- New Conflict of Interest forms if COI information has changed for any individual investigator
AWARD STAGE: AWARD BUDGET SHEET (ABS)

- Match the Notice of Award or the Budget in the contract
- Use account codes to suit the Sponsored Project needs
- List each Subaward’s total costs
- Enter the appropriate F&A rate
- Calculate F&A amount as a percentage of Total Direct Costs OR based on the funding source, follow the guidelines of the Federal F&A Rate Agreement – see next slide
- Tools, Protection, Unprotect Sheet
For Federal sponsors and subawards from a federal primary grant:

Calculate F&A amount as a percentage of Modified Total Direct Costs.

The account codes in yellow are excluded.
Items excluded from Modified Direct Total Costs:

- The cost of patient care
- Student tuition
- Rental and maintenance costs of off-campus facilities if off campus F&A rate is used
- Equipment or computer hardware that costs over $5000 each
- The cost of each subaward after the first $25,000 per competitive cycle.
INTERDEPARTMENTAL COOPERATION

Department C&G

Accounting
Staff of 12 in HSSB Room 102

- Director: Rena Vinyard
- Managers: Stacy Bigbie, Jenni LeBlanc
- 2 Sr. Sponsored Project Officers
- 3 Sponsored Project Officers
- 3 Sponsored Project Specialists
- Admin Assistance
Staff of 18 in HSSB Room 102

- Associate Controller: Shirley Mitchell
- 1 Supervisor
- 2 Sr. Fiscal Services Techs
- 8 Fiscal Monitors
- 3 Special Projects
- 2 Billing Clerks
- Admin Assistant
## MORE TRAINING AND TOOLS

### Sponsored Projects Website
- Guide for Principle Investigators
- Q&A
- Internal Forms & Procedures
- SPO Processes Flowcharted

### Learning Central
- Submitting NIH Applications Online Lecture
- Submitting NIH Applications Online Lab
- Grants Management Program: General Workshop
- Grants Management-Recertification (Online)
- Banner Fundamentals and Navigation
- Banner Contract & Grant Fundamentals
- Advanced Banner Functionality and Navigation (Web Course)
PREAWARD WEBSITE