Session Outline

- Sponsor correspondence
- JIT and other preparation prior to award
- Prepare for WBS establishment
- IPAS
- Contracts – who, what, when
- Award process in OSP

Scenario 1

- Dr. Watson submitted a proposal in the fall and has received a good score by the review panel.
- The sponsor notifies him he needs to provide JIT materials.
- The sponsor also asks for a reduced budget.
- What should Dr. Watson do now?
Scenario 2

- Dr. Smith is notified she is receiving an award from the Nebraska Dept of Education (NDE).
- NDE sends her the agreement and asks her to sign and return it.
- They also ask her to attend a meeting in Washington, DC the following week.
- What should she do?

Scenario 3

- Dr. Johnson plans to send a proposal in response to a federal RFP due 3 months from today.
- The RFP contains 3 pages of FAR clauses by reference.
- What steps should she take to appropriately respond to the RFP?

Scenario 4

- OSP receives a fully signed agreement with the PI signing for UNL.
- There is no statement of work or budget included and several of the agreement terms are unacceptable to UNL.
- No internal approvals (NUgrant routing) were obtained prior to receipt of this award.
- What steps were missed and what happens now?
Sponsor Correspondence
- After proposal is submitted, possibilities for correspondence with sponsor:
  - If PI needs to initiate a contact, discuss with Grants Coordinator to determine best approach
  - If asked for more information by sponsor, best to contact your Grants Coordinator before responding
  - Sponsors usually require updated information be approved by an institutional official (someone in OSP)
  - Sponsored Programs must be aware of any changes to a proposal after submission
- If PI is contacted by a Nebraska State Agency:
  - PI should notify State of the appropriate Pre-award contact at UNL

Just In Time (JIT)
- Primarily NIH term, but used by other federal agencies
- Strategy to reduce burden on PIs and institutions
- Some transactions delayed until after proposal is reviewed and prior to award
- If proposal scored highly enough, JIT information will be requested – no funding commitments at this point
- Common JIT information can include:
  - IRB/IAUC approvals
  - Updated Other Support information
  - Revised budget
  - Updated biosketch(es)

Preparing for an Award – Compliance
- Discuss with Research Compliance any approvals for humans or animals that may be needed
  - Estimate time needed to obtain them and begin processes, as appropriate
- Discuss with Environmental Health and Safety
  - Biosafety, radiation safety, recombinant DNA
  - Begin processes, as appropriate
- Complete or update Interest Reporting Form (IOARF)
  - Questions about Form should be directed to Research Compliance
  - Conflicts of interest requiring committee review may take some time to obtain approval – plan ahead
- All above areas have modules in NUgrant
Preparing for an Award – Compliance

- Find contacts for Research Responsibility and Compliance at http://research.unl.edu/orr/staff.shtml
- Find information on Environmental Health and Safety at http://research.unl.edu/orr/ehs.shtml

Institutional Prior Approval to Spend (IPAS)

- Circumstances when use is appropriate
- Form available on OSP’s Forms & Templates web page
- Processing an IPAS within OSP
  - Received by Post-award Specialist who checks if allowable
  - Awards Coordinator verifies if all compliance requirements are approved and checks with Pre-award Coordinator for award status update
  - If allowable and compliance approvals obtained, WBS is established for limited time period
  - Executive award releases full award period and 5 funded

Requirements for Official WBS Set-up

- Project information must be complete and include:
  - Completed routing form in NUgrant
  - NSF Reporting Form(s) approved
  - Compliance approvals – IRB/IACUC/Biosafety
  - Copy of proposal
  - A budget that agrees with award amount
  - Cost share information, if applicable
  - Subaward Information, if applicable
    - Institutional letter of commitment
    - Subawardee sponsored programs contact information
    - Budget and justification
    - Detailed work statement
Contract Definition

A contract is an agreement, enforceable by law, between two or more competent parties.

For federal contracts, FAR 2.101 defines a contract as a mutually binding legal relationship that obligates the seller to furnish supplies or services and the buyer to pay for them.

Contracts

- Funding may be incremental, tied to set deliverables or schedules
- Final payment (e.g., 10%) may be held until "acceptance" of deliverables
- Federal process governed by Federal Acquisition Regulations (FAR)

Contract Types

Cost-Reimbursement
- Pays allowable costs that are expensed and invoiced
- Contractor must have adequate accounting system to track applicable costs

Fixed Price
- Price-based, not cost-based
- Price defined in contract (by unit or deliverable)
- May be firm or adjustable
Contracts – Cost Reimbursable vs. Fixed Price

- Cost reimbursable contracts paid on regular billing intervals or payment schedule
  - costs incurred will be paid
  - portion can be paid up front and expensed against
  - excess balance usually returned to sponsor
- Fixed-price contracts pay a flat amount whether or not costs are covered
  - any excess balance is often retained
- UNL requires a substantial up front payment on industry contracts regardless of the type

Contracts – Fixed Price Issues

- UNL must fully recover costs in performing services and should not generate profit or be in deficit
- Even if costs are found to be underestimated, UNL must still perform full SOW promised
- If costs are significantly overestimated, residual balances at project end may be subject to UBIT and affect UNL’s tax status
- UBIT is Unrelated Business Income Tax – UNL’s tax status is based on its non-profit related mission (education, research and community outreach)

Contracts – Fixed Price Issues

- Residual balances can violate state or federal regulations on non-profit status, or on cost-accounting standards
- Salaries for staff working on the project need to be charged in proportion to work done
  - If not, UNL may not comply with OMB Circular A-21 effort reporting requirements
- Must track effort through PARs
Contracts – UNL Policy on Residual Balances

When the following is complete:
- Work complete to UNL and sponsor satisfaction
- All reports provided to sponsor and accepted
- All project expenses have been charged to the project's WBS
- All sponsor payments received
- Residual Balance Transfer Form complete
- Any balances in excess of 25% of awarded amount justified and accepted by OSP

Contracts – UNL Policy on Residual Balances

Then:
- Residual balance will be transferred to cost center provided on Residual Balance Transfer Form
- Funds to be used to continue carrying out UNL's mission of teaching, research and extension

What is the FAR?

- Federal Acquisition Regulations
- System of uniform policies and procedures governing acquisition (purchasing) for all federal agencies
- Procedures manual for federal agencies to acquire goods and services, including research
Contracting under the FAR

- Nature of contract determines type
  - Cost-Reimbursement
  - Fixed-Price
- Purpose can be any of following, we often are doing R&D work
  - Construction
  - Research & Development
  - Supply
  - Service

Contracts & OMB Circulars

- OMB A-21 (2 CFR 220) – Cost Principles
  - Incorporated by FAR 31.3, allowable costs
- OMB A-110 (2 CFR 215) – Uniform Admin Requirements
  - Sets standards for grants & cooperative agreements
  - Specific actions not applicable to contracts (i.e. expanded authorities)
  - FAR replaces this circular in contracts
- OMB A-133 – Audit Requirements
  - Incorporated by FAR 2.215-62, Alt.II

Major Differences between Contracts & Grants

**Contracts**
- Often RFP solicitations
- Need for specific service/product
- Schedule technical & expenditure reports and/or other deliverables
- Payment often tied to deliverables
- Numerous special terms and conditions
- Close control on budget
- Usually audited
- Can be cancelled for default

**Grants**
- Often standard guidelines/proposal kits
- Support for proposed work in general programmatic areas - need to advance knowledge
- Requires technical progress reports
- Payments may be in advance, by schedule, or upon completion
- General terms and conditions
- Flexible budget control
- Some audited
- Almost never cancelled
Awarding process - Contracts

Contracts Manager:
- Is notified a PI is planning to work with an industry sponsor
- Provides PI or industry sponsor with UNL template agreement
- Reviews sponsor's template, if they don't want to use UNL's
- Is notified PI is applying for federal funds that will be issued under a contract
- Reviews contract terms referenced in the RFA or other docs
- Negotiates with the sponsor any necessary changes to the contract
- Obtains institutional signatures
- Ensures a NU/grant routing has been completed for the project & forwards to Awards Coordinator

Awarding process - Grants

Award arrives in OSP and Awards Coordinator:
- Reviews award terms & conditions alongside original proposal documents
  - Verifies routing form complete
- Reviews award budget against proposed budget
  - Verifies any cost share commitments documented
- Verifies subaward documents complete
  - Letter of commitment
  - Contact information
  - Budget and justification
  - Detailed work statement

Awarding process - Grants

- Verifies compliance requirements are met, as necessary
  - IRB approvals obtained
  - IACUC approvals obtained
  - Biosafety approvals obtained
  - RFIs are current
- Obtains necessary signatures
- Submits to Post-award for creation of WBS and ongoing financial management
- NU/grant is updated with award information

NOTE: PARs from previous awards must be current and compliance approvals obtained before WBS is established.
Negotiation & Signature Authority

Sponsored Programs has authority for negotiation and acceptance of grants, cooperative agreements and contracts.

Signature authority is delegated by the Board of Regents (http://bf.unl.edu/b/policy/SignatureAuthority.pdf)

Note: PIs, deans, chairs and others are not authorized to negotiate or sign agreements or any other sponsored programs document on behalf of the Board of Regents of the University of Nebraska.

Official Institutional Information

Official Applicant/Recipient Entity:
The Board of Regents of the University of Nebraska for the University of Nebraska-Lincoln

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http://research.unl.edu/sponsoredprograms/

Useful Web sites

UNL Forms & Templates
http://research.unl.edu/sponsoredprograms/forms-templates/

UNL Research Policies & Procedures
http://research.unl.edu/research-policies-procedures/

OMB Circulars
http://www.omb.gov/circulars

CFR

FAR
https://www.acquisition.gov/FAR/ or http://farsite.hill.at/ml/vftsa.htm

FDP
http://www.thefdp.org

CFDA
http://12.46.246.173/cfda/cfda.html