

Office of Research Administration and  
Sponsored Programs Policies and  
Procedures Guide



**HIGH POINT UNIVERSITY**

Research Administration and Sponsored Programs

Office of Research Administration and Sponsored Programs  
Policies and Procedures Guide

**TABLE OF CONTENTS**

**Contents**

1. RASP Vision and Mission.....	4
2. HPU Policies .....	4
3. HPU Organizational Charts and Faculty Handbooks.....	5
4. RASP's Commitment to Training.....	6
5. Code of Conduct .....	6
6. Gift Vs. Grant/Contract .....	6
7. Policy and Standard Operating Procedure For Proposal Processing.....	6
8. Role of the Compliance Committees in the Review of Proposals.....	9
9. Intellectual Property.....	9
10. Who Can Submit Proposals/Applications? .....	9
11. Types of Proposals/Applications .....	9
12. Funding Opportunities Resources .....	11
13. Developing and Justifying Proposal Budgets .....	12
14. When Can Work Begin on A Sponsored Project? .....	14
15. Authorized Organizational Representative .....	15
16. Research Agreements: Negotiations.....	15
17. Office of Technology Transfer .....	16
18. Conflict of Interest .....	16
19. Budgeting .....	23
20. Allowable Costs.....	24

21. Direct Costs.....	27
22. Facilities and Administrative Costs.....	30
23. Cost Sharing .....	31
24. Deposits .....	37
25. Establishng A Sponsored Award Account.....	38
26. Fixed Price Projects .....	38
27. Effort Certification.....	39
28. Equipment Acquisition and Management.....	41
29. Program Income.....	43
30. Payroll Redistributions.....	44
31. Transfer and Adjustments .....	45
32. Modifications .....	46
33. Budget Overdrafts .....	48
34. Travel .....	49
35. Closeout .....	49
36. Gift Cards .....	50
37. Research Misconduct.....	51
38. Federal Award/Pass Through Purchasing Policy .....	51
39. Subrecipient Monitoring and Management.....	73
Appendix A.....	75
Appendix B.....	77

## 1. RASP VISION AND MISSION

The Office of Research Administration and Sponsored Programs (RASP) is committed to growing research in a manner that reflects the goals of the High Point University's strategic efforts. Below is RASP's articulation of that commitment.

**Vision:** To advocate for and positively affect the HPU research endeavor, with a focus on growing Teacher-Scholars.

**Mission:** To facilitate the HPU research enterprise and provide superior service for all research stakeholders including, faculty, staff, students, sponsors and community partners.

**Priorities:**

1. Foster a research enterprise that enhances the academic standing of the HPU.
2. Enhance faculty and student research opportunities.
3. Support HPU efforts to grow institutional research infrastructure and capacity.
4. Coordinate administrative efforts with other HPU operational units.
5. Cultivate important strategic partnerships.
6. Ensure HPU compliance with federal, state, and local laws and regulations.

## 2. HPU POLICIES

HPU policies and procedures that are outside the scope of RASP, which are referenced in this document, may be accessed through the HPU Blackboard e-portal at <https://mycourses.highpoint.edu/>.



## 4. RASP'S COMMITMENT TO TRAINING

RASP is committed to providing training in sponsored programs administration best practices and related topics. Should you or your unit desire additional training opportunities, please contact RASP at [rasp@highpoint.edu](mailto:rasp@highpoint.edu).

## 5. CODE OF CONDUCT

Those involved in academic research must guard the truth and protect the public trust. HPU seeks to create and preserve an environment in which research can thrive. Research compliance is a shared responsibility of every member of the HPU community, each of whom must be dedicated to maintaining the highest ethical standards.

## 6. GIFT VS. GRANT/CONTRACT

HPU receives both gifts and grants from external sources. However, gifts and grants are treated differently in terms of accounting and management.

*Gift:* A voluntary and irrevocable transfer of money, services, or property given from an external source without any expectation of a return benefit from HPU. Gifts are handled by the Office of Institutional Advancement.

*Grant:* An agreement that transfers money, services, or property in exchange for a set of specific services and deliverables to an external source during a set period of time. This definition of a grant includes contracts, subcontracts, subawards, etc. Funding from a governmental source is never a gift. Grants are handled by RASP.

## 7. POLICY AND STANDARD OPERATING PROCEDURE FOR PROPOSAL PROCESSING

### I. Policy:

Sponsored research proposals shall be reviewed and approved by Department Chairs, Deans, and the RASP Director. The RASP Director is the HPU Authorized Organizational Representative (AOR). All proposals must have AOR for the proposal to be binding upon HPU.

### II. Roles and Responsibilities

- a. Principal Investigator: To prepare proposals in accordance with RASP, Department, and College/School guidelines and disclose all conflicts of interest.
- b. Department Chair: To review and approve a Principal Investigators' proposal within his/her department. Considerations include:
  - 1. Does the proposed project fit with the department mission?
  - 2. Is the faculty member able to complete this project at the level of defined effort given his or her other HPU obligations?
  - 3. Are there sufficient resources to carry out the proposal? This review includes resources currently available at HPU and any equipment or materials and supplies purchased during the project.
  - 4. Does this proposal need review by HPU's compliance committees?
  - 5. Is any proposed cost share acceptable and are these funds available during the proposed period of performance?
- c. Dean: To review and approve a Principal Investigators' proposal within his/her college or school. Considerations include:
  - 1. Does this proposed project fit with the College/School's mission(s)?
  - 2. Are the cost sharing commitments made by the Department appropriate and acceptable?
  - 3. Does the budget fully reflect the costs necessary to successfully perform on the project?
- d. RASP: To review and institutionally approve proposals. Considerations include:
  - 1. Have all non-compliance committee compliance-related issues been addressed (i.e. export control, etc.)?
  - 2. Is the budget complete and accurate?
  - 3. Have all institutional approvals been received?
  - 4. Have all conflicts of interest identified and managed?
- e. Compliance Chairs: To review and approve all proposals that fall within their purview (Institutional Review Board, Institutional Animal Care and Use Committee, Institutional Biosafety Committee)

### III. Proposal Types:

- a. Federal: Federal proposals may be proposed and managed using Cayuse 424.
- b. Non-Federal: Non-federal proposals may be routed and managed through email.

### IV. Procedure:

- a. A Principal Investigator will complete his/her proposal and route it to RASP for initial review.
- b. Following RASP receipt and review, RASP will address any questions and send the proposal to the Principal Investigator's department chair and dean for approval.

- c. RASP must receive a fully routed proposal no later than five days before the Request For Proposals (RFP) submission date. Proposals received less than five days before the submission date may adversely impact RASP's review quality.
- d. Unless otherwise provided for in the RFP, compliance committee approvals are not required before proposal submission. However, a project may not start, even if an award is made, until all applicable compliance committees grant their express written approval of the associated protocol/application.
- e. After RASP final review and approval, the proposal may be submitted by RASP or as otherwise requested by the Principal Investigator.
- f. RASP will log all proposals into the Research Administration Database (RAD).

## VII. Limited Submission

- a. When a RFP limits the number of institutional submissions, the following guidelines are to be followed:
  - 1. Interested faculty are encouraged to submit a brief pre-proposal via email to the RASP Director, with copies to their Department Chair and Dean within 60 days of the RFP deadline.
  - 2. If fewer than the allowed number of pre-proposal applications are received, the normal process for proposal processing shall be followed.
  - 3. If more than the allowed number of pre-proposal applications are received, the following process will be implemented:
    - i. Pre-proposal applications will be reviewed on merit. However, if multiple eligible applicants are within one division, the dean of that division will rank the applications on behalf of that division. This doesn't preclude multiple applications from within the unit.
    - ii. An ad-hoc committee composed of no less than three faculty designated by the Vice President for Research and Planning will be constituted to review and rank the pre-proposals. The committee will review the re- proposals and make a recommendation to the Provost within a two-week timeframe.
    - iii. The RASP Director will notify the faculty and appropriate officials (deans, department chairs, etc.) as to which proposals are to be submitted on behalf of HPU.

## 8. ROLE OF THE COMPLIANCE COMMITTEES IN THE REVIEW OF PROPOSALS

Three compliance committees are responsible for ensuring the safety and well-being for certain groups or materials.

- I. Institutional Review Board (IRB):  
The IRB is charged with ensuring the safety and well-being of human subjects engaged in the course of research.
- II. Institutional Animal Care and Use Committee (IACUC):  
The IACUC is charged with ensuring the safety and well-being of animals used in research.
- III. Institutional Biosafety Committee (IBC):  
The IBC is charged with ensuring the safe use and practices with recombinant DNA, genetically modified plants/animals, pathogens/select agents, toxins, certain arthropods, and human or non-human primate body fluids, cell lines, or tissues.

## 9. INTELLECTUAL PROPERTY

HPU is committed to encouraging the entrepreneurship of its faculty, staff and students through the responsible administration of its intellectual property policy. Please reference the current faculty handbook found on Blackboard under "Intellectual Property." If you are a student or a staff member, please contact RASP at [rasp@highpoint.edu](mailto:rasp@highpoint.edu) for a copy of HPU's intellectual property policy.

## 10. WHO CAN SUBMIT PROPOSALS/APPLICATIONS?

Tenure-track faculty are authorized to submit sponsored program proposals. All other faculty and staff wishing to submit proposals must obtain their department chair (for academic departments) or supervisor's (non-academic departments) approval. The RASP Director shall document approvals and store it in the corresponding proposal record.

## 11. TYPES OF PROPOSALS/APPLICATIONS

In general, proposal submissions for federal awards will fall into one of the following types (please note that many foundations will use similar terminology):

***Pre-application or Preliminary Proposal:*** A pre-application establishes communication between the sponsor and the applicant to determine whether a full proposal should be submitted and to obtain advice that will improve the proposal's chance of success.

***New:*** A new proposal application is one that has not been previously funded by the sponsor.

**Competing:** Considered to be a new proposal by the sponsor to continue the research the sponsor has previously funded.

**Continuation:** Continuation applications are for continued support on current projects that the sponsor anticipates funding.

**Supplemental:** Submitted to the sponsor when requesting additional funds for an existing project.

**Revised New or Revised Renewal:** If a proposal has been rejected or revisions requested by the sponsor, the PI often has an opportunity to use the reviewer's comments to revise the proposal for resubmission. Changes should be marked or italicized. The sponsor's program officer should be contacted for application guidelines. Many federal agencies have application kits in electronic format that can be downloaded from the web. Checking the sponsor's requirements regarding the completion of a proposal is essential prior to the development of the proposal.

PIs submitting proposals to state and local agencies, private organizations, associations, and industry sponsors are encouraged to contact these sponsors for program guidelines.

### *Help in Proposal Writing*

Departmental colleagues, particularly the department chair, may be the most helpful resource for sample proposals and help on proposal writing.

### *Proposal Review Process by the Sponsor*

In general, a team of experts or prominent researchers in the particular field of study will review the proposal for its technical content and cost. Although selection of these reviewers lies fully within the sponsor's authority, some sponsors may allow the PI to suggest individuals well qualified to review their proposal. The PI may also be permitted to list those who should not be part of the review process.

### *Rejections*

Sponsors typically receive more applications than can be funded. To be competitive, each proposal must be prepared in accordance with sponsor guidelines.

Many sponsors provide explanatory information with their letters of notification. This information often includes the process by which the proposal was reviewed, the number of proposals and awards, and information about budget availability. Copies of proposal reviews may also be supplied. Contact the program officer or sponsor for further information.

### *Appeals*

Some sponsors may have an appeal process if an applicant feels that the proposal's handling or peer review has been inappropriate. Check the sponsor's guidelines for further information. The appeal process may take several months to complete, therefore it may be more effective to use the reviewers' comments to revise and resubmit the proposal.

## 12. FUNDING OPPORTUNITIES RESOURCES

Identifying organizations that have a vested interest in your field of research is essential to obtaining funding for your idea. From federal, state, private, and internal sources, locating funding opportunities is simplified using Pivot and the other grant portals offered below. Links to these resources can be found at <http://www.highpoint.edu/rasp/resources/>.

### PIVOT

Pivot is a research prospect finder with over \$33 billion dollars in funding opportunities. HPU's subscription to Pivot allows any faculty, staff, or student to access the resource through a HPU computer or remote connection. Users can create a custom profile and Pivot delivers the results via email. Pivot also provides users the opportunity to find collaborators.

### Grants.gov

Grants.gov is the central depository for the Federal Government's grant programs. Over 1000 grant opportunities are available.

### National Science Foundation

The National Science Foundation (NSF) is the federal agency dedicated to promoting science. NSF is the major source of federal funding in mathematics, computer science, and the social sciences.

### National Institutes of Health

The National Institutes of Health (NIH) is a part of the United States Department of Health and Human Services. Comprised of twenty-seven centers and institutes, NIH is the largest source of medical funding in the world.

### National Endowment for the Humanities

The National Endowment for the Humanities (NEH) is an independent federal agency that supports works in the humanities. NEH grants support humanities-based teaching and learning, research and scholarship,

### National Endowment for the Arts

The National Endowments for the Arts is an independent federal agency. The NEA is the largest funder of the arts in the United States. Grant supported programs include performances, exhibitions, festivals, and artist residencies.

### The Foundation Center

The Foundation Center offers philanthropic analysis, data, and training to organizations seeking funding through various foundations. You may search for foundations free of charge.

## **13. DEVELOPING AND JUSTIFYING PROPOSAL BUDGETS**

All costs proposed on sponsored project must be allowable under Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E (formerly known as the Office of Management and Budget Circular A-21, Cost Principles for Educational Institutions). Allowable costs are those costs that are reasonable, allocable, treated consistently, and that conform to specific programmatic limitations. In rare instances, an exception to these requirements can be made. These exceptions are called “Unlike Circumstances”. An example of an Unlike Circumstance exception is if a project seeks to test inebriated drivers’ response times. Alcohol is prohibited under Subpart E. However, alcohol would be allowed due to its direct application in the study. Costs and their allowance are described in detail in Subpart E. Please contact RASP if you believe that your project meets an Unlike Circumstance exception.

### **SALARIES**

Salary for faculty and other personnel are estimated using the percentage of the individual’s annual salary, regardless of whether the individual is on a nine, ten, eleven, or twelve month contract. For example, if a faculty member earns \$50,000 a year and will expend ten percent of his annual effort on a project, the resulting salary would be \$5,000. Under no circumstances should salary be budgeted as an hourly rate. If hourly rates are requested, please contact the RASP before moving forward. If you choose to add your salary in Cayuse 424, the software will automatically calculate your project salary amount by the percent of effort or monthly effort. When given the opportunity, please include a salary escalation rate of two percent for all proposal out years. You can automatically escalate out years in Cayuse 424 by clicking on the stairs icon.

### **FRINGE**

The fringe rate for all HPU employees is twenty-three (23%) percent of the project salary during the academic and calendar years and ten (10%) percent during summer periods. For example, if a faculty member budgets \$5,000 in salary on an academic year project, the resulting fringe charge would be twenty-four percent of \$5,000 or \$1,200. Cayuse 424 will automatically add the correct fringe amount to any salary.

### **TRAVEL**

All costs budgeted and incurred must be in furtherance of the sponsored project. Air fare, car rental, hotel, conference fees, etc. should be based on actual costs or estimates from a reputable travel agency or similar service, such as Expedia. Flights should be economy-based. Federal awards require using United States-based carriers when possible. If a HPU vehicle is used, please contact Transportation at 9113 for an estimate of

charges. Use of a personal vehicle will be reimbursed at the rate in effect, as provided by the HPU Business Office, at the time of incurrence. When given the opportunity, please include a two percent escalation rate for all proposal out years.

#### PARTICIPANT SUPPORT COSTS

Participant Support Costs are those costs paid to or for participants in connection with the HPU hosting of an event, meeting, or conference, etc., under a sponsored project. Applicable costs include but are not limited to event fees, food, and travel. Some sponsors, such as the National Science Foundation have specific conditions associated with this category.

#### EQUIPMENT

Equipment is defined as any item that is \$5,000 or greater and has more than one year of useful life. This includes equipment that is fabricated at HPU wherein the component costs are greater than \$5,000.

#### COMPUTERS

Computers are a special budgeting case in sponsored research. Because computers are used for many efforts including email, web browsing, and database management, it is rare that they are used to solely support a sponsored project. As such, computers should not be wholly budgeted on a sponsored project unless that computer is connected to a piece of equipment or other device and is only used to run that piece of equipment. Computers cost should be prorated based on the percentage of work that is to be done on the project on that computer. General computers are included in HPU's indirect cost rate. Any project in which a computer is proposed to be charged at one hundred percent must be approved by the Director of Research Administration and Sponsored Programs prior to submission.

#### MATERIALS AND SUPPLIES

Materials and supplies should be budgeted using quotes or costs from similar items that were recently purchased. If HPU is buying components to assemble into a piece of fabricated equipment, those costs should be placed in the equipment line. General office supplies may not be purchased without RASP prior approval, as these costs are considered as a part of HPU's indirect cost rate.

#### SUBAWARDS AND CONSULTANTS

Subawards and Consultants are non-HPU participants that support a HPU sponsored project. Both are similar in that each supports the efforts of a HPU sponsored project; however, it's how each contributes to the project that determines which category to use. Subawards must be issued through the Office of Research Administration and Sponsored Programs, while Consultant actions are issued through HPU Purchasing.

Subawards are those non-HPU project participants that:

- Have their performance measured against whether the project objectives are met
- Have responsibility for programmatic decision-making
- Uses the project funding to carry out a program of the organization

- Are subject to the project compliance requirements

For example, a partnering HPU may be responsible for a programmatic element such as developing a new algorithm for modeling bird flight.

Consultants are those non-HPU project participants that:

- Provide goods and services as part of their normal business operations
- Provide similar goods to many different purchasers
- Operates in a competitive environment
- Provides goods or services that are ancillary to the project
- Are not subject to the project compliance requirements

For example, a company may provide survey services on a leadership study.

Subawards may be entered into Cayuse 424 by hand, by uploading the Adobe SF 424 budget file, or through Cayuse's web site subawards.com or by hand/spreadsheet.

#### OTHER DIRECT COSTS

Other Direct Costs encompass those costs that can be directly attributed to the project and that do not fit into other budget lines. Examples of Other Direct Costs include maintenance, freight, warranties, etc.

#### INDIRECT COSTS

Indirect Costs are those costs that cannot be directly attributed to a project. The costs are generally known as Facilities & Administrative (F&A) costs. Indirect costs include electricity, water, sewer, library, research administration salary, and other general research support costs. For collection of indirect costs, institutions should have a federally negotiated indirect cost rate agreement. HPU's current F&A rate and documentation can be found at <http://ww.highpoint.edu/rasp/apply/information>. Please contact the RASP with any questions.

#### COST SHARE

HPU strongly recommends cost sharing only those funds that required under the program to which you are applying. All cost share must be approved by cognizant department heads and deans. Cost share provided by non-HPU entities must be documented in the HPU proposal on the third-party's letterhead clearly indicating the amount of the cost share and the budgetary line where the cost share will originate, for example salaries or equipment

### **14. WHEN CAN WORK BEGIN ON A SPONSORED PROJECT?**

Work on a sponsored project can only begin after RASP officially accepts the award. Faculty members are not authorized to sign sponsored programs awards on behalf of HPU. RASP shall negotiate and/or approve of all award terms. Additionally, RASP will not internally award a project until HPU's compliance committees approve any related protocol. Once RASP accepts an award, it will prepare an award package, including a notice of award, principal investigator responsibility letter, complete terms and conditions, statement of work, and matching budget. RASP will transmit an electronic copy to the

principal investigator, his/her department chair and dean, and the Office of Business Affairs.

In certain circumstances, a project may start before the official start date. The principal investigator may request a pre-award account from RASP. RASP will not approve a pre-award account without documentation from the sponsor that it: 1) intends to provide an award and 2) will cover costs during the pre-award period. Any costs that are subsequently disallowed will be the responsibility of the principal investigator's department or college/school. The department must provide an account from which any cost overruns will be covered at the time of the pre-award request.

## **15. AUTHORIZED ORGANIZATIONAL REPRESENTATIVE**

The RASP Director is authorized by the HPU President, as resolved by the HPU Board of Trustees, to sign proposals and contracts, including grants and cooperative agreements, for research, public service, scholarship, and other creative sponsored activities. Until such time that HPU institutes a separate technology transfer program, the RASP Director has the authority to sign contracts necessary for the operation of technology transfer program, including but not limited to licenses, options, confidentiality agreements, material transfer agreements and documents required for the prosecution and maintenance of HPU intellectual property rights. The RASP Director's signature authority letter may be found at <http://www.highpoint.edu/rasp/apply/information/>.

## **16. RESEARCH AGREEMENTS: NEGOTIATIONS**

RASP is responsible for managing all contractual negotiations for sponsored projects. RASP will coordinate negotiations with investigators, deans and department chairs, and other offices as appropriate.

Investigators and administrators should contact RASP immediately if a sponsor representative calls to negotiate terms of the project. Failure to do so may result in RASP having to re-open negotiation on points the sponsor believed to be settled.

Negotiation issues include:

1. The technical plan, or scope of work;
2. Scientific control and direction of project;
3. Key personnel;
4. Period of performance;
5. Confidentiality of data and access to patient records;
6. Publication rights;
7. Ownership and disposition of intellectual property;
8. Financial Issues: Sponsor commitment, cost sharing, F&A costs, allowable costs, program income, record retention and audit procedures;

9. Deliverables and reports;
10. Invoices and payment;
11. Equipment accountability and disposition;
12. Protection of human subjects;
13. Animal welfare;
14. Subawards;
15. Indemnification and insurance;
16. Disclaimers of warranties; and
17. Provisions for termination or modification of agreement.

## **17. OFFICE OF TECHNOLOGY TRANSFER**

HPU does not operate a separate technology transfer office. The RASP Director is authorized to negotiate, execute, administer, and maintain all HPU-created intellectual property. The RASP Director's signature authority letter may be found at <http://www.highpoint.edu/rasp/apply/information/>.

## **18. CONFLICT OF INTEREST**

Conflict of Interest (COI) regulations are designed to ensure that a researcher's personal integrity, judgment, and objectivity are not compromised by a financial or personal relationship. These regulations require HPU to remove or manage any actual or perceived COI. Faculty who participate in sponsored research are subject to the HPU Sponsored Research COI policy. This policy and associated documents may be found at <http://www.highpoint.edu/rasp/coi>.

HPU's COI policy is based on the requirements of the National Institutes of Health regulations. All participating faculty must disclose their outside financial interests for the previous year by March 30. Additionally, faculty must provide ad hoc disclosures as circumstances merit. COI training and disclosure are required before a researcher engages in research and every four years thereafter.

### **INTRODUCTION**

As an institution of higher education, HPU holds that its credibility and integrity are foundational to its existence. Sponsors, including the Federal Government, foundations, industry, and others, rely on HPU's assurances that its research enterprise is free of influence and coercion.

This policy governing financial conflict of interest applies to all Investigators of HPU engaging in research or other sponsored activity. The Institutional Official is responsible for ensuring implementation of this policy and may suspend all relevant activities until the financial conflict of interest is resolved or other action deemed appropriate by the

Institutional Official is implemented. Violation of any part of these policies may also constitute cause for disciplinary or other administrative action pursuant to Institutional policy. This policy is in addition to other HPU Conflict of Interest requirements.

## **DEFINITIONS**

*Clinical Trial* means any research study that involves interaction with human subjects and the concurrent investigative use of drugs, biologics, devices, or medical or other clinical procedures.

*Conflict of Interest Committee (COI Committee)* means the Institution's committee or individual that advises the Institutional Official on conflict of interest matters.

*Family* means any member of the Investigator's immediate family, but specifically refers to any dependent children and spouse.

*Financial Interest* means anything of monetary value received or held by an Investigator or an Investigator's Family, whether or not the value is readily ascertainable, including, but not limited to: salary or other payments for services (e.g., consulting fees, honoraria, or paid authorships for other than scholarly works); any equity interests (e.g., stocks, stock options, or other ownership interests); and intellectual property rights and interests (e.g., patents, trademarks, service marks, and copyrights), upon receipt of royalties or other income related to such intellectual property rights and interests.

*Financial Interest* does NOT include:

- a) salary, royalties, or other remuneration from the Institution;
- b) income from the authorship of academic or scholarly works;
- c) income from seminars, lectures, or teaching engagements sponsored by or from advisory committees or review panels for U.S. Federal, state or local governmental agencies; U.S. institutions of higher education; U.S. research institutes affiliated with institutions of higher education, academic teaching hospitals, and medical centers; or
- d) equity interests or income from investment vehicles, such as mutual funds and retirement accounts, so long as the Investigator does not directly control the investment decisions made in these vehicles.

For Investigators, *Financial Interest* also includes any reimbursed or sponsored travel undertaken by the Investigator and related to his/her institutional responsibilities. This includes travel that is paid on behalf of the Investigator rather than reimbursed, even if the exact monetary value is not readily available. It excludes travel reimbursed or sponsored by U.S. Federal, state or local governmental agencies, U.S. institutions of higher education, research institutes affiliated with institutions of higher education, academic teaching hospitals, and medical centers.

*Significant Financial Interest* means a Financial Interest that reasonably appears to be related to the Investigator's Institutional Responsibilities, and:

- a) if with a publicly traded entity, the aggregate value of any salary or other payments for services received during the 12 month period preceding the disclosure, and the value of any equity interest during the 12 month period preceding or as of the date of disclosure, exceeds \$5,000; or
- b) if with a non-publicly traded entity, the aggregate value of any salary or other payments for services received during the 12 month period preceding the disclosure exceeds \$5,000; or
- c) if with a non-publicly-traded company, is an equity interest of any value during the 12 month period preceding or as of the date of disclosure; or
- d) is income related to intellectual property rights and interests not reimbursed through the Institution.

*Financial Conflict of Interest* means a Significant Financial Interest (or, where the Institutional Official requires disclosure of other Financial Interests, a Financial Interest) that HPU reasonably determines could directly and significantly affect the design, conduct or reporting of Institutional research.

*Institutional Official* means the individual within HPU that is responsible for the solicitation and review of disclosures of significant financial interests, including those of the Investigator's Family related to the Investigator's institutional responsibilities. For the purposes of this policy, the Institutional Official is the RASP Director.

*Institutional responsibilities* means the Investigator's responsibilities associated with his or her Institutional appointment or position, such as research, teaching, clinical activities, administration, and institutional, internal and external professional committee service.

*Investigator* means any individual who is responsible for the design, conduct, or reporting of sponsored research, or proposals for such funding. This definition is not limited to those titled or budgeted as principal investigator or co-investigator on a particular proposal, and may include postdoctoral associates, senior scientists, or graduate students. The definition may also include collaborators or consultants as appropriate.

*Public Health Service or PHS* means the Public Health Service of the U.S. Department of Health and Human Services, and any components of the PHS to which the authority of the PHS may be delegated. The components of the PHS include, but are not limited to, the Administration for Children and Families, Administration on Aging, Agency for Healthcare Research and Quality, Agency for Toxic Substances and Disease Registry, Centers for Disease Control and Prevention, Federal Occupational Health, Food and Drug Administration, Health Resources and Services Administration, Indian Health Service, National Institutes of Health, and Substance Abuse and Mental Health Services Administration.

*Research* means a systematic investigation, study, or experiment designed to contribute to generalizable knowledge. The term encompasses basic and applied research (e.g., a published article, book or book chapter) and product development (e.g., a diagnostic test or drug).

*Subrecipient* means any domestic or foreign, public or private, entity or organization (excluding a Federal agency) that receives flow-through funding from HPU.

## **CONFLICT OF INTEREST:**

This policy is predicated on the expectation that Investigators should conduct their affairs so as to avoid or minimize conflicts of interest, and must respond appropriately when conflicts of interest arise. To that end, this policy informs faculty about situations that generate conflicts of interest related to research, provides mechanisms for Investigators and HPU to manage those conflicts of interest that arise, and describes situations that are prohibited. Every Investigator has an obligation to become familiar with, and abide by, the provisions of this policy. If a situation raising questions of conflict of interest arises, an Investigator should discuss the situation with the Institutional Official.

Subrecipients that receive flow-through funding from HPU shall meet the standards of this policy or certify that the Subrecipient possesses and maintains a conflict of interest policy that meets the requirements of all applicable Federal standards.

### **1) DISCLOSURE OF FINANCIAL INTERESTS**

All Investigators are required to disclose their outside financial interests to HPU on an annual and on an ad hoc basis, as described below. The Institutional Official is responsible for the distribution, receipt, processing, review, and retention of disclosure forms.

Regardless of the disclosure requirements, the Investigator, in his or her own best interest, is encouraged to disclose any other financial or related interest that could present an actual conflict of interest or be perceived to present a conflict of interest.

#### **a) Annual Disclosures**

All Investigators must disclose their Significant Financial Interests to the Institution, through the Institutional Official, on an annual basis. All forms should be submitted to the Institutional Official or designee by March 1 for the previous calendar year.

#### **b) Ad hoc Disclosures**

In addition to annual disclosure, certain situations require ad hoc disclosure. All Investigators must disclose their Significant Financial Interests to the Institution, through the Institutional Official, within 30 days of their initial appointment or employment.

Prior to entering into sponsored projects or applications for sponsored projects, where the Investigator has a Significant Financial Interest, the Investigator must submit to the Institutional Official an ad hoc updated disclosure of his or her Significant Financial

Interests with the outside entity. HPU will not submit a research proposal unless the Investigator(s) have submitted such ad hoc disclosures.

In addition, all Investigators must submit to the Institutional Official an ad hoc disclosure of any Significant Financial Interest they acquire during the course of the year within thirty (30) days of discovering or acquiring the Significant Financial Interest.

### **c) Travel**

Investigators must also disclose reimbursed or sponsored travel related to their institutional responsibilities, as defined above in the definition of Financial Interest within thirty days of travel. Such disclosures must include, at a minimum, the purpose of the trip, the identity of the sponsor/organizer, the destination, the duration, and, if known, the monetary value. The Institutional Official will determine if additional information is needed (e.g., the monetary value if not already disclosed) to determine whether the travel constitutes a Financial Conflict of Interest with the Investigator's research.

## **2) REVIEW AND DECISION OF THE INSTITUTIONAL OFFICIAL**

If the disclosure form reveals a Significant Financial Interest, it will be reviewed promptly by the Institutional Official or designee for a determination of whether it constitutes a Financial Conflict of Interest. If a Financial Conflict of Interest exists, the Institutional Official will take action to eliminate, reduce, or manage the conflict, as appropriate.

Examples of conditions or restrictions that might be imposed to manage, reduce or eliminate conflicts of interest include, but are not limited to:

1. public disclosure of significant financial interests;
2. monitoring of research by independent reviewers;
3. modification of the research plan;
4. for research projects involving human subjects research, disclosure of financial conflicts of interest directly to participants;
5. disqualification from participation in the portion of the research that would be affected by significant financial interests;
6. divestiture of significant financial interests; or
7. severance of relationships that create conflicts.

A Financial Conflict of Interest will exist when the Institutional Official or designee determines that a Significant Financial Interest could directly and significantly affect the design, conduct, or reporting of sponsor-supported research. If the Institutional Official determines that there is a Financial Conflict of Interest that can be managed, he or she must require and approve a written management plan before any related research goes forward. The affected Investigator or the COI Committee is responsible for developing and submitting a proposed management plan, in consultation with the Institutional Official.

To address complex situations, oversight committees may be established by the Institutional Official to periodically review the ongoing activity, to monitor the conduct of the activity (including use of students and postdoctoral appointees), to ensure open and timely dissemination of the research results, and to otherwise oversee compliance with the management plan.

### **3) CLINICAL TRIALS**

#### **a) Review of Significant Financial Interests Related to Clinical Trials**

Clinical trials involve particularly sensitive issues if the Investigator has a Financial Interest related to the clinical trial.

#### **b) Prohibition**

An Investigator is prohibited from engaging in a clinical trial where a Significant Financial Conflict of Interest exists.

### **4) REPORTING TO PHS**

Should any reported conflict or non-compliance require reporting to PHS, the Institutional Official will report in accordance with PHS regulations. If the funding for the Research is made available from a prime PHS-awardee, such reporting shall be made available to the prime awardee such that they may fulfill their reporting obligations to the PHS.

### **5) INVESTIGATOR NON-COMPLIANCE**

#### **a) Corrective Action**

In the event of an Investigator's failure to comply with this Policy, the Institutional Official may suspend all relevant activities or take other corrective action until the matter is resolved or other action deemed appropriate by the Institutional Official is implemented.

An Institutional Official's decision to apply corrective measures to an Investigator because of failure to comply with this Policy, or failure to comply with the decision of the Institutional Official, will be described in a written explanation of the decision to the Investigator, Dean, Provost, and, where applicable, the Institutional Review Board, and will notify the Investigator of the right to appeal the decision.

#### **b) Retrospective Review**

In addition, if the Institutional Official determines that a Financial Conflict of Interest was not identified or managed in a timely manner, including but not limited to an Investigator's failure to disclose a Significant Financial Interest that is determined to be a Financial Conflict of Interest, or failure by an Investigator to materially comply with a management plan for a Financial Conflict of Interest, a committee of three faculty members appointed

by the Institutional Official will complete a retrospective review of the Investigator's activities and the research project within 120 days to determine whether the research conducted during the period of non-compliance was biased in the design, conduct, or reporting of the research.

Documentation of the retrospective review shall include the project number, project title, PI, name of Investigator with the Financial Conflict of Interest, name of the entity with which the Investigator has the Financial Conflict of Interest, reason(s) for the retrospective review, detailed methodology used for the retrospective review, and findings and conclusions of the review.

The Institutional Official will update any previously submitted report to the sponsor, PHS or the prime PHS-awardee relating to the research, specifying the actions that will be taken to manage the Financial Conflict of Interest going forward. If bias is found, the report will include a mitigation report in accordance with the sponsor or PHS regulations, including a description of the impact of the bias on the research project and the plan of action to eliminate or mitigate the effect of the bias. If required by PHS, HPU will ensure disclosure of the Financial Conflict of Interest in each public presentation of the results and/or request an addendum to previously published presentations.

## **6) TRAINING**

Each Investigator must complete training on this Policy prior to engaging in research and at least every four years thereafter. They must also complete training within a reasonable period of time as determined by the Institutional Official in the event that this Policy is substantively amended in a manner that affects the requirements of Investigators, or if it is determined that the Investigator has not complied with this policy or with a management plan related to their activities.

## **7) RECORD RETENTION**

The Institutional Official will retain all disclosure forms, conflict management plans, and related documents for a period of three years from the date the final expenditure report is submitted to the sponsor or longer as specified in 45 CFR 74.53(b) and 92.42(b), where applicable.

## **8) CONFIDENTIALITY**

To the extent permitted by law, all disclosure forms, conflict management plans, and related information will be confidential. However, HPU may make such information available to an agency funding research of the faculty member, to a requestor of information concerning financial conflict of interest related to sponsor, PHS funding agency or to the primary entity who made the funding available to the Institution, if requested or required. If HPU is requested to provide disclosure forms, conflict management plans, and related information to an outside entity, the Investigator will be informed of this disclosure.

## **9) PUBLIC ACCESSIBILITY TO A PHS SIGNIFICANT FINANCIAL INTEREST DISCLOSURE**

Prior to the expenditure of any PHS-related funds, HPU will respond to any requestor within five business days of the request, information concerning any Significant Financial Interest that meets the following criteria:

- a) The Significant Financial Interest was disclosed and is still held by the Investigator;
- b) A determination has been made that the Significant Financial Interest is related to the PHS-funded research; and
- c) A determination has been made that the Significant Financial Interest is a Financial Conflict of Interest.

The information to be made available shall be consistent with the requirements of the PHS policy.

## **10) REGULATORY AUTHORITY**

This policy implements the requirements of 42 CFR 50 and 45 CFR 94; where there are substantive differences between this policy and the requirements, the requirements shall take precedence.

# **19. BUDGETING**

The Office of Business Affairs will enter the original budget data into the financial accounting system based on the award and approved budget. The detailed budget for a sponsored project should reflect the expenditure budget line item as submitted and approved by the sponsoring agency and correspond, where feasible, with the HPU's account code structure. If the sponsoring agency does not award the amount requested in the proposal, the Principal Investigator must submit, through RASP, a revised budget that agrees with the awarded amount. The revised budget will then be forwarded to the Office Business Affairs for account set-up. The absence of a budget agreeing in total to an awarded amount will delay set-up of projects and the inability to expend funds.

### **1.1. Points to consider when revising a budget (a.k.a. rebudget)**

1.1.1. Understand the specific sponsor terms/conditions regarding revisions to the original budget.

1.1.2. Anticipate budget needs and obtain prior approval rather than after the fact approval. After the fact requests may be denied.

1.1.3. Requests for a budget revision must follow the procedures established by the HPU.

1.1.4. Provide a written, detailed justification explaining the reason for the revision.

1.1.5. Facilities and administrative costs must be adjusted when increasing or decreasing the budget.

## 20. ALLOWABLE COSTS

### 2.1 GENERAL

As an educational institution, the HPU is subject to the Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E (formerly known as the Office of Management and Budget Circular A-21, Cost Principles for Educational Institutions). Since the majority of research funding provided to universities is from federal sources, Subpart E serves as the foundation for all cost determinations. For a cost to be allowable under Subpart E on a sponsored research project it must be:

- ⇒ *Reasonable*: A prudent person would have purchased this item and paid this price
- ⇒ *Allocable*: Expenses can be allocated to the funded activity based on the benefit derived, cause and effect, or other equitable relationship
- ⇒ *Consistently treated*: Like expenses must be treated the same in like circumstances.
- ⇒ *Allowable*: Permitted as a direct cost under the specific grant or contract.

### 2.2 REASONABLE DEFINED

A cost may be considered reasonable if the nature of the goods or services, and the price paid for the goods or services, reflects the action that a prudent person would have taken given the prevailing circumstances at the time the decision to incur the cost was made.

To determine if an expenditure is reasonable, ask the following questions:

- ⇒ Is the cost a type generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement?
- ⇒ Does incurring this expenditure violate any requirements or policies such as institutional policy, federal and state laws and regulations, and sponsored terms and conditions?
- ⇒ Have the individuals incurring this cost acted with due prudence (discretion and good sense) under the circumstances? Have they considered their responsibilities to the institution and the sponsor?
- ⇒ Were the actions that were taken with respect to incurring the cost consistent with established institutional policies and practices applicable to the work of the institution, including sponsored projects?

### 2.3 ALLOWABLE DEFINED

A cost is allocable to a particular agreement if the goods or services involved can be directly assigned to that agreement. See Figure 1 for a direct cost decision tree.

To determine if expenditure is allocable, ask the following questions:

- ⇒ Is it incurred solely to advance the work under the sponsored project?
- ⇒ Does it benefit both the sponsored project and other projects in proportions that can be approximated through the use of reasonable methods?
- ⇒ Is it necessary for the overall operations of the institution and, in light of sponsored project rules and regulations, is it deemed to be assignable in part to the sponsored project?

## 2.4 EXPENSE ALLOCATION

If an expenditure solely benefits one project, it should be charged directly to that project. However, sometimes an expenditure can benefit two or more projects. Lab chemicals are an example of an expense that could potentially benefit more than one project. When this occurs the expenditure must be charged in the same proportions as the benefits on the respective projects. Subpart E provides two methods for allocating an allowable direct cost to two or more awards:

2.4.1. The Proportional Benefit Rule: The proportional benefit rule applies when it is possible to determine the proportional benefit of the cost to each project. The cost is allocated according to the proportion of benefit provided to each of the projects.

2.4.2. The Interrelationship Rule: The interrelationship rule applies when it is not possible to determine the proportional benefit to each project because of the interrelationship of the work involved. The cost is distributed on any reasonable and rational basis because the proportional benefit cannot be identified and applied to the individual projects.

Following are examples of allocation methodologies:

- ⇒ Allocation based upon usage: The cost of lab supplies allocated based upon the quantity used on each project.
- ⇒ Allocation based upon number of experiments: The cost of syringes allocated based upon the number of experiments performed for each project.
- ⇒ Allocation based upon number of hours: The cost of computer equipment allocated based upon the number of hours logged on for each project.
- ⇒ Allocation based upon the number of clients served: The cost of personality tests allocated based upon the number of clients served.
- ⇒ Allocation based upon effort: The cost of lab supplies proportionally allocated based upon the Principal Investigator's percentage of effort charged to each project.

## 2.5 CONSISTENTLY TREATED DEFINED

All costs incurred for the same purpose in like circumstances must be treated uniformly either as direct costs or as facilities and administrative costs. Since certain costs such as administrative and clerical staff salaries and office supplies are normally treated as F&A costs, these costs cannot be charged directly to federal agreements unless the circumstances related to a particular project are clearly different from the normal operations of the institution.

### 2.5.1 *EXCEPTION*

While not specifically defined, Subpart E provides an important exception to the requirement of consistent treatment or “like circumstances” of costs. This exception, termed an “unlike circumstance”, is where an expenditure which is normally considered to be an F&A cost meets the criteria to be charged as a direct cost. These costs must:

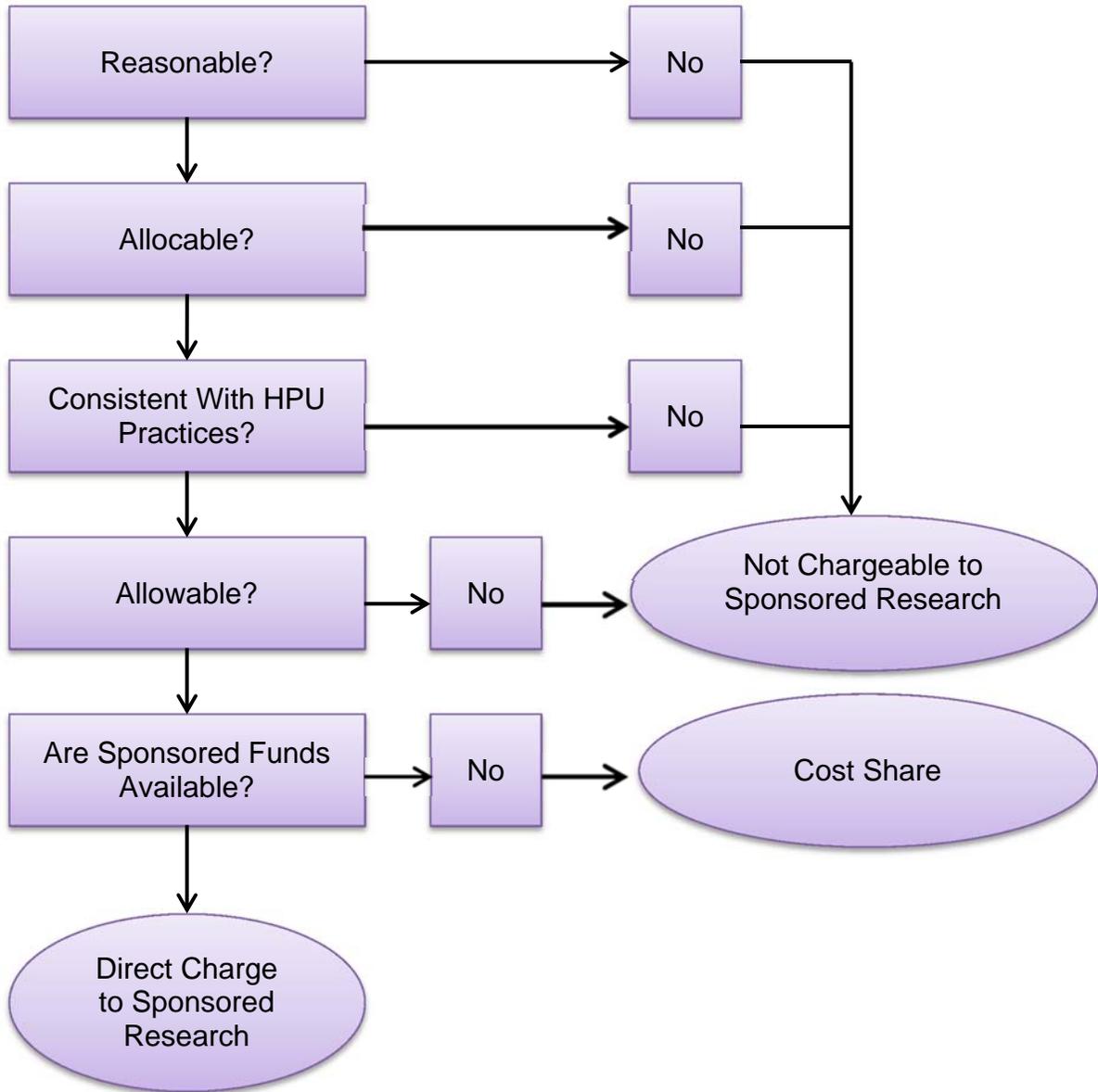
- ⇒ Fit the definition of a direct cost (specifically identifiable with the objectives of the research project, identification made with relative ease and a high degree of accuracy)
- ⇒ Be unlike or atypical in comparison to the standard F&A costing process
- ⇒ Be included in the proposal budget
- ⇒ Be justified adequately
- ⇒ Be approved by the RASP Director
- ⇒ Be approved by the sponsor

### 2.6 *ALLOWABLE DEFINED*

Costs expressly unallowable or mutually agreed to be unallowable shall be identified and excluded from any billing, claim, application, or proposal related to a sponsored research project. Sponsoring agencies use the term “allowable” to mean permitted as a direct cost under the terms of a specific grant or contract. Expenditures that are generally allowable for reimbursement may not necessarily be permitted under the terms of a specific grant or contract. Refer to the solicitation, call for proposal, or other proposal requesting document to determine what costs are allowable.

**Figure 1: Allowability Charge Decision Tree**

**Is the cost...**



## 21. DIRECT COSTS

## 21.1 GENERAL

As an educational institution, the HPU is subject to Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E (formerly known as the Office of Management and Budget Circular A-21, Cost Principles for Educational Institutions). Subpart E 200.420-475, General Provisions for Selected Items of Costs, establishes what costs (see Section 2), following a determination that the costs are allowable, may be charged to a sponsored research account. To review this section, please visit the U.S Government Publishing Office [website](#). Appendix A, Figure 2 provides a selection of the most used direct costs and normal treatment of the costs. If a cost is prohibited by the sponsor, the cost may not be charged to the sponsored research project. A selected listing of costs and their allowability can be found in Figure 2.

21.2.2. It is the responsibility of each College/School/Department to perform "pre-audit" reviews of all expenditures to sponsored awards to ensure that specific costs comply with all applicable regulations.

21.2.3. The budget as approved and awarded by the Sponsor, along with all policy restrictions must be consulted/reviewed prior to posting expenditures to any given award.

21.2.5. Expenditures for goods and services should not be made in an attempt to "spend out" a project's available balance.

21.2.6. It is the responsibility of the Principal Investigator to support and justify all direct costs charged to a sponsored award if questioned during an audit. Please consult Figure 1 for a decision tree to determine if a direct charge should be placed on a research account.

<b>Figure 2: Direct Cost Guidelines</b>	
<b>Direct Cost</b>	<b>Allowability</b>
<b>Salaries, Wages, and Benefits</b>	<p>Personnel costs are allowable on sponsored research projects. Costs must reflect the actual effort expended on the project. Faculty and salaried professional staff are budgeted based on a percent of their yearly effort. Faculty and professional staff must complete an effort certification. Certification is broken into three segments per year. Hourly employees are charged by the hour. Hourly employees' time cards are the supporting documentation.</p> <p>Administrative support staff salaries/wages are generally provided through F&amp;A costs. Only in exceptional circumstances can administrative staff be budgeted as a direct cost. As a general rule, staff who provide more than</p>

	twenty percent effort to a research project <i>may</i> be budgeted as a direct cost. If budgeted, these costs must be substantially justified, must be approved by the Director or Research Administration and Sponsored Programs, and approved by the sponsoring agency.
<b>Business Meals and Meeting Costs</b>	Unallowable unless specifically approved by the sponsor in advance.
<b>Entertainment Costs</b>	Unallowable unless specifically approved by the sponsor in advance.
<b>Equipment</b>	Only scientific equipment is allowed. General purpose business equipment is unallowable unless authorized by the sponsor in advance. Please refer to Section 4 for a complete discussion of equipment, including fabricated equipment.
<b>Alcoholic Beverages</b>	Unallowable unless specifically authorized by the sponsor in advance.
<b>Travel</b>	Allowable if it benefits the project. International travel typically requires sponsor approval before booking, even if it is approved in the research agreement. Grantees are often required to fly U.S.-based carriers.
<b>Postage</b>	Unallowable unless specifically approved by the sponsor in advance. Postage is generally considered as an F&A cost. However, in the case of large surveys or other similar mailings, postage may be considered allowable.
<b>Materials</b>	Materials are generally allowed on a sponsored if they are dedicated to the project. Project supplies do not include general office supplies.
<b>Professional Service</b>	Consultants are authorized as a direct cost. Any consultant work should be supported by a budget that details the charges, including hourly rates, travel, etc., a statement of work, and a letter of intent.
<b>Telephone Charges</b>	Local charges are generally considered as an F&A cost. Long distance charges are allowable if approved by the sponsor in advance. If approved, a call log must be kept for all project-related calls.
<b>Proposal Costs</b>	Unallowable unless specifically approved by the sponsor.
<b>Subawards</b>	Allowable if it benefits the project.
<b>Participant Support Costs</b>	Allowable by most sponsors. Costs paid to or in support of participants in meetings, conferences, workshops, and similar events. These are not general travel costs. Note that NSF does not allow indirect costs on PSC. Additionally, NSF does not allow PSC rebudgeting without prior approval.

## 22. FACILITIES AND ADMINISTRATIVE COSTS

### 22.1. GENERAL

This statement provides the guidelines that Colleges/Schools/Departments should apply in collecting and allocating facilities and administrative (F&A) costs. F&A costs are those costs incurred for common objectives of the HPU and therefore cannot be readily identified with a particular sponsored award.

### 22.2. GUIDELINES

HPU F&A Cost Rate structure is federally negotiated. The rate structure is based on F&A costs incurred at the HPU and the Colleges/Schools/Departments levels. The current rates and rate components can be found at the [RASP website](#).

Allocations and use of F&A cost reimbursement funds will follow be distributed as follows:

Recovered F&A:

- ⇒ 15% Principal Investigator
- ⇒ 25% College/School Dean
- ⇒ 10% Department
- ⇒ 50% RASP/Central Administration

### 22.3. F&A PROPOSAL GUIDELINES

22.3.1. HPU shall apply F&A to all projects unless a waiver is obtained. F&A costs must be included in proposal budgets on sponsored projects, and the following procedures must be followed:

22.3.1.1 When awarded, F&A costs will be budgeted and charged to each sponsored research project in accordance with the approved budget.

22.3.1.2. Rebudgeting funds to or from equipment and subcontracts may have an effect on F&A costs. The College/School is responsible for completing budget revisions. RASP will review the calculation, and either approve it or forward the approval request to the sponsor (this will be based on the terms of the award).

22.3.1.3. At the end of the award period, the Office of Business Affairs will prepare an F&A Cost Analysis to ensure that the HPU recovered the maximum allowable F&A cost.

22.3.1.4 F&A costs may not be used to fund direct cost overruns unless prior approval has been obtained from the sponsor.

It is the responsibility of the Colleges/Schools/Departments to ensure that appropriate F&A costs are included in all proposals for externally funded contracts, grants, and

cooperative agreements. Failure to do so will affect allocations that would otherwise be made to that College/School/Department.

22.3.2. A full or partial waiver of F&A costs can only be made when either of the two following circumstances exists and must be demonstrated in writing and included in the award package as supporting information:

22.3.2.1. The sponsor will not reimburse F&A costs of any amount or restricts reimbursement to a rate less than the applicable HPU F&A cost rate (documentation of this proposal must be a corporate policy, written on the entities' letterhead, and signed by an authorized representative); OR,

22.3.2.2. Extraordinary circumstances exist, which, if F&A costs are included in a budget, may jeopardize the HPU's best interest.

Exceptions may also apply to longstanding corporate and foundation restriction policies applied equally to all parties receiving contracts, grants or funded agreements.

22.3.3. Waiver of F&A costs can only be granted in writing by the RASP Director.

## **23. COST SHARING**

### **23.1. DEFINITIONS**

23.1.1. *Cost Sharing* is the portion of total project costs not borne by the sponsor agency. Other terms used include matching, third-party, and in-kind contributions.

23.1.2. *Mandatory Cost Sharing* is cost sharing that is mandated by the sponsoring agency. This can be in the form of a specified dollar amount or a certain percentage of total costs.

23.1.3. *Required or Committed Cost Sharing* is cost sharing included in the proposal and accepted by the sponsor, regardless of whether it was mandatory or voluntary. The amount included in the proposal becomes a part of the legal requirements of the contract or grant.

23.1.4. *Voluntary Cost Sharing* is cost sharing that is not required by the sponsoring agency or committed to in the proposal.

23.1.5. *Facilities & Administration (F&A) costs* are costs that cannot be directly attributed to a project.

### **23.2. POST-AWARD COST SHARING ISSUES**

23.2.1. HPU's after the fact certification process is the approved method of documenting effort on a project for salaried employees. Cost sharing should be documented when the

Principal Investigator and other HPU employees spend a significant amount of time on sponsored projects that is not reimbursed by the sponsor. This is true even if their time was not included in the proposal or award agreement as cost sharing (voluntary). Significant effort should be determined based on a review of the individual facts and circumstances of each sponsored project. This judgment would normally be based on the percentage of time an individual will spend on the project and the resulting contribution made to the project. For a greater discussion of effort reporting, please refer to Section 13, Effort Reporting.

23.2.2. Since the definition of "significant" is determined by individual project review, it is difficult to establish a set percentage to use as a guideline when determining whether effort is significant or not. Historically, 5% or greater has been considered significant. However, the project review could prove that a percentage less than 5% is significant for that particular project. For example, some federal projects require prior approval when the Principal Investigator has not been working on the project consecutively for three months or more. In this case, 1% would be considered significant and the effort would need to be documented in effort system unless prior approval is obtained from the agency.

23.2.3. What is considered significant is ultimately left up to the judgment of the Principal Investigator. However, there are certain circumstances when effort must be documented through effort reporting. If there are direct charges associated with an individual (for example travel), effort for this individual should be documented either as a direct charge to the project or cost shared. If the salary dollars are needed to meet cost sharing commitments or if it is necessary to document levels of effort as committed in the proposal, the cost sharing must be documented through effort reporting, regardless of the percentage of time spent on the project. In these special circumstances, effort cannot be considered "insignificant" and thus omitted from the effort reporting system.

23.2.4. Federal regulations require that significant cost sharing, regardless of whether it was required by the sponsored research agreement, be documented to ensure accurate financial reporting and regulatory compliance in the development of the HPU's F&A cost rates. Cost sharing is a significant factor in the calculation of the F&A cost rates. Failure to document and report cost sharing could result in inaccurate F&A cost rates and the refund of F&A cost revenues.

23.2.5. Cost sharing may become a requirement through reductions in award amounts (as compared to what was requested in a proposal) unless comparable reductions are made in the scope or objective of the work. The reasons for reductions in award amounts should be clearly documented during negotiations with sponsors to avoid unplanned or unnecessary cost sharing. Examples of reasons for a reduction in award amount include: the original cost estimate was too high, the scope or objective of the proposal was reduced, or the sponsor wants the HPU to bear more of the project cost.

23.2.6. Cost sharing may also be required to maintain the committed level of effort on sponsored projects when rebudgeting results in significant decreases in salaries of the

Principal Investigator or other personnel funded from the project that could impact the outcome of the work.

### *23.3. ALLOWABLE COST SHARING*

23.3.1. Cost sharing must be verifiable from HPU records.

23.3.2. Expenditures documented as cost sharing must be necessary and reasonable for the proper and efficient accomplishment of project objectives.

23.3.3. Expenditures documented as cost sharing must be the types of charges that are allowable according to federal cost principles.

23.3.4. Cost sharing cannot be used or reported more than one time. If cost sharing benefits more than one project, it should be prorated in an equitable manner among the projects (e.g., based on % of each project's cost to total combined project costs).

23.3.5. Unless otherwise authorized, expenditures by the federal government under other agreements may not be used as cost sharing for federal projects.

23.3.6. Mandatory cost sharing must be disclosed in approved budgets when required by the agency.

23.3.7. Cost sharing must meet requirements of Cost Accounting Standards (CAS).

23.3.8. Cost sharing must be incurred during the award period.

### *23.4. DOCUMENTATION REQUIREMENTS FOR COST SHARING*

#### *23.4.1. Effort*

The Office of Business Affairs will distribute an effort report for the employee to review and certify.

The effort reporting system must be used for cost sharing (regardless of the level of involvement) for:

23.4.1.1. Significant amounts of time spent on projects beyond the award requirements.

23.4.1.2. Cost sharing performed in order to maintain committed levels of effort on sponsored projects.

23.4.1.3. Cost sharing performed in order to meet committed dollar amounts or percentage of award amounts.

23.4.1.4. Any award where there will be direct charges associated with an individual (travel, etc.).

23.4.1.5. Cost sharing by a nine-month faculty during a summer period and bi-weekly paid employees must be documented as well.

#### 23.4.2. Non-Salary Cost Share

This includes supplies, travel, and other direct costs [except salaries and fringe benefits] which the HPU will fund. Documentation such as purchase orders, use logs, vendor invoices, journal vouchers, payment authorizations, travel authorizations and travel reimbursements should be maintained by the College/School/Department.

#### 23.4.3. Equipment and Tuition

This includes the cost of equipment, tuition and other related expenditures which the HPU funds. Documentation such as purchase orders, journal vouchers, vendor invoices, and payment authorizations should be maintained by the College/School/Department.

#### 23.4.4. Other Contracts and Grants

23.4.4.1. In some cases, cost sharing requirements may be met through expenditures on other sponsored research accounts. When this type of cost sharing is used, the accounts must be identified by the College/School/Department. If less than total expenditures of the other sponsored project will be used to meet cost sharing requirements, account numbers must also be provided.

23.4.4.2. For other sponsored projects to qualify as allowable cost sharing, the technical relationship between the projects must be established. The technical relationship to the project requiring cost sharing can be established by information cited in the other sponsored research project proposal linking the work of the projects or by a certification from the College/School's Dean stating the projects are technically related. This memo should be provided to the Office of Business Affairs.

23.4.4.3. Special Note: In general you cannot cost share one federal contract or grant against another federal contract or grant. In order to cost share federal dollars against other federal dollars you must receive approval from both federal sponsors in advance. This may be done by clearly disclosing the cost share in all proposals impacted and obtaining written approval from the sponsors.

#### 23.4.5. Subcontractors

Subcontractors who agreed, as part of their contract with the HPU, to participate in the HPU's cost sharing requirements make up this category of cost sharing. A standard clause is included in HPU subcontract agreements citing the subcontractor's cost sharing and reporting responsibilities. Because subcontractors' cost sharing will never appear in

the HPU's accounting system, it is important to obtain this information from them periodically. Their documentation of actual cost sharing to-date should be reported by expenditure category (salaries, fringes, equipment, their F&A costs, etc.), on an invoice or official letterhead, and signed by an authorized representative. Copies of cost sharing documentation obtained from subcontractors must be provided to the Office of Business Affairs.

#### 23.4.6. Third Party/Other

Cost sharing by a third party is not identifiable in the HPU's financial system. This type of cost sharing must be reviewed to ensure that it is allowable according to the HPU's agreement with the sponsor and that prior approval for this type of cost sharing has been obtained from the sponsor when necessary. In some cases, federal regulations will govern the valuation of third party contributions. Contact the Office of Research Administration and Sponsored Programs to discuss allowability. Documentation provided by third-parties must be captured on their official letterhead, with an authorized representative's signature, and must identify cost sharing by category (salaries, fringes, equipment, etc.) and the value of each. Copies of cost sharing documentation obtained from third-party and other sources must be provided to the Office of Business Affairs.

#### 23.4.7. Multiple Projects Under A Parent

This category of cost sharing can be viewed as a second-tier of cost sharing which can develop when multiple projects, referred to as segments, are established under one sponsored research award. Segments are typically set up to facilitate the work of multiple principal investigators or colleagues of the Principal Investigator. In other words, when the approved budget is split for reasons internal to the HPU, some of the responsibility for cost sharing may accompany the segments. When this type of arrangement for meeting the HPU's cost sharing requirements occurs, the College/School/Department must identify the account numbers and the associated cost share obligations for the Office of Business Affairs. The cost sharing requirements for each segment should be quantified by the categories described above and are subject to the same documentation and follow-up requirements as the parent project.

#### 23.4.8. Facilities and Administrative Costs

23.4.8.1. F&A costs may be calculated and claimed as cost sharing, if not prohibited by the sponsor, on overhead-bearing direct costs that are allowable and documented as cost sharing (effort, supplies, current services, etc.). No documentation by the College/School, other than that required for direct cost sharing, is required.

23.4.8.2. Cost sharing in the form of waived or reduced F&A costs is the difference between the applicable HPU F&A cost rate and the F&A cost actually awarded by the sponsor. Waived F&A costs, if allowed by the sponsor, will be calculated on actual project-to-date F&A costs charged to the sponsored project. No documentation is required.

## 23.5. UNALLOWABLE COST SHARING

Cost sharing must meet the same criteria as direct costs. In addition to specific costs that are unallowable according to Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart E. The following types of cost sharing are unallowable:

### 23.5.1. Federal to Federal Cost Sharing

Federal appropriations and contracts and grants funded directly or indirectly through non-federal sponsors by the federal government are not allowable as cost sharing for another federal project unless the source of cost sharing was explicitly disclosed in both proposals and accepted as cost sharing by the federal agencies or written approval was obtained from both federal sponsors. Federal contracts and grants may be used as cost sharing on any non-federal contract or grant unless prohibited by either sponsor.

### 23.2.2. Expenditures Included In F&A Rate

Costs that are recovered through the HPU's federally-approved F&A cost rates, such as building and equipment use, utilities consumption, departmental administrative support, and departmental office supplies, are not allowable as cost sharing. Questions regarding expenditures that are recovered through F&A cost rates should be directed to the Office of Research Administration and Sponsored Programs.

### 23.5.3. Double Counting

Cost sharing can only be committed and reported as cost sharing once. If cost sharing expenditures relate to two or more projects, the expenditures should be prorated in an equitable manner among the projects so that, in total, it is only used and reported once.

### 23.5.4. Expenditures Incurred Prior To Award

Expenditure transactions that have already taken place in a period prior to a project's begin date are not normally eligible as cost sharing. For example, "cost sharing" the Principal Investigator's effort during the previous summer for an award with a project start date of October 1 would not be eligible as cost sharing. If equipment purchases or lab renovations included as part of a proposal have already been completed, these may not qualify as cost sharing. Depending on the agency, the terminology used and the particular situation, each of these cases would require a review by the Office Research Administration and Sponsored Programs to determine if the expenditures would be allowable by the sponsor.

### 23.5.5. Lack Of Technical Relationship

If no technical relationship can be demonstrated between other sponsored research projects used as cost sharing and the project requiring cost sharing, the other project expenditures are not allowable as cost sharing.

### *23.6. NON-COMPLIANCE WITH COST SHARING REQUIREMENTS*

Failure to meet cost sharing obligations or to adequately document cost sharing can result in cost disallowances by sponsors. It is the responsibility of the Principal Investigator and the College/School/Department to ensure HPU compliance with cost sharing regulations and procedures.

### *23.7. PROCEDURES FOR CONFIRMING COST SHARING*

23.7.1. Upon receipt of a new award, the Office of Business Affairs will review each project for cost sharing requirements.

23.7.2. If the Office of Business Affairs disagrees with RASP determination of cost sharing is will notify said office. The Office of Business Affairs will track all cost sharing requirements.

23.7.3. The College/School/Department disagrees with the RASP's cost share determination; it shall notify the Office of Business Affairs and RASP with thirty (30) days within receiving the award package.

23.7.4. Colleges/Schools/Departments are required to monitor actual cost sharing during the term of a project. Note: Some agencies require that the HPU meet their cost sharing commitments by budget period rather than by project period. Based on agency regulations, the frequency of financial reporting and the project period, the Office of Business Affairs may determine that cost sharing confirmation on a more frequent basis is necessary to ensure compliance and accuracy of financial reporting.

23.7.5. Unresolved differences between College/School/Department responses to confirmation memos will be resolved between the Office of Business Affairs, the RASP Director, the College/School Dean, and the Principal Investigator.

23.7.6. At the close of a sponsored project, total project-to-date cost sharing must be reported by the Office of Business Affairs.

## **24. DEPOSITS**

All revenue deposits to a sponsored project are to be made by Office of Business Affairs unless the Business Affairs Director has given specific prior approval in writing. Deposits are to be made within forty-eight hours of receiving payment.

## **25. ESTABLISHING A SPONSORED AWARD ACCOUNT**

### *25.1. GENERAL*

The Office of Business Affairs establishes new sponsored research accounts. An account is established based on receipt of the "Notice of Sponsored Award" which is issued by the RASP. The Office of Business Affairs must have a budget that agrees with the total awarded amount before a project can be established.

### *25.2. ESTABLISHING ACCOUNTS*

RASP will provide the Office Business Affairs and the PI with an electronic copy of each Notice of Sponsored Award. The documents in the award package will be reviewed for completeness in order to establish the new project within fifteen (15) working days of the date the award package is received by the Office Business Affairs. The Office of Business Affairs will provide the Principal Investigator, his/her Dean and Department Head a project accounting access following award set-up.

### *25.3. PRE-AWARD ACCOUNT REQUESTS*

Pre-award accounts are accounts established before a sponsored research agreement is fully executed. Establishment of a pre-award account is a monetary risk to the HPU. The Principal Investigator's dean and department chair must approve all pre-award accounts and, thereby, assume all risk of possible non-payment. Requests for establishment of pre-award accounts should only be used when actual receipt of a signed agreement is delayed due to contractual issues or reasons beyond the control of the HPU and award is imminent.

## **26. FIXED PRICE PROJECTS**

### *26.1. GUIDELINES*

Sponsored awards that meet each of the following criteria are considered a "fixed price" project. The Office of Business Affairs will note in the award set-up package that the project is "Fixed Price".

- ⇒ NO financial reporting requirements,
- ⇒ NO audit requirements,
- ⇒ NO reference to costs being "reimbursable",
- ⇒ NO reference to Federal Circulars (except references to the Single Audit Act) or Cost Accounting Standards (CAS), and
- ⇒ NO reference to limitations on types of allowable expenditures or prior approval issues related to expenditures.

### *26.2. RULE*

26.2.1. The funds can at any time (after the award has been made to the HPU) be used at the discretion of the Principal Investigator.

26.2.2. Funds must be expended in accordance with HPU purchasing guidelines.

26.2.3. Colleges/Schools/Departments may place additional restrictions on the expenditure of fixed price funds during the award period and/or after the agreement end date at its discretion.

26.2.4. A single statement by the Sponsor referring to an award as "firm fixed price" in no way ensures a fixed price status by the HPU.

26.2.5 Residuals at or below 15% of the project total, up to a maximum of \$5,000, shall be transferred to the PI's departmental budget line. In instances where a residual remains in excess of said amounts, the entire residual shall be transferred to the Office of Research Administration and Sponsored Programs.

## **27. EFFORT CERTIFICATION**

### *27.1 GENERAL*

The HPU requires that all salaries and wages charged to sponsored research projects are certified consistent with federal requirements. As a condition to receiving federal funding, federal law requires the maintenance and certification of the percentage of time that employees devote to federally-funded sponsored projects.

Sponsored projects are funded by state agencies, private foundations, organizations, and other sponsors. The HPU's time and effort certification process provides verification of salaries, wages, as well as the time and effort charged to these projects.

Adherence to this procedure is necessary to prevent cost disallowances and penalties by the federal government and other sponsoring agencies.

### *27.2 SCOPE*

Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards outlines the regulations governing time and effort reporting and the verification of salary distributions. Specifically, Subpart E, Section 200.430 requires time and effort reports to be completed to provide after the fact verification of the salary charged to sponsored projects: "[effort] report[s] will reflect after the fact reporting of the percentage distribution of activity of employees." The section requires that this verification be completed for all "professorial and professional" staff. Professional staff includes all faculty members and professional staff includes all salaried staff and hourly employees.

Subpart E, Section 200.430(x) states: “It is recognized that teaching, research, service, and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected.” Accordingly, federal guidance relies on the understanding that the federal government should pay its “fair share” of costs.

27.2.1. Professorial (Faculty) time and Effort Certification: Faculty will certify time and effort reports following each period on the HPU academic calendar (Fall, Spring, and Summer)

27.2.2. Professional (Staff) Time and Effort Certification: Salaried staff certifies on the same interval as faculty. Hourly staff will complete monthly time cards to certify their time and effort.

27.2.3. Time and Effort Reports

27.2.3.1. Each time and effort report indicates the distribution of the employee’s total period compensation across all HPU functions, including work on sponsored and non-sponsored projects, instruction, administration, committee work, etc.

27.2.3.2. Sponsored projects are itemized and all other categories (e.g. teaching, administration, etc.) are grouped as “Other HPU Functions” for the purposes of time and effort reporting. Employees with dual appointments in a given time period will certify professional time and effort based on each individual appointment.

27.2.3.3. All time and effort reports will account for 100% of time and effort.

27.2.3.4. The Principal Investigator may certify the time and effort reports for all professional staff working on sponsored projects under his or her supervision. Time and effort reports for faculty only require the signature of the faculty member.

27.2.3.5. If an individual is no longer employed at by the HPU, the employee’s supervisor will certify the employee’s time and effort reports.

27.2.3.6. The signature on the time and effort report is an endorsement by the employee that, to the best of his/her knowledge, the salary charges accurately reflect the effort distribution across all activities.

27.2.4. Distribution: At the end of each period of the academic calendar, The Office of Business Affairs prepares time and effort reports for all individuals required to certify time and effort. Figure 4 provides the estimated distribution schedule for each certification period:

**Figure 4: Effort Certification Timeline**

<b>Time and Effort Period</b>	<b>End Date</b>	<b>Distribution</b>	<b>Collection</b>
Fall Semester	Late December	30 Days Post End Date	45 Days Post Delivery
Spring Semester	Late May	30 Days Post End Date	45 Days Post Delivery
Summer	Late August	30 Days Post End Date	45 Days Post Delivery

27.2.5. Changes to time and effort reports during certification are required if the payroll distribution reflected on a time and effort report does not accurately display how the employee spent his or her time, the employee must correctly indicate actual time and effort on the form prior to signature. The Office of Business Affairs will adjust salary charges accordingly where the certified time and effort differ from the payroll distribution. A difference of 5% or more of an employee’s total effort would warrant an adjustment and subsequent revision of the time and effort report. Salary charged to a sponsored research project must never exceed the amount of actual time and effort devoted to that project. If a change in time and effort indicated on the time and effort report requires approval by the sponsor based on the terms and conditions of the agreement, The Office of Office of Business Affairs will contact the Principal Investigator. If there are no changes or when any additional actions are complete, the time and effort report is filed.

27.2.6. Certification

When a time and effort report form is been signed and certified, no further changes are allowed. Principal Investigator’s must return time and effort report forms to the Office of Business Affairs by the posted deadline. The HPU may impose corrective action such as suspension of sponsored project accounts in the event of consistent failure to complete time and effort reports. The Office of Business Affairs processes time and effort report forms and follows up as necessary with the Principal Investigator and the College/School/Department to ensure 100% completion.

**28. EQUIPMENT ACQUISITION AND MANAGEMENT**

28.1 *DEFINITIONS*

28.1.1. *Equipment* is nonexpendable, tangible, personal property having a useful life of more than one year AND an acquisition cost of \$5,000 or greater. This threshold is consistent with the definitions of equipment referenced in Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Subparts D and E.

Note that equipment can further be categorized as either general purpose or special purpose equipment.

28.1.2. *Supplies* are expendable property having a useful life of one year or less OR an acquisition cost of less than \$5,000.

28.1.3. *Fabricated Equipment* is when multiple items which could be classified as supplies (some having acquisition costs of \$5000 or <) are purchased to create/fabricate an integrated unit of equipment having a total value of \$5000 or more. In these instances, the individual purchases should be budgeted and accounted for as equipment. Fabrication does not include the replacement or upgrading of existing equipment or components and these cost items are to be budgeted and charged as supplies.

Note that if an award does include the fabrication of equipment, the College/School/Department is responsible for noting this in the project budget and requesting a change from standard equipment to reflecting fabricated equipment.

## 28.2. GENERAL GUIDELINES

### 28.2.1. Acquisition Guidelines:

#### 28.2.1.1. HPU Purchasing Procedures:

The Principal Investigator and the College/School/Department personnel assisting in the acquisition of equipment must adhere to HPU purchasing procedures. The HPU purchasing policy can be found in Blackboard under the Business Office/Purchasing documents section.

#### 28.2.1.2. Screening Requirements Prior To Purchase: Reserved

28.2.1.2. All equipment purchased with funds under a sponsored research account must be tagged by RASP. Each College/School will contact said Office for tagging once equipment is received.

### 28.2.2. Government-Furnished Property (Equipment):

This category includes:

28.2.2.1. Equipment acquired under federal contracts that are governed in accordance with FAR 45.5, Government Property, and

28.2.2.2. Property furnished by the federal government to the HPU/Principal Investigator.

Equipment transferred to the HPU and governed according to FAR 45.5 must be recorded in the RASP RAD database. A copy of correspondence related to the transfer of government property to the campus is to be forwarded to RASP as well.

In most cases, title to federally owned property that is used by the HPU during the award period vests with the Government. Title and disposition of government property is to be administered in accordance with FAR 52.245-5 Alternate I. Disposition and final title vestment instructions for government property are provided during the project close-out process.

### 28.2.2.3. Inventory Control:

The Principal Investigator and the appropriate administrative personnel in the College/School are responsible for maintaining and updating records of equipment accountable under each project. Equipment purchases should be reconciled to the expenditure records on a regular basis. RASP will physically inspect said equipment every two years.

### 28.2.2.4. Disposal Of Equipment:

Equipment purchased under a contract or grant may provide for title to vest with the HPU. The conditions of the agreement cited in the award document must be reviewed to determine if the Government does or does not intend to retain title. For projects in which title to equipment vests with the HPU, applicable HPU regulations related to trade, transfer or disposition must be followed. Notice must be made to the Director of RASP before any disposition is made.

For sponsored awards that provide for title to remain with the Government, prior written approval must be received from the appropriate funding agency prior to the trade, transfer or disposition of equipment. Notice must be made to the RASP Director before any disposition is made.

Note: Subpart D, Section 200.313 allows the Federal government to transfer and otherwise provide disposition instructions on all items of equipment. The equipment shall be appropriately identified in the award or otherwise made known to the recipient. Disposition instructions shall be issued within 120 days of receipt of a final equipment inventory.

### 28.2.2.5. Equipment Not In Approved Proposal/Budget

Formal approval is normally required from the agencies prior to purchasing equipment if it not listed in the approved proposal/budget. The Principal Investigator may want to compile a list of all anticipated equipment for a one-time approval in order to reduce the paperwork and time involved in approving each piece of equipment separately.

## **29. PROGRAM INCOME**

### 29.1 *GENERAL*

Program income is gross income earned as a result of activities part or all of which are paid for as a direct cost by a federally sponsored grant or contract. Examples of program income include the following:

⇒ Fees for services performed, such as laboratory tests.

- ⇒ Money received from the use, sale, or rental of equipment purchased with project funds.
- ⇒ Sales of supplies or equipment purchased or fabricated with project funds.
- ⇒ Sale of software, tapes, or publications.
- ⇒ Sale of research materials such as animal models or reagents.
- ⇒ Fees from participants at conferences or symposia.

## 29.2 PROGRAM INCOME USE TYPES

The use of program income is defined in the grant agreement; if a research project is being performed, program income is usually additive, meaning that any program income is treated as additional funding available for the conduct of the research project. Other agreements may indicate that the program income is to be treated as deductive (the amount of program income earned is subtracted from the federal obligation leaving the funding the same, but from two sources), or program income can be stipulated as being used to meet any matching or cost sharing requirements of the project.

## 29.3 PROGRAM INCOME ACCOUNT ESTABLISHMENT

When program income is either anticipated as part of a project or begins to be earned as part of a project, the Office of Business Affairs will establish a separate account to receive the income. The program income budget period will coincide with the total approved project period of the award. Program income may only be used for allocable project costs in accordance with the costing regulations established by the sponsor. The amount and disposition of the program income will be reported in the final financial report of the parent grant to the sponsor. Final disposition of unexpended program income will be made upon termination of the related sponsored research project.

# 30. PAYROLL REDISTRIBUTIONS

## 30.1. GENERAL

30.1.1. Payroll Redistributions are special journal vouchers used to adjust all payroll charges (salaries and benefits) made in previous periods. These are entered in the Human Resources system and include both monthly and biweekly payroll charges. Payroll Redistributions are reflected on the Labor Distribution Report in the month in which they are processed with the corresponding payroll ID of the pay period being adjusted.

## 30.2. GUIDELINES

30.2.1. Payroll Redistributions should be used in the following situations:

30.2.1.1. Corrections of errors in previous payroll periods.

30.2.1.2. Changes to effort an effort report.

30.2.1.3. Changes in previous payroll charges resulting from a retroactive personnel action.

30.2.1.4. Payroll Redistributions should not be used when a change in an employee's funding source is anticipated to be of a recurring nature over an extended period of time. The appropriate personnel action should be submitted so that when each payroll is processed, the correct projects are charged automatically.

30.2.2. Payroll Redistributions are subject to both federal and HPU regulations regarding timeliness and supporting documentation.

30.2.2.1. Principal Investigators will complete the cost transfer form and routed for signature.

30.2.2.2. Payroll Redistributions affecting contract or grant projects must be prepared on a timely basis, but no later than ninety (90) days after the payroll charge.

30.2.2.2. Redistributions submitted after this deadline must be accompanied by a memorandum justifying the late adjustment of charges. The cost transfer form completed, signed by the Principal Investigator, Department Head, and College Dean. The form addresses the following issues:

- ⇒ Why the adjustment is necessary,
- ⇒ The impact of the adjustment on the employee's effort certification, and
- ⇒ Why the adjustment was not prepared within the ninety (90)-day period allowed. Redistributions impacting contract and grant projects that have been closed should only be processed in cases where salary has been inappropriately charged to a project and needs to be removed. Redistributions adding charges to a closed project require justification and generally are not allowed except in cases where extenuating circumstances exist.

## **31. TRANSFER AND ADJUSTMENTS**

### **31.1. GENERAL**

Adjustments to sponsored project expenditures may be required to correct entry or coding errors. This statement provides the guidelines which Colleges/Schools/Departments should follow regarding transfers and adjustments to expenditures on sponsored awards.

### **31.2. RULE**

Federal, state, and private sponsors do not permit the transfer of charges to other sponsored awards for the purpose of:

- ⇒ Eliminating overdrafts caused by expenditure overruns,
- ⇒ Avoiding restrictions, OR,
- ⇒ Other reasons of convenience.

### 31.3. *GUIDELINES FOR COMPLETING TRANSFERS OR ADJUSTMENTS*

31.3.1. It is the responsibility of the Colleges/Schools/Departments to review monthly expenditures for sponsored research projects to ensure that errors are detected on a timely basis and corrected within the time period allowed.

31.3.1.1. HPU provides ninety (90) days after a charge was initially incurred to transfer that charge to or from sponsored awards to its final cost objective.

31.3.1.2. Failure to adjust charges affecting sponsored projects within the ninety (90) day time frame is considered non-compliant and can result in auditors determining that a late adjustment is unallowable.

31.3.2. All adjustments, whether moving charges to or from a sponsored research project, must be appropriate, adequately justified, and sufficiently documented. Should a Principal Investigator determine that a sponsored project requires adjustment, it is important that a complete and accurate explanation be provided.

31.3.2.1. If pertinent correspondence is on-hand detailing the need for an adjustment, the correspondence may be attached to the journal documentation.

31.3.2.2. Adjustments made to correct errors must be supported by a full explanation of how the error occurred. The adjustment must be approved by the Office of Business Affairs.

31.3.2.3. If a transfer or adjustment is necessary during sponsored research project closeout, the resulting transaction should be included as a reconciling item and adequately supported by backup documentation. This support documentation should be forwarded to Office of Business Affairs at the time of closeout.

## **32. MODIFICATIONS**

### 32.1. *GENERAL*

Modifications are formal changes to the original agreement usually requiring mutual written consent between the HPU and a sponsoring agency. Changes that are considered modifications are established by Subpart D, Federal Acquisition Regulations, and other individual sponsor guidelines and regulations. Under the expanded authorities provisions, the HPU can execute some modifications itself (Figure 3). Examples of modifications that require formal changes include:

- ⇒ Increase or decrease in anticipated funding.
- ⇒ Changes in project scope or objective.
- ⇒ Change in Principal Investigator or other key personnel specified in the application/award document.
- ⇒ Extension of the project period.
- ⇒ Early termination of the project.
- ⇒ Transfer of project or equipment to another HPU.
- ⇒ Awarding subcontracts.
- ⇒ Other actions or changes cited in the terms of an agreement.

### 32.2. PROCEDURES FOR APPROVAL OF MODIFICATIONS

Most of the sponsored award modifications cited above require the same approval as a proposal or a new award with the final approval and acceptance by the RASP Director. However, some sponsoring agencies have delegated the approval authority for certain types of modifications to the HPU (see Figure 3). While these post-award actions have been delegated to the HPU, formal notification to the Sponsor and subsequent award modification are still required.

Requests for modification should be submitted to RASP. The Office will review related justifications submitted by the Principal Investigator and approve/deny requests for sponsored research award given any delegated authority granted to the HPU by the awarding agency, including obtaining departmental and college/school approval depending on the nature of the request.

<b>Figure 3: Prior Approval Authority As Provided Under the Expanded Authorities</b>	
<b>Prior Approval Required for:</b>	<b>How Approval is Obtained:</b>
Change in scope	Written request to the sponsoring agency
Change in key personnel, including withdrawal from a project, absence for a continuous period of three months or more, reduction of more than 25% of proposed effort	Written request to the sponsoring agency
Change or transfer of grantee organization	Written request to the sponsoring agency
Carryover of unobligated balances	HPU can approve under expanded authorities
Deviation from awarded terms and conditions	Written request to the sponsoring agency
New foreign involvement on the project	Written request to the sponsoring agency
Need for additional funding/rebudget	Written request to the sponsoring agency
Authorization for pre-award costs less than ninety days	HPU can approve under expanded authorities

No-cost extension up to 12 months	HPU can approve the first extension under expanded authorities, all other extensions requires a written request to the sponsoring agency
Subaward Request/Modification	HPU can approve under expanded authorities.
Travel Requests	Dependent on the sponsored research agreement terms and conditions.
Equipment Acquisitions	HPU can purchase with approval in the research agreement terms and conditions

### 33. BUDGET OVERDRAFTS

#### 33.1. GENERAL

It is the responsibility of the Colleges/Schools/Departments and the Principal Investigator to ensure that over-expenditures on sponsored awards do not occur. This responsibility extends to both direct and facilities and administrative costs on all active sponsored awards.

#### 33.2. RULE

33.2.1. Expenditures in excess of officially funded award amounts are unallowable. In the event an error is made and over-expenditures occur, the over-expenditures must be moved off the project prior to the project end date.

33.2.2. It is the responsibility of the College/School/Department to resolve overdrafts as quickly as possible.

33.2.3. Federal, State and private sponsors do not permit the transfer of costs to other sponsored awards for the purpose of:

- ⇒ Eliminating overdrafts caused by expenditure overruns,
- ⇒ Avoiding restrictions, OR
- ⇒ Other reasons of convenience.

#### 33.3. GUIDELINES FOR CORRECTING BUDGET OVERDRAFTS

33.3.1. It is the responsibility of the College/School/Department to review their projects periodically for budget overrun situations.

33.3.2. If a College/School/Department fails to eliminate a budget overdraft within thirty (30) days past the project end date, the Office of Business Affairs may elect to transfer the costs to the Unit's operating or discretionary budget.

33.3.3. The College/School/Department may request that a budget overdraft be allowed to continue thirty (30) days beyond the project end date if proof of additional funding is provided in writing (from the Sponsor's administrative/financial authority) to the Office of Business Affairs. In these cases, the Unit retains full responsibility for all over-expenditures in the event funding is not received.

## **34. TRAVEL**

### **34.1. GENERAL**

The policy must be followed under a sponsored project. Note that many sponsors require prior approval for international travel and often for domestic travel. Please review the terms and conditions of the award agreement for further clarification.

34.2. All travel costs budgeted and incurred must be in furtherance of the sponsored project and incurred during the period of performance.

34.3. Air fare, car rental, hotel, conference fees, etc. should be based on actual costs or estimates from a reputable travel agency or similar service, such as Expedia. Flights should be economy-based if appropriate.

34.3.1. Federal awards require using United States-based carriers when possible.

34.4 If a HPU vehicle is used, contact HPU Transportation at 9113 for an estimate of charges. Use of a personal vehicle will be reimbursed at the HPU rate in effect at that time.

34.5 Meals will be reimbursed based on receipts per HPU's standard business practices.

## **35. CLOSEOUT**

### **35.1 GENERAL**

The closeout process for a sponsored research account begins when the account is approaching the termination date of the award. While a funding sponsor may require other closeout reporting or documentation (e.g., technical, property, or intellectual property reporting), the following outlines the closeout process with respect to financial reporting.

35.1.1. Ninety, sixty, and thirty days before the account expiration, a notice is sent to the Office of Business Affairs and the Principal Investigator stating that the account is about to expire. The Principal Investigator should monitor the account more closely. These notices explain what actions are needed by the department, such as requesting an extension to the account, if necessary, processing appointment forms to move payroll

charges to new accounts, and reviewing ledgers to determine what entries are outstanding and what corrective entries may be required.

35.1.2. After the project end date, the College/School/Department/PI will return the Final Financial Reconciliation Report. The College/School/Department/PI to return one signed copy to the Office of Business Affairs specifying any outstanding corrections and/ or obligations that need to occur before the final financial report can be submitted to the sponsor. Principal Investigators who are not able to meet this deadline should notify Office of Business Affairs and the RASP Director. The RASP Director will notify the sponsor that the report may be delayed.

35.1.3. Once the Final Financial Reconciliation Report is returned to the Office of Business Affairs any necessary adjustment and closeout entries will be made. The Office of Business Affairs will also conduct a review of F&A cost charges for accuracy. The final report must match the sponsored research ledger. A final report is then prepared, reviewed, signed, and submitted to the sponsor by the Office.

35.1.4. If the Final Financial Reconciliation Report is not returned by the Principal Investigator, the Office of Business Affairs will use the HPU ledger generated in the second month after the termination month and prepare a final report to the sponsor based on that information and close the account.

35.1.5. After the final report has been submitted, the College/School/Department will have the responsibility to make sure that any specified outstanding transactions are appropriately recorded on the accounting ledgers and any inappropriate charges are removed. It is very important that financial reporting is done on a timely basis. Most sponsors require a financial report within ninety days of the termination date. If a department does not provide the required information to the Office of Business Affairs to meet the reporting deadline, the HPU could be in jeopardy of not being reimbursed for its costs or losing administrative privileges or rights granted by the sponsor. Costs that are not reimbursed due to a lack of response become the responsibility of the College/School/Department.

## **36. GIFT CARDS**

### **36.1 GENERAL**

De minimis gift card payments to human subject participants are authorized subject to the following conditions:

- ⇒ That the human subject payment is noted and approved by the HPU Institutional Review Board (IRB)
- ⇒ That a human subject shall not receive greater than \$100 in gift card compensation per research project

- ⇒ That the research study is conducted inside the United States
- ⇒ That the subject is not an employee of HPU

### *36.2 PARTICIPANT COMPENSATION FOR HPU EMPLOYEES*

Payments to HPU employees for their participation in a research project must be processed through the HPU payroll system. Please contact the Office of Business Affairs for assistance in processing employee participation compensation.

### *36.3 PURCHASING GIFT CARDS*

Gift cards may be purchased through a payment voucher or Principal Investigator reimbursement.

### *36.4 TAX IMPLICATIONS*

Payments to a single individual in which compensation, gift cards or otherwise, is expected to total \$600 or more per calendar year requires a signed W-9 for processing and reporting to the Internal Revenue Service.

### *36.5 GIFT CARD USE*

Faculty members are subject to the gift card policy as provided in Appendix D of the gift policy. This policy may be accessed in Blackboard under the Business Office/Purchasing documents section.

### *36.6 SECURITY*

The Principal Investigator shall responsible for gift card security. All gift cards shall be under lock and key when not being disbursed.

### *36.7 ADDITIONAL PROTECTIONS FOR CONFIDENTIAL STUDIES*

Please contact the RASP Director for assistance regarding studies in which confidentiality of the research subject must be maintained.

## **37. RESEARCH MISCONDUCT**

### *37.1 INTRODUCTION*

A. Integrity in research is the basis for the academic search for knowledge. Those involved in academic research must guard the truth and protect the public trust that has long been attached to such an enterprise. Creating and preserving an environment in which activities that interfere with an honest search for truth are not tolerated is the shared responsibility of every member of the university community, each of whom must

be dedicated to maintaining the highest standards in research. It is clear that misconduct in scholarly research cannot be prevented by university regulation or federal law but only by each individual's firm commitment to academic ideals and integrity. Mentors, project directors, and department and unit heads must impress the importance of such commitment upon faculty, students, staff, and research assistants and associates.

B. In developing a regulation on integrity in scholarship and scientific research, the faculty and administration recognize that researchers and scholars for the most part are highly principled. However, since the actions of every individual cannot be accounted for, this regulation represents a mechanism to deal with dishonest behavior. It is not the intention of the regulation to stifle free thinking or limit creativity. The regulation recognizes that research results or findings and theories believed in all honesty to be correct at one time may still be proven wrong in the normal course of scholarly investigation.

C. In the belief that honesty and integrity are essential to the search for knowledge, it is the policy of High Point University (HPU) that all persons involved in research and scholarship will guard the truth, uphold the highest standards in their research and scholarship, and protect the public trust that the academic environment has long held. Whenever any HPU faculty member, graduate student, undergraduate student, or any other person involved in research is accused of serious misconduct in scientific or scholarly research, the university will conduct an inquiry, make a determination concerning the truth or falsity of the allegations, and take appropriate disciplinary action. The process of inquiry will be expeditious and protect the rights of all those concerned, including the complainant and the accused.

### *37.2 AN OVERVIEW OF THE PROCESS FOR RESPONDING TO ALLEGATIONS OF RESEARCH MISCONDUCT*

A. All employees or individuals associated with High Point University should report observed, suspected, or apparent research misconduct to the Research Integrity Officer, who is appointed by the Provost. The Research Integrity Officer will review the allegation and determine whether the allegation falls under the University definition of research misconduct, and whether there is sufficient evidence to warrant an inquiry. If the allegation does not fall under the university's definition of research misconduct, the Research Integrity Officer will refer the individual making the allegation to other offices or officials with responsibility for resolving the problem. At any time, an employee may have confidential discussions and consultations about concerns of possible misconduct with the Research Integrity Officer and will be counseled about appropriate procedures for reporting allegations.

B. If the Research Integrity Officer determines that the allegation falls under the university's definition of research misconduct, and that there is sufficient evidence to warrant an investigation, s/he will immediately initiate the inquiry process and appoint an inquiry committee. The inquiry committee will consist of at least three (3) persons,

including the committee chair. The inquiry committee will normally interview the whistleblower, respondent, and key witnesses and will examine relevant research records and materials. The purpose of the inquiry is to make a preliminary evaluation of the available evidence and testimony of the respondent, whistleblower, and key witnesses to determine if there is sufficient evidence of research misconduct to warrant further investigation. At the end of its investigation, the inquiry committee will submit a report and a recommendation to the Provost.

C. If, upon review of the inquiry report and the committee recommendation, the Provost determines that there is sufficient evidence of possible research misconduct to warrant further investigation, an investigation will be initiated and an investigation committee appointed. The investigation committee will consist of at least five (5) individuals. The purpose of the investigation is to explore in detail the allegations, to examine the evidence in depth, and to determine specifically whether misconduct has been committed, by whom, and to what extent. The findings of the investigation including recommendations will be set forth in an investigation report, which will be submitted to and reviewed by the Provost. Based on a preponderance of the evidence, the Provost will make the final determination whether to accept the investigation report, its findings, and the recommended institutional actions.

### *37.3 SCOPE*

A. This regulation and the associated procedures apply to all individuals at High Point University engaged in research, regardless of the sponsor of the research. All pertinent federal regulations, including, but not limited to, the PHS regulation at 42 C.F.R. Part 50, Subpart A, the NSF regulations at 45 C.F.R. 689, and the various implementations of the Federal Policy on Research Misconduct published by the Office of Science and Technology Policy at Federal Register: December 6, 2000 (Volume 65, Number 235) Pages 76260-76264 apply to any research, research-training or research-related grant or cooperative agreement with the relevant federal agency. This regulation applies to any person paid by, under the control of, or affiliated with High Point University, such as scientists, trainees, technicians and other staff members, students, fellows, guest researchers, or collaborators.

B. The regulation and associated procedures will normally be followed when an allegation of possible misconduct in science is received by an institutional official. Particular circumstances in an individual case may dictate variation from the normal procedure deemed in the best interests of High Point University. Any change from normal procedures also must ensure fair treatment to the subject of the inquiry or

investigation. Any significant variation should be approved in advance by the Provost and the Chair of the Faculty Senate.

#### 37.4. DEFINITIONS

A. "Research misconduct" is defined as fabrication, falsification, or plagiarism in proposing, performing, or reviewing research, or in reporting research results. Research misconduct does not include honest error or differences of opinion.

B. "Research," as used herein, includes all basic, applied, and demonstration research in all fields of science, engineering, mathematics, and humanities. This includes, but is not limited to, research in economics, education, linguistics, medicine, psychology, social sciences, statistics, and research involving human subjects or animals.

C. "Fabrication" is making up data or results and recording or reporting them.

D. "Falsification" is manipulating research materials, equipment, or processes, or changing or omitting data or results such that the research is not accurately represented in the research record.

E. "Plagiarism" is the appropriation of another person's ideas, processes, results, or words without giving appropriate credit.

F. "Preponderance of the Evidence" means that a review of the evidence leads to a finding that is more likely than not, or more than 50% likely.

G. "Research Sponsor" means the agency, institution, or organization, if any, that sponsored the research that is the subject of an inquiry or investigation. The research sponsor can be governmental, private, or non-profit in nature. It also includes the Office of Research Integrity of the U. S. Department of Health and Human Services for research that is sponsored by any part of DHHS.

H. "Sufficient Evidence" means that there is some substance to the allegation. The use of this term is intended to separate serious allegations deserving further investigation through this process from frivolous, unjustified, or clearly mistaken allegations.

I. "Whistleblower" means a person who makes an allegation of scientific misconduct

J. In any inquiry or investigation that involves research sponsored by a federal agency where that federal agency uses a definition of research misconduct that is different from the one in this Regulation, the Committee will be obligated to use that agency's definition for purposes of the university's responsibilities to that agency. In carrying out the inquiry or investigation for the university's own purposes, the committee will use

either the agency's definition or the definition in section IIA above, as directed by the Research Integrity Officer.

### *37.5. RIGHTS AND RESPONSIBILITIES*

#### A. Research Integrity Officer

1. The Research Integrity Officer will be an institutional official who is well-qualified to handle the procedural requirements involved and is sensitive to the varied demands made on those who conduct research, those who are accused of misconduct, and those who report in good faith apparent misconduct. For this reason, the Vice President of Research and Planning is appointed by the Provost as the Research Integrity Officer. The Research Integrity Officer will have primary responsibility for implementation of the institutional policies and procedures governing Research Misconduct allegations.

2. In consultation with and assistance from the Provost, the Research Integrity Officer will appoint the inquiry and investigation committees and ensure that necessary and appropriate expertise is secured to carry out a thorough and authoritative evaluation of the relevant evidence in an inquiry or investigation. The Research Integrity Officer will organize and manage the inquiry and investigative committees, and attempt to ensure that confidentiality is maintained.

3. The Research Integrity Officer will assist inquiry and investigation committees and all institutional personnel in complying with these procedures and with applicable standards imposed by government or external funding sources. The Research Integrity Officer is also responsible for maintaining files of all documents and evidence, and for the confidentiality and the security of the files.

4. If the research is federally funded, the Research Integrity Officer will report to the Research Sponsor (as required by applicable regulations) and keep the Research Sponsor apprised of any developments during the course of the inquiry or investigation that may affect current or potential federal funding for the individual(s) under investigation or that the Research Sponsor needs to know to ensure appropriate use of Federal funds and otherwise protect the public interest. In the case of a non-federal sponsor of research, where that research is the subject of an inquiry or investigation, the Research Integrity Officer will keep the non-federal sponsor informed as to the inquiry and investigation as appropriate under the circumstances.

#### B. Whistleblower

1. The whistleblower will have an opportunity to testify before the inquiry and investigation committees, to review portions of the inquiry and investigation reports pertinent to his/her allegations or testimony, to be informed of the results of the inquiry and investigation, and to be protected from retaliation. Also, if the Research Integrity

Officer has determined that the whistleblower may be able to provide pertinent information on any portions of the draft report, these portions will be given to the whistleblower for comment.

2. The whistleblower is responsible for making allegations in good faith, maintaining confidentiality, and cooperating with an inquiry or investigation.

#### C. Respondent

1. The respondent will be informed of the allegations when an inquiry is opened and notified in writing of the final determinations and resulting actions. The respondent will also have the opportunity to be interviewed by and present evidence to the inquiry and investigation committees, to review the draft inquiry and investigation reports, and to have the advice of counsel.

2. The respondent is responsible for maintaining confidentiality and cooperating with the conduct of an inquiry or investigation. If the respondent is not found guilty of Research Misconduct, he or she has the right to receive institutional assistance in restoring his or her reputation.

#### D. Provost

The Provost will receive the inquiry and/or investigation report and any written comments made by the respondent or the whistleblower on the draft report. The Provost will consult with the Research Integrity Officer or other individuals familiar with the practices and standards in the field of the research under question, and will determine whether to conduct an investigation, whether misconduct occurred, whether to impose sanctions, or whether to take other appropriate administrative actions.

### 37.6. GENERAL POLICIES AND PRINCIPLES

#### A. Responsibility to Report Misconduct

1. All employees or individuals associated with High Point University should report observed, suspected, or apparent Research Misconduct to the Research Integrity Officer or Dean within the college or school where the respondent is employed/appointed. If an individual is unsure whether a suspected incident falls within the definition of Research Misconduct, he or she may call the Research Integrity Officer at (336) 841-4581 to discuss the suspected misconduct informally. If the circumstances described by the individual do not meet the definition of Research Misconduct, the

Research Integrity Officer will refer the individual or allegation to other offices or officials with responsibility for resolving the problem.

2. At any time, an employee may have confidential discussions and consultations about concerns of possible misconduct with the Research Integrity Officer and will be counseled about appropriate procedures for reporting allegations.

## B. Protecting the Whistleblower

The Research Integrity Officer will monitor the treatment of individuals who bring allegations of misconduct, and those who cooperate in inquiries or investigations. The Research Integrity Officer will ensure that these persons will not be retaliated against in the terms and conditions of their employment or other status at the institution and will review instances of alleged retaliation for appropriate action.

Employees should immediately report any alleged or apparent retaliation to the Research Integrity Officer.

High Point University will also protect the privacy of those who report misconduct in good faith to the maximum extent possible. For example, if the whistleblower requests anonymity, the institution will make an effort to honor the request during the allegation assessment or inquiry within applicable policies and regulations and state and local laws, if any. The whistleblower will be advised that if the matter is referred to an investigation committee and the whistleblower's testimony is required, anonymity may no longer be guaranteed. Federal regulations require Institutions to undertake diligent efforts to protect the positions and reputations of those persons who, in good faith, make allegations.

## C. Protecting the Respondent

1. Inquiries and investigations will be conducted in a manner that will ensure fair treatment to the respondent(s) in the inquiry or investigation, and will protect his/her confidentiality to the extent possible without compromising public health and safety or thoroughly carrying out the inquiry or investigation.

2. Institutional employees accused of Research Misconduct may consult with legal counsel or a non-lawyer personal adviser (who is not a principal or witness in the case)

to seek advice and may bring the counsel or personal adviser to interviews or meetings on the case.

#### D. Cooperation with Inquiries and Investigations

Institutional employees will cooperate with the Research Integrity Officer and other institutional officials in the review of allegations and the conduct of inquiries and investigations. Employees have an obligation to provide relevant evidence to the Research Integrity Officer or other institutional officials on misconduct allegations. Furthermore, personnel will cooperate with the Research Sponsor in its conduct of inquiries and investigations, its oversight of High Point University inquiries and investigations, and any follow-up actions.

#### E. Preliminary Assessment of Allegations

Upon receiving an allegation of Research Misconduct, the Research Integrity Officer will immediately assess the allegation to determine whether there is sufficient evidence to warrant an inquiry, whether federal or other outside support or applications for funding are involved, and whether the allegation falls under this regulation's definition of Research Misconduct. If at any time during the preliminary assessment, inquiry, or investigation proceedings, reasonable indication of possible criminal violations is found, or the case involves immediate health hazards, the need to protect federal funds, equipment or individuals affected by the proceedings, or the alleged incident will probably be publicly reported, the Research Integrity Officer shall notify the U.S. Office of Research Integrity within 24 hours.

### *37.7 CONDUCTING THE INQUIRY*

#### A. Initiation and Purpose of the Inquiry

Following the preliminary assessment, if the Research Integrity Officer determines that the allegation provides sufficient information to allow specific follow-up and falls under the applicable definition of Research Misconduct, he or she will immediately initiate the inquiry process. In initiating the inquiry, the Research Integrity Officer should identify clearly the original allegation and any related issues that should be evaluated. The purpose of the inquiry is to make a preliminary evaluation of the available evidence and testimony of the respondent, whistleblower, and key witnesses to determine whether there is sufficient evidence of Research Misconduct to warrant an investigation. The purpose of the inquiry is not to reach a final conclusion about whether misconduct definitely occurred or who was responsible. The findings of the inquiry must be set forth

in an inquiry report, which will be forwarded to the Provost, who will consider the committee's recommendation and determine whether an investigation is warranted.

## B. Sequestration of the Research Records

After the determination that an allegation falls within the definition of Research Misconduct, the Research Integrity Officer must ensure that all original research records and materials relevant to the allegation are immediately secured and sequestered. The sequestration of research records should take place before or concurrently with notification to the respondent that an inquiry has been initiated. The Research Integrity Officer may consult with the Research Sponsor or other appropriate agencies or officials for advice and assistance in this regard. Where feasible and appropriate, the Research Integrity Officer will work with the affected laboratories and researcher to enable ongoing research to continue.

## C. Appointment of the Inquiry Committee

The Research Integrity Officer, in consultation with other institutional officials as appropriate, may appoint an inquiry committee and committee chair. The inquiry committee will consist of at least three (3) persons, including the committee chair. The inquiry committee should consist of individuals who do not have real or apparent conflicts of interest in the case, are unbiased, and have the necessary expertise to evaluate the evidence and issues related to the allegation, interview the principals and key witnesses, and conduct the inquiry. These individuals may be scientists, subject matter experts, administrators, lawyers, or other qualified persons, and they may be from inside or outside the institution. At least one of the committee members should be from the research community of the respondent, and one should be a peer of the respondent. The respondent has the right to object to the appointment of any appointed member based on bias or conflict of interest. The Research Integrity Officer will consider any objections and will make the determination whether to replace or retain the committee member.

## D. Inquiry Process

The inquiry committee will normally interview the whistleblower, the respondent, and key witnesses and will examine relevant research records and materials. Then the inquiry committee will evaluate the evidence and testimony obtained during the inquiry. After consultation with the Research Integrity Officer and institutional counsel, the committee members will decide whether there is sufficient evidence of possible Research Misconduct to recommend further investigation. The scope of the inquiry does

not include deciding whether misconduct occurred or conducting exhaustive interviews and analyses.

#### E. Inquiry Report

The inquiry committee will prepare a report of their deliberations and findings, and forward that report to the Provost for a final decision of whether or not to proceed to an investigation. The inquiry report will include the evidence reviewed by the committee, interview summaries, and the conclusions of the committee, as well as any other information that the committee deems relevant to include. The inquiry will be complete, including the report, within 60 calendar days of its initiation unless circumstances clearly warrant a longer period. If a longer period than 60 calendar days is necessary, the Research Integrity Officer will document the reasons for extending the inquiry.

### 37.8. CONDUCTING THE INVESTIGATION

#### A. Purpose of the Investigation

If, upon review of the inquiry report and the committee recommendation, the Provost determines that an investigation is warranted, an investigation will be initiated within 30 days of the completion of the inquiry. The purpose of the investigation is to explore in detail the allegations, to examine the evidence in depth, and to determine specifically whether misconduct has been committed, by whom, and to what extent. The investigation will also determine whether there are additional instances of possible misconduct that would justify broadening the scope beyond the initial allegations. This is particularly important where the alleged misconduct involves potential harm to human subjects or the general public, or if it affects research that forms the basis for public policy or public health practice. The findings of the investigation will be set forth in an investigation report, which will be submitted to and reviewed by the Provost.

#### B. Sequestration of the Research Records

The Research Integrity Officer will immediately sequester any additional pertinent research records that were not previously sequestered during the inquiry. This sequestration should occur before or at the time the respondent is notified that an investigation has begun. The need for additional sequestration of records may occur for any number of reasons, including the institution's decision to investigate additional allegations not considered during the inquiry stage or the identification of records during the inquiry process that had not been previously secured.

#### C. Appointment of the Investigation Committee

The Research Integrity Officer, in consultation with other institutional officials as appropriate, will appoint an investigation committee and the committee chair. The

investigation committee should consist of at least five (5) individuals who do not have real or apparent conflicts of interest in the case, are unbiased, and have the necessary expertise to evaluate the evidence and issues related to the allegations, interview the principals and key witnesses, and conduct the investigation. These individuals may be scientists, administrators, subject matter experts, lawyers, or other qualified persons, and they may be from inside or outside the institution. Individuals appointed to the investigation committee may also have served on the inquiry committee. The majority of the committee members should be from the scientific community of the respondent, with at least one representative from the respondent's peer group. The respondent has the right to object to any appointed member of the investigation committee. The Research Integrity Officer will consider any objections and will make the determination whether to replace or retain the committee member.

## E. Investigation Process

The investigation will normally involve examination of all documentation including, but not necessarily limited to, relevant research records, computer files, proposals, manuscripts, publications, correspondence, memoranda, and notes of telephone calls. Whenever possible, the committee should interview the whistleblower(s), the respondents(s), and other individuals who might have information regarding aspects of the allegations. All interviews should be transcribed by a court reporter. Summaries or transcripts of the interviews should be prepared, provided to the interviewed party for comment or revision, and included as part of the investigatory file. The University will provide the respondent with a copy of his/her interview transcript, if requested.

## F. Investigation Report

1. An investigation report will be drafted by the investigation committee. The investigation report will be made available to the respondent(s) for comment. Pertinent portions of the investigation report will be made available to the whistleblower(s) for comment. The allegations and findings of the investigation will be made available to all affected parties for comment. The investigation report with comments from the respondent(s), whistleblower(s), and/or other affected parties as attachments will be sent to the Provost, through the Research Integrity Officer. The investigation report will include the committee's findings with respect to whether Research Misconduct has occurred and the committee's recommendations for what actions should be taken. In reaching its conclusions, the committee will use a "preponderance of the evidence" standard.

2. When appropriate, the investigation report will be the foundation of a final report provided to the federal agency with jurisdiction over the case. This final report will be written upon the completion of the investigation and final decision by the Provost. The final report must be submitted to the appropriate federal agency within 120 days of the initiation of the investigation. The final report must describe the policies and procedures under which the investigation was conducted, how and from whom information was

obtained relevant to the investigation, the findings, and the basis for the findings, and include the actual text or an accurate summary of the views of any individual(s) found to have engaged in misconduct, as well as a description of any sanctions taken by the institution.

#### G. Institutional Review and Decision

1. Based on a preponderance of the evidence, the Provost will make the final determination whether to accept the investigation report, its findings, and the recommended institutional actions. If this determination varies from that of the investigation committee, the Provost will explain in detail the basis for rendering a decision different from that of the investigation committee. Such explanation must also be included in the institution's letter transmitting the report to Research Sponsor. The Provost's explanation should be consistent with the definition of Research Misconduct, the institution's policies and procedures, and the evidence reviewed and analyzed by the investigation committee. The Provost may also return the report to the investigation committee with a request for further fact-finding or analysis. The Provost's determination, together with the investigation committee's report, constitutes the final investigation report for purposes of Research Sponsor review.

2. When a final decision on the case has been reached, the Research Integrity Officer will notify both the respondent and the whistleblower in writing. In addition, the Provost will determine whether law enforcement agencies, professional societies, professional licensing boards, editors of journals in which falsified reports may have been published, collaborators of the respondent in the work, or other relevant parties should be notified of the outcome of the case. The Research Integrity Officer is responsible for ensuring compliance with all notification requirements of funding or sponsoring agencies.

#### *37.9. REPORTING TO FEDERAL RESEARCH SPONSORS*

A. While this regulation applies to all research at High Point University regardless of the sponsor (or lack thereof), the federal government requires that the following guidelines apply to federally funded research. If a federal research sponsor has a federally appointed oversight agency (such as Office of Research Integrity or the Office of Inspector General), the correspondence and other activities described below will be directed to the appropriate oversight agency.

B. High Point University's decision to initiate an investigation must be reported in writing to any Research Sponsor on or before the date the investigation begins. The Research Sponsor must also be notified of the final outcome of the investigation and must be provided with a copy of the investigation report. Any significant variations from the

provisions of the institutional policies and procedures should be explained in any reports submitted to the federal agency.

C. If an investigation involves research or proposed research supported or proposed by a Research Sponsor and the institution plans to terminate an inquiry or investigation for any reason without completing all relevant requirements of the Research Sponsor's regulations, the Research Integrity Officer will submit a report of the planned termination to Research Sponsor, including a description of the reasons for the proposed termination.

D. If the institution determines that it will not be able to complete the investigation in 120 days, the Research Integrity Officer will submit to Research Sponsor a written request for an extension that explains the delay, reports on the progress to date, estimates the date of completion of the report, and describes other necessary steps to be taken.

E. When Research Sponsor funding or applications for funding are involved and an admission of Research Misconduct is made, the Research Integrity Officer will contact Research Sponsor for consultation and advice. Normally, the individual making the admission will be asked to sign a statement attesting to the occurrence and extent of misconduct. When the case involves Public Health Service funds, the institution cannot accept an admission of Research Misconduct as a basis for closing a case or not undertaking an investigation without prior approval from Research Sponsor.

F. The Research Integrity Officer will promptly advise Research Sponsor of any developments during the course of an investigation which disclose facts that may affect current or potential federal funding for individual(s) under investigation or that the Research Sponsor needs to know to ensure appropriate use of Federal funds and otherwise protect the public interest.

## 8. Institutional Administrative Actions

A. High Point University will take appropriate administrative actions against individuals when an allegation of misconduct has been substantiated.

B. A finding of research misconduct requires that: a) there be significant departure from accepted practices of the relevant research community; b) the misconduct be committed intentionally, or knowingly, or recklessly, and c) the allegation be proven by a preponderance of evidence. If the Provost determines that the alleged misconduct is

substantiated by the findings, he or she will decide on the appropriate actions to be taken, after consultation with the Research Integrity Officer.

C. The actions may include, but are not limited to:

1. withdrawal or correction of all pending or published abstracts and papers emanating from the research where research misconduct was found;
2. removal of the responsible person from the particular project, letter of reprimand, or special monitoring of future work;
3. restitution of funds as appropriate;
4. initiation of steps leading to possible probation, suspension, salary reduction, rank reduction or termination of employment, or appropriate student disciplinary proceedings, where applicable. If any such action is taken, applicable High Point University procedures for initiating and carrying out the action will be followed.

### 37.10 *OTHER CONSIDERATIONS*

A. Termination of Institutional Employment or Resignation Prior to Completing Inquiry or Investigation

1. The termination of the respondent's institutional employment, by resignation or otherwise, before or after an allegation of possible Research Misconduct has been reported, will not preclude or terminate the misconduct procedures.
2. If the respondent, without admitting to the misconduct, elects to resign his or her position prior to the initiation of an inquiry, but after an allegation has been reported, or during an inquiry or investigation, the inquiry or investigation will proceed. If the respondent refuses to participate in the process after resignation, the committee will use its best efforts to reach a conclusion concerning the allegations, noting in its report the respondent's failure to cooperate and its effect on the committee's review of all the evidence.

B. Restoration of the Respondent's Reputation

If the institution finds no misconduct and Research Sponsor or other affected federal agency concurs, the Research Integrity Officer will undertake reasonable efforts to restore the respondent's reputation, after consulting with the respondent. Depending on the particular circumstances, the Research Integrity Officer should consider notifying those individuals aware of or involved in the investigation of the final outcome, publicizing the final outcome in forums in which the allegation of Research Misconduct

was previously publicized, or expunging all reference to the Research Misconduct allegation from the respondent's personnel file. Any institutional actions to restore the respondent's reputation must first be approved by the Provost.

#### C. Protection of the Whistleblower and Others

Regardless of whether the institution or Research Sponsor determines that Research Misconduct occurred, the Research Integrity Officer will undertake reasonable efforts to protect whistleblowers who made allegations of Research Misconduct in good faith and others who cooperate in good faith with inquiries and investigations of such allegations. Upon completion of an investigation, the Provost will determine, after consulting with the whistleblower, what steps, if any, are needed to restore the position or reputation of the whistleblower. The Research Integrity Officer is responsible for implementing any steps the Provost approves. The Research Integrity Officer will also take appropriate steps during the inquiry and investigation to prevent any retaliation against the whistleblower.

#### D. Allegations Not Made in Good Faith

The Provost will determine whether the whistleblower's allegations of Research Misconduct were made in good faith. If at any point, it is determined that an allegation was not made in good faith, the Provost will determine whether any administrative action should be taken against the whistleblower.

#### E. Interim Administrative Actions

Institutional officials will take interim administrative actions, as appropriate, to protect Federal funds and ensure that the purposes of the Federal financial assistance are carried out.

#### 137.11. *RECORD RETENTION*

After completion of a case and all ensuing related actions, the Research Integrity Officer will prepare a complete file, including the records of any inquiry or investigation and copies of all documents and other materials furnished to the Research Integrity Officer or committees. The Research Integrity Officer will keep the file for at least three years after completion of the case to permit later assessment of the case. To the extent required by law or applicable federal regulation Research Sponsor will be given access to the records upon request.

### **38. FEDERAL AWARD/PASS THROUGH PURCHASING POLICY**

This purchasing (also known as “procurement”) policy was developed to comply with Title 2, Subtitle A, Chapter II, Part 200: Uniform Administrative Requirements, Cost Principles,

and Audit Requirements for Federal Awards. This policy applies to all federally funded awards, both direct awards and pass-through awards managed by the Office of Research Administration and Sponsored Programs (RASP). It does not apply to any other RASP administered projects. This policy supplants the HPU Purchasing Policy, as pertaining to federally funded awards purchasing activities.

In accordance with §200.324(b)(2), HPU self-certifies that its procurement system meets the requirements as provided in the Procurement Standards of §Subpart D of Title 2, Subtitle A, Chapter II, Part 200.

### 38.1 General Procurement Standards (200.318)

#### A. Conflicts of Interest

1. Individual: No employee, officer, or agent may participate in the selection, award, or administration of contracts supported by federal funds if there exists a real or apparent conflict of interest. A conflict of interest is defined as when an employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Standards of conduct and disciplinary procedures are more fully defined in the HPU Purchasing Policy.

2. Organizational: If HPU creates or acquires a parent, affiliate, or subsidiary entity that provides products or services to HPU, an organizational specific conflict of interest management plan shall be developed. An organizational conflict of interest is defined as when HPU is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization due to a relationship with a parent, affiliate, or subsidiary entity.

B. Procurers should avoid purchasing duplicative or unnecessary items.

C. Consideration should be given to consolidating or breaking out procurements to obtain the most cost-effective pricing.

D. Procurers are encouraged to consider using Federal excess and surplus property when reasonably available when it meets the total requirement and when it would reduce the true total costs.

E. Procurers are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to reduce costs.

F. Subawards and contracts funded with Federal funds shall not be issued to those contractors who are debarred, suspended, proposed for debarment, excluded or disqualified under the nonprocurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and

benefits. A listing of those entities that are not allowed to do business with the Federal government can be found at <https://www.sam.gov/>. Click on “Search Records” and click on “ADVANCED SEARCH-EXCLUSION” to ensure that the chosen contractor can receive Federal flow-through funds.

G. HPU’s online procurement system, Unimarket, managed by the HPU Manager of Contracts and Procurement, will be used to maintain procurement documentation that details the rationale for method of procurement, contract type, contractor selection or rejection, and the basis for the contract type.

H. Time and material contracts are prohibited unless approved in advance by the Director of Research Administration and Sponsored Programs. If approved, the Director shall provide further documentation to justify the exception.

### 38.2. Competition (200.319)

A. While price will always be a consideration, lowest price shall not be the sole factor in awardee selection. Selection will be based upon best overall value to HPU. In addition to price, the procurer may consider value and quality factors in his/her decision, including but not limited to, delivery, maintenance, warranty, product and service quality, useful life, environmental and energy efficiency, and personnel qualification. The procurer shall document the value and quality factors considered in their selection.

B. In cases where the procurer purchases products or services through a term contract or similar vehicle, such contractor pricing was established through a competitive process and as a result, these purchases are considered to be a competitive purchase. No further competition is required.

C. Notwithstanding North Carolina licensing laws, selection of contractors under Federal funded awards based solely on a geographic preference is prohibited, except as provided by Federal regulation.

D. All procurement transactions shall, to the maximum extent possible, provide for full and open competition. It is forbidden in the development of bid invitations or request for proposals to:

1. Place unreasonable requirements on firms to qualify to do business;
2. Require unnecessary experience or excessive bonding;
3. Allow noncompetitive pricing practices between affiliated entities;
4. Allow noncompetitive contracts to consultants that are on retainers;
5. Not mitigate or manage organizational conflicts of interest;

6. Specify “brand name” products without allowing for the use of “equal to” products/services; and

7. Use other arbitrary practices.

E. All solicitations must:

1. Incorporate a clear and accurate description of the requirements for the material, product or service to be procured;

2. Identify all offeror requirements; and

3. Document evaluation factors for selection of best overall value.

F. Prequalified bidders lists are not maintained by HPU.

### 38.3. Procurement Methods (200.320)

A. There are three levels of purchasing:

1. Micro-purchases: Procurements less than \$3,000. To the extent practicable, procurers should distribute these purchases equally to qualified firms. If the purchaser considers the price to be reasonable, i.e. what a prudent person would pay, no competitive solicitation is required.

2. Small Purchases: Procurements from \$3,000 to \$150,000. Procurers shall solicit two or more offers, price or rate quotations from qualified offerors. Procurers shall maintain sufficient documentation of his/her efforts to solicit said offerors. Purchase is awarded based upon best overall value.

3. Standard Purchases: Procurements from \$150,000 and above.

A. Sealed Bids: Procurers shall not use sealed bidding procedures unless approved in advance by the Director of Research Administration and Sponsored Programs. If approved, further policy documentation will be provided.

B. Competitive Proposals: Procurers may use competitive proposals to acquire goods and services above the \$150,000 threshold. HPU will publicize the opportunity through the RASP website or other method. Procurers will seek two or more qualified contractors. Each request for proposal (RFP) must have a written method for conducting technical evaluations and selecting the winning contractor. As provided in §2.a, procurers shall consider value and quality in addition to price in contractor selection.

C. Noncompetitive proposals: Procurement by noncompetitive proposals (a.k.a. sole source procurement) may only be used when the circumstances below apply. Documentation of the circumstances is required.

1. The item is available from only a single source;
2. A public exigency or emergency for the requirement will not permit a delay resulting from a competitive competition;
3. The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive proposal in response to a written HPU request; or
4. After solicitation of a number of sources, competition is determined inadequate.

#### 38.4. Contract Cost and Price (200.323)

A. In all Standard Purchases, as defined in §3.a.iii, the procurer must perform an independent cost or price analysis before receiving bids or proposals.

B. In all Standard Purchases, as defined in §3.a.iii, the procurer must negotiate profit as a separate element of the price. In determining reasonable profit, consideration must be given to the:

1. Work complexity,
2. Contractor risk,
3. Contractor investment,
4. Subcontracting efforts,
5. Past performance, and
6. Industry profit rates for the surrounding area for similar work.

C. In all cases, costs or prices in any resulting procurement must be allowable under §Subpart E of Title 2, Subtitle A, Chapter II, Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

#### 38.5. Contracting with small and minority businesses, women's business enterprises and labor surplus area firms (200.321)

A. When possible, procurers should seek out qualified small and minority businesses and women's business enterprises.

1. Qualified lists of small and minority businesses and women's business enterprises can be found at:

A. State of North Carolina's VendorLink Search:

<https://www.ips.state.nc.us/Vendor/SearchVendor.aspx>

-Select "Yes" under the dropdown selection for "HUB Certification" and "Small Business"

B. Federal Government's System for Award Management Advanced Entity Search:

<https://www.sam.gov/>

1. Click on the "Search Records" button

2. Click on the "ADVANCED SEARCH – ENTITY" button

3. Check the box for "Socio-Economic Status" and choose the boxes as needed. Women Owned Small Business, Self-Certified Small Disadvantaged Business, and SBA Certified 8A Program Participant are good starting points.

B. When economically feasible, procurers should divide requirement into smaller tasks or quantities to permit maximum small and minority businesses and women's business enterprise participation.

C. When appropriate, establish delivery schedules that encourage small and minority businesses and women's business enterprise participation.

D. When appropriate use the services and assistance of agencies that advocate for small and minority businesses.

E. Insert §5.a-d in all HPU subcontracts above the Simplified Acquisition Threshold in effect at the time of issuance.

38.6. Federal Awarding Agency or Pass-through Entity Review (200.324)

A. As self-certified in the preamble to this policy, this policy meets the requirements of §200.324 and HPU is therefore exempt from the pre-procurement review in paragraph (b) of said section.

B. HPU shall provide this policy and referenced documentation to a Federal agency or pass-through entity as evidence of HPU's compliance.

38.7. Bonding Requirements (200.325)

A. In cases of construction or facility improvement contracts exceeding the Simplified Acquisition Threshold, the procurer shall determine whether the Federal agency or pass-through entity will accept HPU's bonding requirements. If not, the minimum requirement is:

1. A bid guarantee from each bidder equivalent to five percent of the bid price. The guarantee must consist of a firm commitment such as a bid bond, certified check, or other accompanying instrument that commits the bidder to execute such contractual documents that are required upon acceptance of its bid.
2. A performance bond on part of the contractor for 100 percent of the contract price.
3. A payment bond for 100 percent of the contract price.

### 38.8. Contract Provisions (200.326)

A. HPU shall insert the contract provisions found in Appendix II to Part 200-Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

B. Current below as of 8/24/2015

C. The current provisions can be found at: [http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=4e84f69382b3d1422ad60ca9f1d993be&ty=HTML&h=L&n=2y1.1.2.2.1&r=PART#ap2.1.200\\_1521.ii](http://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=4e84f69382b3d1422ad60ca9f1d993be&ty=HTML&h=L&n=2y1.1.2.2.1&r=PART#ap2.1.200_1521.ii)

#### Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under

Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

### **39. SUBRECIPIENT MONITORING AND MANAGEMENT**

As a part of HPU’s commitment to good financial stewardship, it must issue subagreements to non-HPU parties in the furtherance of HPU sponsored project

objectives. As a part of this commitment to good stewardship, RASP, in connection with the PI, will make a determination as to whether the third party is acting as a subrecipient or contractor (as defined in Title 2, Subtitle A, Chapter II, Part 200, Subpart D, Subrecipient Monitoring and Management). RASP shall document its decision as to whether the third party is a contractor or subrecipient. If the third party is determined to be a contractor, HPU shall use follow its federal purchasing policy. If the third party is determined to be a subrecipient, RASP will have the entity complete a questionnaire to determine risk. Using the executed form, RASP will make a determination of subrecipient's risk using its risk management matrix and, if needed, implement the necessary measures and monitoring to reduce project risk and ensure project success.

# APPENDIX A

## Federal Award/Pass-Through Procurement Documentation Form

Instructions: Complete this form and attach it to the Unimarket Payment Request. Refer to the Research Administration and Sponsored Programs Federal Purchasing Policy web site for more information.

### 1. Procurement Amount:

- Less than \$3,500 (Micro purchases)
- \$3,001 through \$150,000 (Small purchases)
- \$150,001+ (Standard Purchase):
  - Sealed Bid: (Requires RASP prior approval for use)
    - Fixed Price,  Cost Reimbursement, or  Other
  - Competitive Proposals:
    - Fixed Price,  Cost Reimbursement, or  Other
  - Non-competitive Proposal (sole source procurement):
    - Fixed Price,  Cost Reimbursement, or  Other

#### Rationale for use:

- Available only from a single source
- Public exigency/emergency
- Prior approval from Federal agency or pass-through entity
- Inadequate competition following

### 2. Contractor Selection Rationale:

Best Overall Value/Quality (check all that apply)

- Reasonable Price
- Delivery
- Maintenance
- Useful life
- Personnel qualification
- Other:
- Product/service quality
- Warranty
- Environmental/energy efficiency

---

---

---

---

---

---

---

---

### 3. Basis for Contract Selection:

- Price Competition
- Term contract
- Similar to a recent purchase(s)
- Other: \_\_\_\_\_  HPU Cost Analysis (attached)

Certification: I certify that I have no conflicts of interest in the selection of this contractor as defined in Research Administration and Sponsored Programs Purchasing Policy. Furthermore, I hold that the contractor chosen herein possesses the ability to perform successfully under the agreement terms.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_  
\_\_\_\_\_ Date: \_\_\_\_\_

## APPENDIX B

### HPU Cost Analysis Form

Instructions: Use this form to perform a cost and price analysis for all federal or federal pass-through procurements that are in excess of \$150,001 for each offeror.

**1. Offeror Information:**

Offeror Name: \_\_\_\_\_

Total Offeror Cost: \$ \_\_\_\_\_

HPU Proposal Number Reference: \_\_\_\_\_

**2. Cost Analysis:**

a. Are the costs reasonable?

\_\_\_ Yes, \_\_\_ No, or \_\_\_ Partially:

Reasonable is defined as a cost that is:

i. Allowable. The applicable cost principles (see section below) will usually state either a type of cost is allowable or not.

i. Allocable. This means that the costs are logically related to, or required in the performance of the contract. Many costs may be allowable but not related to the work required under the contract.

ii. Reasonable. This term is generally defined as what a prudent business would pay in a competitive marketplace. A cost can be allowable and allocable, and still not be what a prudent businessperson would pay (e.g., first class airfare).

Notes:

---

---

---

---

---

---

---

---

b. Are the costs necessary?

\_\_\_ Yes, \_\_\_ No, or \_\_\_ Partially:

Are the costs necessary to accomplish the work? Direct cost elements should be necessary to perform work. A cost may be allowable under the cost principles and even allocable to the type of work to be performed, but still not be necessary for the specific contract.

Notes:

---

---

---

---

---

---

---

c. Are pre-negotiated rates used?

Yes,  No, or  Partially:

Does the offeror use audited or pre-negotiated indirect cost (e.g., overhead) rates, labor and fringe benefit rates, or other factors.

Notes:

---

---

---

---

---

---

---

d. Can the offeror contain costs from escalating?

Yes,  No, or  Unknown:

Does the offeror have a track record of containing costs?

Notes:

---

---

---

---

---

---

---

e. Are cost changes likely?

Yes  No, or  Unknown:

Is there any indication that his/her costs are likely to increase or decrease over the life of the contract?

Notes:

---

---

---

---

---

---

---

3. Cost Comparison:

If possible, after completing the cost analysis, compare:

- i. The offeror's costs with actual costs previously incurred by the same offeror for the same or similar work. If it is a repetitive type of work or service, how much has it cost in the past. Apply any appropriate inflation factors for past work.
- ii. Actual costs of previous the same or similar work performed by other contractors.
- iii. Previous cost estimates from the offeror or other offerors for the same or similar items.
- iv. The methods proposed by the offeror with the requirements of the solicitation (i.e., do the costs reflect the technical approach proposed and the work required?).

4. Overall Contractor Analysis:

\_\_\_ Yes or \_\_\_ No: Are the costs provided in the offeror's proposal acceptable?

5. Signature and Date:

Analyzer Name: \_\_\_\_\_

Analyzer Signature: \_\_\_\_\_

Date of Analysis: \_\_\_/\_\_\_/\_\_\_