UNIVERSITY POLICIES GOVERNING EXTERNAL SUPPORT

Policy Statement

All proposals which use the name and resources of The University of Southern Mississippi and which may result in an award to the university involving restricted funds must adhere to university policies and procedures for submitting a proposal, accepting an award and administering the project. Sponsored Programs Administration (SPA), under the direction of the Vice President for Research, is formally charged with the responsibility of providing services to faculty and staff for securing external support from federal, state, and nonfederal sources including foundations and corporations. The VP or approved designee is the authorizing official to commit the university in all related matters involving contracts and grants.

Reason for Policy/Purpose

This policy is required for the effective communication of university policies regarding external support.

Who Needs to Know This Policy

All members of The University of Southern Mississippi community.

Website Address for this Policy

www.usm.edu/institutional-policies/policy-rsch-spa-007

Definitions

Policy/Procedures
External support to the university may be described as sponsored programs or projects awarded as a result of an application submitted to a funding agency by the university on behalf of a full-time faculty or staff member. These programs/projects usually involve research, instruction, or other sponsored activities and are usually submitted based on defined guidelines established by the funding agency. The following categories are excluded from this definition: direct payments to individuals, such as fellowships, unless the funding agency requires the university to administer the funds, gifts and bequests to the university, and student financial aid.

Listed below are abbreviated statements regarding representative policies and procedures and general terms that impact contract and grant activity (research administration):

ACADEMIC RELEASE TIME

Many funding agencies will provide funding to pay a portion or all of the salary for faculty to be released from regular teaching duties to carry out projects during the academic year. When proposals request release time, it is the responsibility of the principal investigator (PI) to secure approval from the respective departmental chair or director and dean of the college. Ultimately, the Provost has final approval of these requests before proposals are approved by the VP. A portion of the recovered pool of academic salaries from funded projects are distributed to the colleges to provide additional funds for support of the research enterprise.

ACKNOWLEDGEMENT OF FUNDING SOURCES

Any publication, recording, performance, presentation or other scholarly activity that is the result of a sponsored project should acknowledge the resources contributing financial support. This acknowledgment should recognize all funding sources including the university’s contribution to projects. As an example, if funds were provided by the VP for internal development efforts and the project resulted in a publication, performance, presentation, etc., the university should be acknowledged for providing this support.

AUTHORIZING OFFICIAL

The Vice President for Research or approved designee is formally charged with the responsibility to commit the university on proposal submissions, acceptance of awards and contracts. This includes related certifications required by funding agencies during the proposal and award process. The duly authorized official on the university’s behalf on all projects and related matters is the VP.

CERTIFICATIONS

There are various certifications (sometimes called assurances) required at the time of proposal submission or award acceptance. These are used to assure federal agencies that the university has applicable policies and procedures in place to successfully carry out the project. These certifications require authorized signatures; authorized university officials include the VP, SPA director and associate director.
CONFLICT OF INTEREST

Federal agencies require applicants to adopt and enforce written policies regarding conflict of interest. The university has complied with this requirement by developing a policy, Conflict of Interest Policy and Procedures available at www.usm.edu/institutional-policies/policy-rsch-spa-000-008 that seeks to maintain a reasonable balance between competing interests of university employees and gives the university the ability to identify and manage financial interests that may bias sponsored activities. This policy, in its entirety, is incorporated into the Faculty Handbook.

CONSULTANTS

Principal investigators may require the services of consultants (internal or external) whose expertise is needed to carry out the goals and objectives of projects. These may be paid or unpaid contributors to projects. Regulations state that internal consultants must be across departmental lines; i.e., a colleague from your home department may not serve as a paid consultant on your project. Use of consultants should be discussed with SPA at the time of proposal submission. When the services of an independent (external) consultant are requested, a Professional Personal Services Contract should be executed. If the services of an internal consultant (USM employee) are requested, a request for Services of an Internal Consultant must be executed. This is available at http://www.usm.edu/research/forms-and-budget.

CONTRACTS

A contract is a financial assistance mechanism used by a federal or non-federal funding agency for specific inquiry directed towards particular areas of research and development, instruction or other sponsored activities needed by the funding agency. A contract usually involves defined deliverables and/or services expected to be performed by the grantee within a specified project period.

Contract performance is closely monitored by the funding agency to ensure accomplishment of contract goals or deliverables.

A contract is usually issued as either a fixed-priced contract or a cost-reimbursement contract. A fixed-priced contract is used when the agency agrees to pay a "fixed amount" regardless of the actual costs of the project. That is, price adjustments are not made after the award of the contract, regardless of the actual costs of the performance of the work. Therefore, if a fixed-priced contract is underbudgeted, the university must absorb the cost difference.

A cost-reimbursement contract is used when the agency agrees to pay the university for costs that are allowable, allocable, and reasonable in performing the project. The agency will usually establish a "not-to-exceed cost" or a "cost ceiling" for the contract. Once that ceiling has been reached, the university stops work and incurs no further liability.
The University Legal Counsel is required to review all contracts prior to agreement and acceptance of a contract between a funding agency and the university.

COOPERATIVE AGREEMENTS

Cooperative agreements, as a financial assistance mechanism, are similar to grants in that they are awarded by the funding agency to assist and support research and related activities. They differ, however, in that while grants require minimal or no involvement of the awarding agency during the performance of project activities, cooperative agreements involve a substantial cooperation and/or coordination between the funding agency and the university.

COST SHARING

The university may be required to contribute to the costs of a sponsored project as stated in agency guidelines. In some cases, these expenses may be in the form of "in-kind" costs such as contributed effort of personnel (salary and fringe benefits) who are supported by nonsponsored funds. At other times, there may be a requirement for "cash," particularly for equipment related projects.

When cost sharing funds are required, the principal investigator is required to discuss these needs with the respective chair/director and dean. If these areas cannot provide the total cost share required for the project, the PI should contact SPA to determine if funds are available from the VP.

Cost sharing may also come from non-university, third-party arrangements. These arrangements must be documented at the time of proposal submission.

The university is required to document all cost sharing/matching funds just as it tracks agency dollars. These become auditable expenditures.

FACILITIES AND ADMINISTRATIVE COSTS (F&A)

Facilities and Administrative costs (formerly called indirect costs) are actual costs incurred by the university that cannot be readily identified or associated with a single sponsored project or activity. These costs are normal business activities of the university such as utilities, public safety, libraries, building and equipment use and maintenance, accounting, payroll, and academic and sponsored administration.

The determination of F&A costs rates are based on a cost proposal submitted by the university to its respective federal cognizant agency. This proposal contains all of the F&A categories that relate to direct costs necessary to conduct the primary functions of the institution such as teaching, research and other activities. Rates are then negotiated and a final rate agreement is signed establishing the required rates for all projects submitted to external funding sources. A listing of the current negotiated rates can be found at http://www.usm.edu/research/forms-and-budget.
Unless stated through a published rule of the sponsoring agency, F&A costs are not waived or reduced. Any reduction of rates must be documented at the time of proposal approval.

Distribution of recovered F&A costs: F&A cost recovery partially reimburses the university for actual costs incurred for conducting sponsored projects. A portion of the F&A costs recovered is distributed to the principal investigator’s home department to underwrite project development costs. Each department establishes its own criteria for handling these funds so faculty/staff are encouraged to understand the departmental policies as well. F&A cost recovery is also used by the VP to offset cost sharing requirements for such things as grants for large equipment purchases. These funds also provide for internal development efforts through the VP that enhance the university's research capability.

FRINGE BENEFITS

Fringe benefits are actual personnel expenses associated with any salary paid by the university. Fringe rates are determined by the Financial Affairs Office. These rates are available from http://www.usm.edu/research/forms-and-budget and are used in calculating budgets. Every salary (including students) associated with contract and grant activity has a corresponding fringe rate to be charged. These benefits include such items as workmen's compensation, health insurance, FICA, etc.

GIFTS

If funding is designated by an individual or organization as a gift and no financial or programmatic reports are required by the individual or organization, the Development Office is responsible for the activity. Any request for gifts from an outside agency should be coordinated with the Development Office staff.

GRANTS

Grants make up the largest category of funding provided by any funding agency. Grants, as a financial assistance mechanism, are used when the idea for the research or training project is initiated by the investigator following the conditions and criteria established in the agency guidelines; when no substantial program involvement is anticipated between the funding agency and the institution; and there is no expectation on the part of the funding agency for delivery of a specified product or service for the use or benefit of the funding agency. However, funding agencies do expect grantees to share with the public any results, products or model projects that further the knowledge of the discipline, the research community and/or society as a whole.

HUMAN SUBJECTS

The Human Subjects Committee (Institutional Review Board, "IRB") assures that adequate protection of human subjects' rights and welfare are carried out in accordance with federal guidelines. This committee, composed of representatives from all colleges as well as a community representative, is required to review all research projects involving human subjects before initiation of data collection. Human Subjects Review Forms are available either from the college representative or online at http://www.usm.edu/research/institutional-review-board.
INSTITUTIONAL ANIMAL CARE AND USE

The Institutional Animal Care and Use Committee (IACUC) advises on all animal programs, facilities and procedures. This committee assures that the humane care and use of animals are in accordance with federal laws by reviewing protocols for all teaching and research projects involving animal use before initiation of teaching and research. Animal Welfare Approval Forms may be obtained from the Committee Chair. More information is available at http://www.usm.edu/research/institutional-animal-care-and-use-committee.

INDIRECT COSTS

The name has been changed by Office of Management and Budget (OMB) to Facilities and Administrative Costs. This change more accurately reflects the pool of expenses that are used to calculate these rates.

INSTRUCTION (SPONSORED)

For purposes of sponsored instruction and training, the term includes all teaching and training activities, whether they are offered for credits toward a degree or certificate or on a noncredit basis, and whether they are offered through regular academic departments or an extension division. These activities are established by a grant, contract or cooperative agreement and are separately budgeted and accounted for.

INTELLECTUAL PROPERTY

The university's Patent and Invention Policy defines intellectual property as "any technical innovation, invention, discovery, or know-how, as well as writings and other information in various forms including computer software." Faculty and staff should be familiar with the full import of this policy. A Disclosure of Invention and Copyrightable Materials Form available at http://www.usm.edu/research/forms-and-budget is required to be completed when questions of "ownership and disposition of technology" may arise from a project conducted by the University. The Associate Vice President for Research and Technology Transfer should be contacted about questions relating to intellectual property.

INTERNAL APPROVAL OF PROJECTS

All projects submitted by the university must go through an internal approval via Sponsored Programs Administration's Internal Approval Form available at http://www.usm.edu/research/forms-and-budget. This process requires the signatures of at least the following persons: principal investigator, chair/director of department, college dean, Provost (if academic release time is involved), and the Vice President for Research. SPA will work with faculty/staff in understanding the routing of this form.

LEGAL ENTITY
The University of Southern Mississippi is the legal entity for all obligations relating to contract and grant activity. This includes all activity on the Hattiesburg campus and all other campus sites, including the Gulf Coast campuses, and the Stennis Space Center.

SPA coordinates all legal documents with the University Legal Counsel, who is charged with reviewing all contractual documents on behalf of the university.

**LETTERS OF INQUIRY (ALSO CALLED LETTERS OF INTENT)**

Sponsors, particularly foundations and corporations, often ask for a brief (e.g., three to five pages) concept paper of the proposed project prior to the application deadline. A funding agency will usually require the letter of inquiry to include the following information: Who, What, When, How Much.

The "who" refers to a description of the organization and a brief summary of achievements, particularly as they relate to the problem or issue to be addressed. "What" is a statement of the problem or need you plan to address and an explanation of how it will be addressed, including a description of anticipated achievements or outcomes. "When" is a description of the timeline of the proposed activities. Finally, "how much" refers to an estimated cost for the project or activity and what is being requested from the funding agency.

If Letters of Inquiry discuss "how much," SPA staff should be consulted to make sure that university policies and procedures are followed in establishing the estimated costs for the project.

**MANAGEMENT OF SPONSORED PROJECTS**

Sponsored Programs Administration is responsible for approving all expenditures resulting from a restricted fund account. SPA will be involved with the principal investigator throughout the management process relating to restricted fund accounts.

All university policies and procedures relating to expenditure of funds must be followed for all contract and grant activity (i.e., purchasing rules, property management, human resources, etc). SPA is responsible for assisting faculty/staff throughout the entire process with all administrative matters relating to the conduct of contract and grant activities using restricted funds in the areas of teaching, research, and service.

SPA or the VP are designated as the point-of-contact with funding agencies relating to the management of contracts and grants. If it is necessary for the PI to contact the agency, SPA should be contacted first.

**MISCONDUCT IN RESEARCH, SCHOLARLY AND CREATIVE ACTIVITIES**

The university's policy on Ethics in Research, Scholarly and Creative Activities governs all allegations relating to misconduct in activities. As stated in the policy, "The University of Southern Mississippi is dedicated to the pursuit of truth in its research, scholarly, creative, and sponsored program activities. Integrity and the highest standards of ethical behavior on the part
of every member of the University Family must characterize these endeavors, lest the public trust placed in the University be compromised."

This policy in its entirety is incorporated into the Faculty Handbook.

MISSISSIPPI UNIVERSITY RESEARCH AUTHORITY ACT (THE "MURA" LAW)

In summary, the Mississippi Legislature approved this act to "create the Mississippi University Research Authority to promote economic development within the state through cooperative technological innovations activities...."

This act basically:
1. provides a legal framework for university faculty and staff to commercialize their research;
2. establishes working procedures and legal relationships to enable business participation;
3. implements appropriate control and review procedures;
4. encourages employee/faculty participation in commercializing research; and
5. follows a model already proven successful in other states.

OTHER SPONSORED ACTIVITIES

Other Sponsored Activities means programs and projects financed by federal and non-federal agencies and organizations which involve the performance of work other than instruction and organized research. Examples of such programs and projects are health service projects and community services projects. These activities are established by a grant, contract, or cooperative agreement and are separately budgeted and accounted for.

OUTSIDE EMPLOYMENT

Faculty and staff may, with permission, engage in employment outside the university. The Human Resources Department can provide details on the process of obtaining permission, including the required form titled "Permission to Engage in Outside Employment."

The Mississippi Ethics in Government Law prohibits outside employment with an entity that simultaneously has a contractual relationship with the university when the faculty or staff member may use his official position for pecuniary benefit for himself/herself other than that provided for by law.

PRINCIPAL INVESTIGATOR (PI) OR PROJECT DIRECTOR (PD)

Generally, any faculty or staff member may serve as principal investigator or project director on a grant or contract. If there is any question about eligibility, it is wise to inquire at SPA before proceeding with a proposal. Additionally, sponsors may at their discretion further define and restrict those allowed to direct projects or act as principal investigators.

When questions arise in the eligibility of personnel to serve in these roles, you may contact SPA for further clarification of this policy.
REPORTING REQUIREMENTS

Sponsored Programs Administration is responsible for maintaining, for audit purposes, copies of all final technical reports.

RESEARCH (SPONSORED)

Sponsored research means all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. These activities are established by a grant, contract, or cooperative agreement and are separately budgeted and accounted for.

SALARIES AND WAGES

Compensation on sponsored projects must not exceed an employee's authorized base rate of pay at the university. The SPA staff will provide assistance to faculty/staff in calculating salaries for sponsored projects during the proposal development process prior to formal submission of projects.

Recent changes in the OMB Circular A-21 (Costs Principles for Educational Institutions) have caused federal agencies to review the use of salaries for administrative and clerical staff as direct costs for projects. Federal sponsors now take the position that the salaries of administrative and clerical staff should not normally (emphasis added) be treated as direct costs. Their view is that these should be a part of the F & A costs.

However, there are circumstances when these salaries may be a direct cost on a project; the SPA budget staff will work with the PI/PD in determining when these are applicable as direct costs on federal projects.

STIPENDS

Stipends are defined as payments to students which do not require the USM student to perform work as a condition of receiving the stipend. Fellowships often require the university, through the student’s mentor, to administer and monitor the funds on the student’s behalf. If the student is required to perform work in order to receive compensation (e.g., undergraduate assistant or graduate assistant), the salary becomes a part of the general salaries and wages requested on the project and is not considered as a stipend.

SUMMER SALARY FOR FACULTY

Many agencies allow faculty to budget "summer salary" as part of the direct expenses associated with a project. The rate of pay will be based on the academic pay rate (9-mo. salary). Agency guidelines will stipulate if there are any restrictions or limitations relating to salary. Therefore, this becomes a part of the overall budget discussion with the SPA staff during the proposal development phase.

Review
The Director of the Office of Research Administration is responsible for the review of this policy every four years (or whenever circumstances require immediate review).

**Forms/Instructions**

Professional Personal Services Contract available at http://www.usm.edu/research/forms-and-budget


Disclosure of Invention and Copyrightable Materials Form available at http://www.usm.edu/research/forms-and-budget

Internal Approval Form available at http://www.usm.edu/research/forms-and-budget

**Appendices**

N/A

**Related Information**

N/A

**History**

11/01/11: Formatted for Institutional Policies website.
02/20/13: Formatted for template. Minor editing throughout.

Amendments: Month, Day, Year – summary of changes
Authorization

UNIVERSITY POLICIES GOVERNING EXTERNAL SUPPORT
RSCH-SPA-000-007

As the Responsible Officer, I have reviewed this policy and believe it represents the current policy.

[Signature]
Responsible Officer

4-1-13
Date