SUMMARY:

It is the policy of Coastal Carolina University to solicit and accept sponsored support of research, institutes, special investigations, equipment or facilities acquisition, training, demonstrations and other projects or activities closely related to the University's mission, normal programs and approved objectives of the teaching, research and public service functions of the University.

POLICY:

I. ACCEPTANCE OF GRANTS, CONTRACTS AND OTHER AGREEMENTS

A. It is the policy of Coastal Carolina University to solicit and accept sponsored support of research, institutes, special investigations, equipment or facilities acquisition, training, demonstrations and other projects or activities closely related to the University's mission, normal programs and approved objectives of the teaching, research and public service functions of the University. This policy ensures the endorsement and support of acceptable proposals prepared by individual (or groups of) faculty, students and/or staff members for contracts, grants and other sponsored programs. Such external support must be integrated with the instruction, research and public service functions of the University. By accepting grants, contracts or other sponsored programs, the University commits itself to indirect costs and/or other expenses for support services – costs or expenses which must be borne either by the sponsor or by the University. In the latter case, because such activities, programs or projects are in direct competition for limited funds for other programs of the University, the University must exercise careful administrative evaluation and consideration when deciding whether to accept programs that provide less than full cost recovery.

B. The University must formally accept all sponsored projects awards. Award notices are normally directed to the University President, with a copy to the Principal Investigator/Project Director. Should a Principal Investigator/Project Director receive an award notice, he or she should immediately forward it to the Office of Sponsored Programs and Research Services for acknowledgment and/or acceptance. Awards requiring signature must be reviewed and approved by the
Office of University Counsel and signed by the University President or his/her designee.

II. GRANTS, CONTRACTS AND OTHER AGREEMENTS TO BE IN THE NAME OF COASTAL CAROLINA UNIVERSITY

A. All grants, contracts and agreements must be made in the name of Coastal Carolina University. The University President or his/her designee is the only position authorized to execute contracts and accept grants for Coastal Carolina University.

B. Grants, contracts and other agreements are awarded to Coastal Carolina University – not to the individual(s) responsible for the conduct of the program(s). Although such support is often awarded to the University because of special competence, reputation or expertise of faculty and/or staff members, Coastal Carolina University assumes full legal responsibility for the program(s) and for fulfilling sponsor requirements. It is therefore essential that the University mandate sound management practices and prudent fiscal policies in administering such resources.

III. PERSONS ELIGIBLE TO SUBMIT GRANT PROPOSALS ON BEHALF OF THE UNIVERSITY

A. As the primary responsibility of the principal investigator (PI) is to provide oversight, leadership, and administrative and financial management of the project, for a researcher to serve as principal investigator on an externally funded program for Coastal Carolina University, he/she must be employed by the institution.

B. Exceptions can be granted through the completion and approval of a Request to Serve as Principal Investigator form available through the Office of Sponsored Programs and Research Services. Following approval from the department head, dean, Provost and Office of Sponsored Programs and Research Services, this would allow a non-employee, contract employee, part-time employee, retired faculty, post-doc, visiting faculty, instructor or lecturer to serve as the PI on an externally funded project, provided a faculty member agrees to serve as co-PI and provide necessary oversight in case the external PI leaves the project or a problem arises. This would not extend to students (either graduate or undergraduate). Please contact the Office of Sponsored Programs and Research Services should you need the form.

IV. TYPES OF PROPOSALS OR REQUESTS FOR SUPPORT AND OTHER PROPOSAL ACTIONS

A. Requests to prospective grantors or contractors may be one of two types – informal or formal.
1. An informal proposal may be initiated through preliminary discussions or correspondence between faculty and/or staff members and representatives of a prospective sponsor without formal internal review or approval. The purpose of such an informal proposal is primarily to determine
a. the eligibility of the program for support and
b. the likelihood of the proposal receiving serious consideration if offered as a formal request of support. Any preliminary inquiry or proposal will contain no more than a single, lump sum cost estimate, clearly identified as such. Further, no cost-sharing statement nor any faculty or other official University signature will be given. The University will not authorize any commitment based on the sponsor's acceptance of a preliminary proposal.

2. A formal proposal to be submitted as an official University request to prospective grantors or contractors must have appropriate review and approval of the following administrative levels:
   a. department/unit head or chair
   b. dean or director
   c. Office of Sponsored Programs and Research Services
   d. Provost or his/her her designee
   e. Vice President for Research and Emerging Initiatives or his/her designee
   f. University President, if required

B. The Office of Sponsored Programs and Research Services is responsible for establishing and publishing appropriate campus procedures for the review of proposals, including the designation of the office to maintain official records of said proposals. After review and approval of all program (academic) administrators listed as IV.A.2.a., b., c. and d. above, the proposal will be forwarded to the Vice President for Research and Emerging Initiatives or his/her designee. The Vice President for Research and Emerging Initiatives or his/her designee and/or the grants/contracts accountant in his/her administrative area will review the proposal for all business, finance and other administrative matters that fall within the jurisdiction of the Vice President for Research and Emerging Initiatives and will, by signature, certify (with or without qualification) that the proposal is ready to be transmitted to the grantor or contracting agency and/or signed by the University President, if required. Subsequently, the approved proposal will be returned to the Office of Sponsored Programs and Research Services for submission.

C. Under certain circumstances before an award, a principal investigator/project director, with the concurrence of the Office of Sponsored Programs and Research Services, may decide that a proposal should be withdrawn from the intended sponsor's review. The Office of Sponsored Programs and Research Services must notify the sponsor through the same approval or review offices required for submission of the proposal.
D. The Office of Sponsored Programs and Research Services will negotiate any business, administrative or finance (fiscal) matters concerning either the formal proposal and/or the grant or contract to be awarded. The principal investigator/project director and/or the Office of Sponsored Programs and Research Services, with the approval of all program administrators, may negotiate issues that do not affect business, administrative and/or finance (fiscal) matters, so long as these matters are not related to legal issues. If negotiations include matters of legal significance, please see UNIV-LEGL 474 University Legal Opinions.

V. RESPONSIBILITIES OF PROGRAM AND/OR ACADEMIC STAFF

The academic or program staff is responsible for the preparation and review of all the technical or program aspects of the proposal, the performance of the work, preparation of technical reports and all responsibilities of the principal investigator/project director as specified in the grant or contract instrument, in rules and regulations of the sponsoring organization, and in University policies, procedures, rules and regulations.

VI. CONTROLS AND/OR REQUIREMENTS FOR EXPENDITURES OF GRANTS AND CONTRACTS FUNDS

A. The principal investigator/project director must spend grant and/or contract funds according to University policies and procedures governing the expenditure of general funds of the University. Whenever grant and/or contract funds are subject to additional controls and requirements of the sponsor, the University requires strict compliance.

B. The principal investigator/project director must not make any commitments or expenditures until the grant is officially awarded and accepted or the contract has been fully executed.

C. Without a sponsor-approved request for project extension, the principal investigator/project director must not make any commitments or expenditures after the completion date of the project.

VII. AUTHORITY, RESPONSIBILITIES AND DUTIES OF THE VICE PRESIDENT FOR RESEARCH AND THE BUSINESS OFFICE GRANTS/CONTRACTS ACCOUNTANT

A. The Vice President for Research and Emerging Initiatives and the business office grants/contracts accountant, in consultation with University Counsel, are responsible for advising appropriate University officials on matters relating to federal and state laws (including Act 651 of the federal code), as well as University rules, regulations, policies and procedures pertaining to the fiscal management of contracts, grants or other agreements.
1. The Vice President for Research and Emerging Initiatives is responsible for ensuring that the business interests of the University are protected in the terms and operations of proposed agreements. The Vice President for Research and Emerging Initiatives is also responsible for determining that the University complies with all fiscal provisions of contracts, grants or agreements with individuals, companies or agencies external to the University.

2. The Office of Sponsored Programs and Research Services has the responsibility for ensuring compliance with non-fiscal matters.

B. Through the Division of Grants of the Governor’s Office, the University Office of Financial Services proposes and negotiates the University facilities and administrative cost (indirect costs) rates to be used on all grants, contracts or other agreements. The Office of Financial Services or its designee is responsible for ensuring that auditable records are maintained in support of direct and indirect charges to grants, contracts or agreements, as well as for preparing and filing all fiscal reports and statements required by sponsors of grants, contracts and other agreements.

C. In the Office of Financial Services, the business office grants/contracts accountant is responsible for ensuring that timely billings are prepared on cost reimbursement contracts and for requesting funds for grants or contracts funded by letters of credit. The office must process all correspondence regarding business, financial and/or administrative matters requiring negotiations with sponsors.

VIII. LIMITATIONS

A. In accepting a grant or contract from a federal agency, private corporation or other awarding agency, the University agrees to perform the specified project under the terms and conditions of the grant, contract or agreement, and to expend the funds following the specifications of the granting agency. The University cannot accept any grant or contract or enter into any agreement contrary to State of South Carolina law or University rules and regulations.

IX. INDIRECT COSTS (FACILITIES AND ADMINISTRATIVE COSTS) RECOVERY

A. Indirect costs are those costs of the University that are incurred for common or joint objectives and, therefore, cannot be specifically or readily identified with a particular project, instructional activity or other institutional activity, but are nevertheless necessary to the general operation of the University and to the conduct of each activity.

B. Coastal Carolina University’s policy is to recover the full amount of indirect costs (IDC) allowable by a sponsor, whether public or private. Refer to University policy Indirect Cost Recovery and Allocation (ACAD-RSCH-134) for additional
guidance on IDC recovery, allocation, reduction or waiver.

X. COST SHARING

A. The University recognizes that work performed as the result of grants and contracts often serves the objectives of both the University and the sponsor, and that through the University's cost participation in such projects, the concept of mutual benefit is reflected. The United States Office of Management and Budget Circular No. A-110 mandates cost sharing by the institution for federal grants and contracts awarded because of unsolicited proposals. Costs are allowable to meet cost-sharing requirements if they:

1. Are verifiable from institutional records;
2. Are necessary and reasonable to obtain project objectives;
3. Are allowable under Uniform Guidance 2 CFR 200; and
4. Are not charged either directly or indirectly to any other project supported by the same sponsor (all federal agencies are considered a single sponsor).

B. Cost sharing required by federal agencies must represent more than a token amount (normally defined as one percent or less of total project cost). Proposals showing cost sharing at a significant level (greater than five percent of total project costs) must be adequately justified and approved by both the Provost and the Vice President for Research and Emerging Initiatives or designee. When not required by the sponsor, the University will not approve a proposed commitment to defray a part of the project's total costs unless adequate justification in writing is presented to and subsequently approved by the two aforementioned executive officers of the University.

C. The Business Office Grants/Contracts Accountant, through coordination with academic departments receiving federal support, will obtain and maintain files of department/unit cost sharing records on a fiscal year and/or project term basis.

D. Any one or a combination of the methods below may be listed as proposed partial support of project costs:

1. Reduction of allowable facilities and administrative costs (indirect costs) on research grants, if approved by the Provost and the Vice President for Research and Emerging Initiatives;
2. Reassignment of other departmental/unit or general University funds,
3. Statement of support (cash or in kind) from an agency external to the University, actual cash received by the University from an agency in support of the project and/or purchase of materials; and/or
4. Revenue generated from project activity, such as registration fees.

E. When approved by the federal awarding agency, any unrecovered facilities and administrative costs (indirect costs) may be used by the University as required matching contributions.
XI. BUDGET ALLOCATIONS BASED ON OR RELATED TO THE REIMBURSEMENT OF FACILITIES AND ADMINISTRATIVE (INDIRECT) COSTS

A. The federal contracting and granting agencies, as well as state and private sector entities that sponsor research and other projects at institutions of higher education, have long recognized that allocations of proportionate and reasonable amounts of facilities and administrative (indirect) costs are appropriate costs chargeable to grants and contracts. Thus, the federal agencies have agreed to certain cost allocation procedures described and defined in the Bureau of the Budget Circular A-21 whereby grants and contracts may be charged approved amounts of facilities and administrative (indirect) costs as reimbursement to the institution for their share of these costs. Generally, this reimbursement process is accomplished by including in the grant’s or contract’s proposal an approved (audited) percentage of either salaries or wages or of total direct costs of the project. The reimbursement of these actual costs to the institution by the granting or contracting entity is accurately categorized and treated as miscellaneous educational and general income. The funds of these reimbursements are combined with student fees, state appropriations, and other educational and general income to fund the budgets of all departments and functions of the institution.

B. In South Carolina, there are certain types of grants and/or contracts whose reimbursement for facilities and administrative (indirect) costs must be returned to the state. The basis for this requirement is that funds that are used to finance the facilities and administrative (indirect) functions at the state-assisted institution are provided, in part, from allocations of state appropriations and, thus, for certain types of sponsored programs, those repayments should be returned to the state whenever they are reimbursed. Over the years, some institutions, including Coastal Carolina University, have implemented the practice of making budget allocations to principal investigators, project leaders, departments and/or others involved in obtaining grants and contract funds, based on the amount of facilities and administrative (indirect) costs generated by a grant or contract and reimbursed to the institution. This practice recognizes and/or rewards the individuals and areas that put forth the effort and possess the expertise to obtain funding for these research projects or other sponsored programs, and also provides incentive to obtain more such funding. Continued budget allocations tied to facilities and administrative (indirect) costs reimbursement are not without control nor are they to be considered as guaranteed indefinitely. From time to time, the University President and other University officials will review these policies and procedures and amend them as the then current situations dictate.

*Cognizant federal agency is defined by 48 CFR 2.101 as the federal agency that, on behalf of all federal agencies, is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.  [http://definitions.uslegal.com/c/cognizant-federal-agency/]