

Sponsored Projects Manual

Office of Research and
Sponsored Programs

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1. Overview

1.1. Purpose and Scope

The Sponsored Projects Manual contains Marquette University's policies and guidelines regarding programs and projects sponsored by external entities using grants, contracts, and cooperative agreements.

This manual is developed and periodically updated by the Office of Research and Sponsored Programs (ORSP) in collaboration with other offices such as the Provost, Comptroller, Human Resources, Purchasing, Research Compliance, General Counsel, and the Committee on Research.

1.2. Glossary of Terms Commonly Used in this Manual

This glossary provides definitions for terms commonly used in this manual. Readers will find definitions for more specialized terms in the section to which they specifically pertain.

Applicant

Although Marquette University is the legal applicant and fiscal agent for grants, contracts and cooperative agreements, the term "applicant" is commonly used in ORSP reporting and in this manual to refer to the Marquette employee or designee who serves as the Principal Investigator or Project Director and who initiates and prepares the application or proposal. Where the legal distinction between the institution and the individual as applicant is relevant, this manual provides specific clarification and guidance.

Application or Proposal

The application or proposal is the written request for support submitted to a sponsor. At a minimum, an application includes a statement of work and a dollar request. Although applications and proposals are necessarily estimates, they are typically incorporated in the sponsor's award as a term or condition. For this reason, Marquette requires institutional review and approval of applications and proposals before they are submitted to a sponsor for consideration.

Notice of Award, Notice of Grant Award

The Notice of Award or Notice of Grant Award is a legal notice from the sponsor to the University that describes the terms and conditions of an award. Many sponsors require that the Institutional Authorized Official sign and return the Notice of Award, while other sponsors regard the first expenditure of funds as notice that the institution has accepted the award. ORSP endorsement is required in both cases. In situations where signatures are required, an award is not recorded as such until it is fully executed.

Principal Investigator (PI) or Project Director (PD)

The Principal Investigator (PI) or Project Director (PD) is the person designated by the University to direct the project being supported by the grant. This person is typically named on the cover sheet of the application or proposal and in the Notice of Grant Award. Responsibilities of the Principal Investigator or Project Director are described in each section of this manual.

The term **Principal Investigator** is commonly used by sponsors to describe the scholar with primary responsibility for the design, conduct, or reporting of a research project.

The term **Project Director** is commonly used to describe the person with primary responsibility for the design, conduct, or reporting of a training or other non-research project.

For economy, the term Principal Investigator and its abbreviation PI are used throughout this manual to refer to both Principal Investigators and Project Directors.

1.3. Authorities and Responsibilities

Awards for sponsored projects are legal instruments binding upon the University. A typical award agreement requires the University to:

- comply with the sponsor's terms and conditions.
- perform a defined scope of work, usually within a specified period of time.
- provide fiscal reports that are subject to audit.
- provide performance reports.
- return unexpended funds.

The authority to request and accept sponsorship is vested in the Board of Trustees and the President. The President has delegated this authority to the Vice President for Research and Innovation and both the Executive Director and the Director of Grants Administration in the Office of Research and Sponsored Programs, who are responsible for ensuring that the University has in place appropriate policies and procedures for the review and management of sponsored projects and sponsor funds.

The Principal Investigator is responsible for the scientific and scholarly merit of the project, compliance with regulatory requirements, project management, fiscal management, performance reporting and data retention, and the appropriateness and allowability of expenditures. Detailed roles and responsibilities are provided in each section of this manual.

Chairs/Unit Heads and Deans/Supervisors provide local oversight for sponsored projects, including ongoing assurance that the sponsored projects conducted in their units meet the University's standards and that resources are available to support the projects. Detailed roles and responsibilities are provided in each section of this manual.

1.4. Marquette's Eligibility for Extramural Support

As a non-profit institution, Marquette has the legal right to receive public and private grant money for activities relating to its “exempt purposes”: the charitable, educational, religious, literary or scientific purposes for which Marquette was incorporated.

Marquette is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Service Code. The University's IRS determination letter is dated February 4, 1970. Marquette has been further classified as an organization that is not a private foundation as defined in section 509(a) of the IRS Code. This additional determination letter is dated October 20, 1970.

Certain income that is unrelated to Marquette's exempt purposes is taxable (see [Publication 598 \(03/2021\), Tax on Unrelated Business Income of Exempt Organizations | Internal Revenue Service \(irs.gov\)](#)). The Office of the Comptroller keeps track of Marquette's unrelated business taxable income.

As an institution that holds publicly financed bonds, Marquette has obligations that restrict the use of some of its facilities for private business purposes. Marquette can enter into research agreements with corporations so long as any license or use of resulting technology by the sponsor is permitted on the same terms that the University would permit that use by a non-sponsoring party (i.e., sponsors must pay a competitive price).

1.5. Eligibility to Serve as Principal Investigator

Because the University is the legal and fiscal agent for extramural awards, eligibility to serve as Principal Investigator is limited to those individuals with whom Marquette University has a formal written agreement that specifies an official relationship between the individual and the University. The agreement must enable the University to fulfill its responsibilities as fiscal and administrative agent of an extramural award. Eligible PIs will automatically pull into the Quali grant management system.

1.6. Types of Awards

Sponsors use three main legal instruments to sponsor University projects: grants, cooperative agreements, and contracts. For the sake of economy, this manual uses the term “grant” to refer to all award types unless otherwise specified. Where the differences among the instruments are relevant, this manual provides specific guidance.

Grants

A grant is an assistance instrument, the primary purpose of which is to support the University in the pursuit of its mission. The project is initiated by the Marquette PI, and the sponsor generally has no substantial involvement in the conduct of the project.

Cooperative Agreements

A cooperative agreement is an assistance instrument used by federal agencies in cases where the agency anticipates being substantially involved with the awardee in the programmatic aspects of the work.

Contracts

A contract is a procurement instrument. The primary purpose of a contract is to enable the sponsor to purchase services or goods from the University. Typically, the sponsor determines the scope of work and the desired outcomes and often specifies the methodology as well. Contract performance is closely monitored by the sponsor to ensure that the purpose of the contract is met.

1.7. Gifts and Grants

The Office of the Comptroller determines if an award from an external party is deemed a grant or a gift, regardless of who solicits the fund. Any award determined to be a grant must follow all standard grant-related processes and procedures. This includes sponsorships determined to be a grant. The Comptroller has a list of criteria to help make the award determination. Below are select criteria used to help support the purpose of a Grant or Gift (donation/contribution) designation. Please note the criteria below are all important considerations in determining whether awards are gifts or grants, but not all the factors that can be part of the decision-making process are listed. No single criteria by itself is a characterization of a grant versus a donation.

A **grant** is reciprocal in nature. Each party is giving and receiving something of relatively equal value in the transaction. The Office of Research and Sponsored Programs processes must be followed for all grants.

Grant Criteria:

- Unspent funds must be returned to the funding source as required by the funding source
- Beginning and end dates are specified
- Indirect/overhead costs are included
- A report is required by the funding source.

A **gift** is funding, or an item, given by a donor who expects no significant value in return, other than recognition and disposition of the gift in accordance with the donor's wishes. University Advancement's processes must be followed for all gifts.

Gift Criteria:

- Unspent funds are not returned to the funding source
- No indirect costs are specified
- Reporting is initiated by MU not the donor
- The award is in support of a student scholarship.

Donations to endowed funds are considered to be gifts. The only exception to student scholarships as a gift is external funding for scholarship support to a specific student; these are handled through the Office of Financial Aid.

Also please see University Policies and Procedures (UPP) I-13, “Gift Acceptance and Processing” - [UPP 1-13: Gift Acceptance and Processing // University Policies and Procedures // Marquette University](#)).

1.8. Sponsor Types

Marquette University categorizes sponsors into four categories for reporting purposes: Federal, State, Foundation, and Corporation.

- A project is “**Federal**” if it is funded by any agency of the United States government.
- A project is “**State**” if it is funded by any state, county, municipality, or other local government entity in the State of Wisconsin.
- A project is “**Foundation**” if it is funded by any domestic or foreign nonprofit foundations or organization.
- A project is “**Corporation**” if it is funded by any domestic or foreign for-profit organization.

1.9 Activity Types

Marquette University categorizes research and sponsored projects into four categories for reporting purposes: Research, Instruction, Equipment and Other.

- **Research** projects are creative and systematic works undertaken in order to increase the stock of knowledge - including knowledge of humankind, culture, and society - and to devise new applications of available knowledge. Research covers three activities: basic research, applied research, and experimental development.
- **Instruction** projects or programs involve instruction for registered Marquette University students who are receiving transcribed credits.
- **Equipment** is classified as a single item with a value of \$5,000 or more. If the proposed request is solely for equipment the “Equipment” activity type should be used.
- **Other** includes projects that involve the performance of work other than Instruction or Research or Equipment. Examples of Other activities include: public or community service activities; travel grants; support for conferences or seminars; support for University public events in the arts; and support for projects pertaining to library collections or acquisitions.

1.10 Guiding Principles

In order to be eligible for federal support, Marquette must adhere to the regulations that govern the conduct of research and the management of extramural funds. Marquette employees must help the University preserve its eligibility for external funding by adhering to the requirements and policies of the University and the sponsor. The University has an obligation to help its employees understand and meet these requirements.

Excellence in scholarship goes hand-in-hand with prudent and consistent grant administration. The Office of Research and Sponsored Programs aims to preserve the University's eligibility for grants and enhance the University's reputation among sponsors by promoting best practices in grants administration. Excellent sponsored projects have:

- A PI who is responsible for the project's success and who understands and supports the administrative requirements of the award;
- A well-developed proposal with specific and thoughtful objectives and work plan;
- A thorough, accurate, fiscally sound, and well-administered budget;
- The support of the proposer's chair, dean, and/or administrative home;
- Outcomes that advance the University's mission: the search for truth, the discovery and sharing of knowledge, the fostering of personal and professional excellence, the promotion of a life of faith, and the development of leadership expressed in service to others.

Academic Freedom

The individual researcher has the inviolable right to determine the subject matter of his or her research and is solely responsible for his or her conclusions. Research methods are subject to limitation where (for example) they might harm human subjects, interfere with the ability of other scholars to conduct their research, or contravene University policy such as the prohibition against the use of human embryonic stem cells. The University has an obligation to establish and maintain appropriate policies, procedures, and guidance so that the rights of Marquette scholars are protected and responsibilities are met.

PI's Right to Publish

The PI's right to publish the results of his or her research is fundamental. Marquette University will not accept funding from any sponsor under terms or conditions that deny this right. Subject to the PI's approval, the University may nevertheless allow sponsors a reasonable length of time to review materials in order to prevent inadvertent disclosure of the sponsor's confidential or proprietary information or to allow time to protect patentable subject matter. In extremely limited cases where export-controlled information or materials are involved, the University may agree to pre-approval of publications by the Sponsor. Such instances are not routine and will be decided on a case-by-case basis. See the section entitled, "Research Subject to Export Restrictions" below. The source of sponsorship and purpose of a sponsored activity must in all cases be such that, aside from any export-controlled restrictions, they can be publicly disclosed.

Classified Research

Similarly, the University will not typically engage in classified research that requires a security clearance by any public or private agency, nor will the University typically accept sponsorship where there is a high probability that the project will later be so classified.

Research Subject to Export Restrictions

The University will not ordinarily accept agreements that include terms requiring the University to ban access to research by graduate students, faculty, visiting professors, or post-doctoral fellows who are foreign nationals. Under the “deemed export” rule of the [Export Administration Regulations \(EAR\) \(doc.gov\)](#) and the International Traffic in Arms Regulations (ITAR) [eCFR :: 22 CFR Chapter I Subchapter M -- International Traffic in Arms Regulations](#), an export of a technology or source code is deemed to take place when it is released to such a person. Typically, the University will preserve the “fundamental research” exemption allowed by the EAR and ITAR by ensuring that sponsorship agreements uphold the researcher’s right to publish results. In addition, where export restrictions are included in the terms of an agreement, the University will typically require the sponsor to request the University’s prior written consent before providing materials that are subject to these restrictions. The University will reserve the right to decline or limit the receipt of these materials and any task that requires their use. Where a Principal Investigator has a need to accept such materials and their restrictions, they may work with ORSP to develop a technology management plan, other compliance plan, or to secure a license. ORSP will consult with the Office of General Counsel as necessary.

For more guidance on Export Controls, please see [Export Controls // Office of Research and Sponsored Programs // Marquette University](#).

Student Involvement

Sponsored projects provide extraordinary opportunities for students to enrich their Marquette experience. Involving students in sponsored research requires special attention to the educational benefit that they will derive from the activity. The terms of sponsorship must not impede the student’s educational progress or prevent the student from presenting and publishing his or her research results. In this regard, the University is particularly watchful when it is necessary to enter into confidentiality and other restrictive agreements with private sponsors.

Fiscal Responsibility

Marquette’s eligibility for federal funding is contingent upon adherence to the United States Office of Management and Budget Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – see [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Misconduct in Scholarship

Marquette’s Research Misconduct Policy was most recently updated and approved by the Academic Senate in January 2016. The policy is available online at [Policies and Guidance // Office of Research and Sponsored Programs // Marquette University](#).

Responsible Conduct of Research

In accordance with the America COMPETES Act, Marquette University has a plan to provide appropriate training and oversight in the responsible and ethical conduct of research to undergraduate students, graduate students, postdoctoral researchers and faculty participating in the covered projects. For more information, please see [Responsible Conduct of Research \(RCR\) // Office of Research and Sponsored Programs // Marquette University](#).

Human Embryonic Stem Cells

Marquette University, in its public and official identity as a Catholic institution, is committed to certain principles of the moral, intellectual, and religious order. Its policies and programs must, in fidelity to its purpose, conform to these principles. Although the fundamental principles are, for the most part, universally understood and need no explicit mention, in matters of possible ambiguity a clarification is in order.

The University reaffirms the sanctity and inviolability of human life and vigorously opposes any research on stem cells obtained by the direct destruction of embryos or fetuses as unacceptable. It expects any use of its name, facilities, and resources to reflect this position.

Public Access

The National Institutes of Health and the National Science Foundation, along with other select funders, have policies in place regarding the availability of publications that were made possible through their funding. Peer-reviewed publications must be made publicly available within a certain time frame; not doing so may delay further funding. Please see the NIH's policy at [When and How to Comply | Public Access \(nih.gov\)](#) and the NSF's policy at [Public Access - Special Report | NSF - National Science Foundation](#) for further details. Further compliance guidance from the University can be found at [Start Here - NIH Public Access Policy Compliance - Research Guides at Marquette University](#).

1.9. Primary Source Material and Companion Resources

For federal awards, Office Of Management And Budget Circular 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements:
[eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Guidance and policy concerning research compliance matters, including human subjects, animal care and use, radioisotopes, and biosafety:
<http://www.marquette.edu/researchcompliance>.

University Policies and Procedures:
<http://www.marquette.edu/upp/>.

2. Pre-proposal Activity

2.1. Roles and Responsibilities: Pre-proposal Activity

ORSP

- informs the University community of opportunities for project sponsorship.
- provides guidance on the development of proposals.
- prepares or reviews and approves Confidentiality Agreements with non-profit, educational or government partners or in conjunction with federal grant applications.

Office of University Relations/Economic Engagement

- connects Marquette PIs with for-profit sponsors.
- helps PIs and companies explore mutual areas of interest.
- prepares or reviews and approves Confidentiality Agreements with for-profit partners.

Principal Investigator

- contacts ORSP before providing cost estimates or making commitments to prospective sponsors. Includes Economic Engagement when working with a for-profit sponsor.
- contacts ORSP or Economic Engagement when in need of any confidentiality or nondisclosure agreement.

2.2. Identifying Prospective Sponsors

The ORSP Project Planning and Development team makes available databases that Marquette faculty, staff and students can use to search for grants. These databases and other helpful resources are available at [Finding Funding // Office of Research and Sponsored Programs // Marquette University](#). Faculty and staff at Marquette may also receive periodic e-mails regarding grant announcements targeted to their general areas of interest. In addition, ORSP's Project Planning and Development team works with individual faculty to match projects to sponsors.

2.3. Initial Contact with Sponsors

ORSP encourages prospective applicants to discuss their projects with sponsors before preparing a full application to determine its fit with the sponsor's interests. The purpose of pre-proposal contact is to establish whether the sponsor would be willing to consider a proposal. Such contacts require no internal review or approval so long as they do not make commitments on behalf of the University or constitute a request for financial support. ORSP's Project Planning and Development team can help faculty prepare for pre-proposal contact with sponsors.

It is prudent to seek guidance from ORSP and University Advancement (UA) in advance of such contact with foundations. Among other things, ORSP and UA can provide information concerning the University's history with the sponsor and any pending activity. ORSP's Project

Planning and Development team will serve as the point for coordinating ORSP and UA communication. For projects involving for-profit sponsors, PIs should consult with Economic Engagement staff, who can provide guidance and assistance with sponsor communication.

Sponsors have various preferences and rules regarding pre-proposal contact with prospective applicants: some sponsors require pre-proposal contact, some sponsors restrict such contact to certain Marquette offices or individuals who have been designated sole points of contact, and some sponsors prohibit pre-proposal contact altogether. Typically, sponsors will indicate the type and nature of contact they prefer in their grant guidelines or in their contact information. ORSP has extensive experience with pre-proposal contact and can help faculty identify the most appropriate point of contact within an agency.

In all cases, it is wise to prepare thoroughly in advance of any contact by knowing as much as possible about the sponsor, the University's relationship with the sponsor, and by having a brief summary of the project's objectives in hand.

2.4. Preliminary Estimates of Cost or Effort Required Approval

Where the preliminary contact with a prospective sponsor involves presenting a written estimate of cost or quantifiable effort (e.g., "the PI will devote 20% of the academic year to the work"), the applicant must route the proposal, which includes a budget and scope of work, in Quali for review and approval prior to submission to the sponsor.

2.5. Confidentiality and Nondisclosure Agreements

Some sponsors or project partners will seek a confidentiality or nondisclosure agreement to ensure the protection of information they may disclose during initial project discussions. Confidentiality agreements that name the University or identify the scholar as a University employee must be approved and endorsed by Economic Engagement staff in the case of a for-profit sponsor or the Office of Research and Sponsored Programs for all other matters.

2.6. Limited Submissions

The University has in place through ORSP a process for limited submission competitions for federal funding and select research-specific funders (e.g., Brain Research Trust, Searle Scholars, etc.). An announcement of funding will be sent out from ORSP outlining the opportunity and a date will be given by which interested parties must submit specified information. The information requested will be consistent with the specific opportunity and may include a summary of the project, budget, internal and external partners, matching funds available, sustainability, etc. A committee will be formed to review this material. Depending upon the sponsor/competition, the committee could be comprised of Associate Deans for Research, members of the Committee on Research, prior awardees, or other individuals well qualified to determine the most competitive proposal. Should there be a tie, the Vice President for Research and Innovation will cast the deciding vote. Limited competitions are conducted in advance of the deadline so that the review group will have the opportunity to read the materials, make a decision and notify the successful party with sufficient time to prepare the external application.

The process will differ for local foundations. University Advancement will be engaged in the decision-making process for all foundation submissions and final determinations may be largely influenced by the University's strategic priorities, prior conversations with the foundation, and the foundation's practices.

3. Preparing the Technical Proposal

The technical proposal is sometimes called the project description, project narrative, or statement of work. Sponsors vary widely in their requirements, which may include a needs statement, project timeline, and statement of prior experience or capability.

Applicants should contact ORSP's Project Planning and Development team to ensure that they have the sponsor's most recent guidelines and application materials and to answer any questions they may have about the guidelines. In most cases, ORSP has already worked with the sponsor and can save applicants a great deal of time and effort.

If the proposal requires narrative or data describing the University, applicants should contact ORSP's Project Planning and Development team for help to ensure that the presentation is up-to-date, accurate, and consistent with other applications that may have recently been submitted to the same sponsor.

3.1. Roles and Responsibilities: Preparing the Technical Proposal

Principal Investigator

- The PI is responsible for the technical proposal. The PI prepares the proposal and may collaborate with others in doing so.
- The PI ensures that the proposal meets the sponsor's requirements, including eligibility, format, and budget limitations or conditions. The PI may delegate some of this work to others.
- It is the responsibility of the PI to ensure that the information provided is clear, accurate, and compliant with the sponsor's instructions.
- The PI identifies other personnel, if any, needed to conduct the project.
- The PI identifies the need for subawards and subcontracts.
- If resources not already assigned to the PI are required for the project (e.g., space, technology resources, etc.), the PI must secure the endorsement of the person authorized to make the commitments. All commitments and endorsements must be documented in Quali.

Office of University Relations/Economic Engagement

- Engages with PIs who are working with for-profit sponsors to help in the relationship process.

ORSP

- Provides guidance and interprets sponsor guidelines.
- Provides technical assistance with forms, format compliance, electronic applications, and other matters as requested by the PI.
- Works with the PI to ensure that the proposal is properly uploaded into Quali or other electronic application systems.

4. Preparing the Budget

The proposal budget provides a categorical breakdown of the project costs and presents a justification that relates the costs to the project objectives and tasks. The budget submitted to the sponsor typically consists of two interrelated documents: a budget spreadsheet and a budget justification or budget narrative. Budget categories generally correspond to the account “naturals” that will be established within a project account upon receipt of the award. The budget justification or budget narrative explains how the budget figures were estimated and relates the anticipated expenditures to the project’s tasks and deliverables.

PIs are reminded that the proposal budget is a good faith estimate, but it is an estimate that becomes part of our legal agreement with the sponsor after the award. For this reason all budgets must be reviewed and fully approved in Kualu before they can be submitted to a sponsor. Some changes may be made after the award has been accepted: sponsors vary in the amount and type of rebudgeting they allow.

Applicants should consult with ORSP well in advance of any sponsor deadline to ensure that the budget complies with the sponsor’s guidelines and University policies, reflects the total cost of the project, and is justified in a clear and unambiguous manner. The University adheres to the following regulations regarding budgeting, expenditures, accounting, and administration for federally sponsored projects:

Office Of Management And Budget Circular 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards - [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#).

Detailed Budgets are Required. Some sponsors do not require that applicants submit detailed budgets, as in the case of NIH applications using “modular” budgets. A detailed budget is nevertheless necessary to ensure that the amount being requested from the sponsor adequately covers the cost of the work being proposed and to ensure the appropriate application of the Facilities and Administrative Cost Rate. The University requires, therefore, that any budget estimate provided to a sponsor be based on a detailed budget that has been reviewed and approved in Kualu along with the proposal.

4.1. Roles and Responsibilities: Preparing the Budget

Principal Investigator

- The PI is responsible for estimating the costs and resources needed to conduct the project and for the justification of those items as they relate to the work. The PI is responsible for ensuring that the costs are reasonable, allocable to the project, and allowable by the sponsor and the University.
- The PI is strongly encouraged to consult with ORSP’s Grant Administration team to prepare the budget and budget justification. Alternatively, the PI may prepare the itemized budget and budget justification or supervise their preparation and submit them

to ORSP for review in advance of the sponsor's deadline. All budgets should be loaded into Kualu and ready for routing at least three (3) days prior to the submission deadline.

- The PI identifies Marquette project personnel and secures commitments from persons to be named in the proposal.
- The PI identifies the need for consortium agreements, subawards, and subcontracts and works with ORSP to secure appropriate documentation from prospective collaborators, subrecipients, and subcontractors as needed.
- If required, the PI requests cost-sharing and in-kind contributions from the appropriate parties. Commitments are documented in Kualu under Supplementary Information and must be reviewed and approved by the appropriate parties before a proposal can be submitted.
- If required by the sponsor, the PI may propose cost sharing through contributed effort, subject to the approval of the department chair and dean and documented in Kualu.
- The PI identifies his or her current and pending support.
- The PI identifies anticipated program income and notifies ORSP during budget development.

Office of University Relations/Economic Engagement

- Helps negotiate the budget on proposals sponsored by for-profit entities.

ORSP

- Provides guidance on sponsor and University policies related to budget preparation.
- Provides institutional oversight for documenting cost sharing commitments.
- Works with the PI to develop the project budget and budget justification.
- Works with the PI to obtain letters of intent and budgets from collaborating institutions.

The following sections describe typical elements of the budget and policy considerations relevant to each:

4.2. Salaries and Wages

The time and effort of project personnel should be included in the budget. Proposed salaries and wages must be in accordance with University approved rates. Typically a 3% increase is included in out years. This is not a guarantee that personnel will receive the increase, but rather to ensure funds are available if needed. Grants are subject to sponsor AND University policies. Also see [eCFR :: 2 CFR 200.430 -- Compensation - personal services.](#)

4.2.1. Faculty Salary Charged to Grants

Regarding payments to faculty members from government grants and contracts, Marquette University adheres to federal policy as described in 2 CFR 200.

- Because proposal budgets are submitted to sponsors in advance of the actual project start date, the amounts budgeted for salaries are necessarily estimates.

- Actual salary payments to faculty members will be based on salaries at the time the research is conducted and are subject to the availability of funds.
- Salary chargeable to grants is limited to the effort actually expended on the sponsored project.
- As with all other expenditures, salary charged to a grant must be reasonable, allowable by the University and the sponsor, and allocable to the project using the University's accounting and effort reporting systems.
- The University is able to secure grants because it has policies and procedures in place. Grants are subject to University policies and procedures.

4.2.2. Academic Year Salary

Generally, an employee may not receive more than his or her regular annualized salary by engaging in sponsored projects. Marquette faculty are typically employed for the nine-month academic year. An individual's employment contract may specify alternative terms (e.g., 10 month or 12 month), depending on the nature of the appointment. All faculty members will have a contract stating the approved institutional base salary and the term to which that base applies.

4.2.3. Sponsor-imposed Salary Caps

Select sponsors, such as NIH, impose salary caps that limit the amount of salary that may be paid to an individual. The University will comply with sponsor-imposed salary caps. This does not mean that the institution will decrease the employee's salary: sponsor-imposed caps only limit the amount of salary that the University can charge to the grant. Consult with ORSP's Grants Administration team regarding the policies of particular sponsors.

The NIH Salary Cap. The FY 2002 HHS Appropriations Act allows that "none of the funds ... shall be used to pay the salary of an individual, through a grant or other extramural mechanism, at a rate in excess of Executive Level I" of the Federal Executive Pay Scale." The NIH policy defines the term "salary" as "direct salary" which is exclusive of fringe benefits and F&A expenses. "Direct salary" has the same meaning as the term "institutional base salary." An individual's institutional base salary is the annual compensation that the applicant organization pays for an individual's appointment, whether that individual's time is spent on research, teaching, patient care, or other activities. Base salary excludes any income that an individual may be permitted to earn outside of duties to the applicant organization.

For current NIH salary limitations, see [Salary Cap Summary \(FY 1990 - Present\) | grants.nih.gov](#) or contact ORSP's Grants Administration team.

The difference between the salary cap and the actual salary must be paid with non-federal funds. Where the sponsor allows it, and when academic year salary is involved, the difference may be included in the budget as cost-share.

4.2.4. Summer Salary

For Marquette faculty with a typical nine-month academic year appointment, summer salary for grants is calculated on the basis of 1/9 of the academic year salary for each summer month devoted to the project.

NIH and most other sponsors normally allow faculty to charge up to three summer months to a grant.

- Where the sponsor allows it, and where a faculty member with a nine-month contract elects to devote three summer months of effort to the sponsored project, the grant shall be charged 3/9 of the institutional base salary. The amount of salary requested must correspond to the amount of effort actually devoted to the project and project personnel must certify their effort in a subsequent effort report.
- Faculty are reminded that compensation for effort is treated the same way regardless of the source of funds. For example, faculty who do not accrue vacation days during the academic year when compensated from departmental salary accounts do not accrue vacation days during periods compensated using sponsor funds.

Some sponsors, like NSF, have as a general policy a limit on the salary compensation requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year. Please see [NSF Proposal & Award Policies & Procedures Guide \(PAPPG\) | NSF - National Science Foundation](#) for additional information regarding that sponsor.

4.2.5. Salary Supplements and Extra Compensation

Salary charges to government grants, cooperative agreements, and contracts are allowable at the approved University base salary rate.

- Extra compensation over and above the approved base salary rate is not allowed except in highly unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty member is distinct from his or her regular departmental load and/or is outside of standard work hours.
- Exceptions must be approved by the chair, dean, other unit head and ORSP in Kuali and explicitly identified as extra compensation in the proposal budget as approved by the sponsor when making the award.
- Salary supplements or extra compensation requested after the proposal has been submitted must be approved in writing by ORSP, the appropriate dean, and the sponsor (in that order).

4.2.6. Part-time Faculty

Compensation for part-time faculty shall be charged at a rate not in excess of that regularly paid for the part-time appointment. Substantial changes in work assignments should, as a matter of course, prompt the appropriate chair, dean or other unit head and the employee to review the job description and base salary.

4.2.7. Postdoctoral Researchers

At Marquette University, postdoctoral researchers are considered faculty. Consult the Office of the Provost web site for current guidance on appointment procedures, <http://www.marquette.edu/provost>.

4.2.8. Graduate Students

Consult with the unit's Director of Academic Business Affairs, department chair or ORSP's Grants Administration team for guidance regarding typical compensation levels for Graduate Research Assistants.

The Tuition Scholarship Credit Policy, available on the Graduate School's website, must be followed.

4.2.9. Undergraduate Students

Consult with the Director of Academic Business Affairs, department chair or ORSP's Grants Administration team for guidance regarding typical compensation levels for undergraduate students.

4.2.10. Limited Term Employees

Salaries and wages paid by sponsored projects to limited term employees must be consistent with the University's approved compensation levels for comparable positions. The Office of Human Resources has responsibility for the classification and compensation of employees and can provide help and guidance.

4.2.11. Salary Support for Personnel with Twelve-month Contracts

An employee typically may not receive more than his or her regular annualized salary by engaging in sponsored projects. All employees will have an approved maximum total compensation set by the University, which shall constitute that person's institutional base salary. These individuals may negotiate with their department chair and dean for a course reduction if extramural funds are secured. This will be documented in Supplemental Information in Quali and reviewed and approved by the chair, dean and ORSP prior to submission of a proposal.

4.2.12. Staff

The salaries of administrative and clerical staff are normally treated as Facilities and Administrative (F&A) costs. Direct charging of these costs may, however, be appropriate where a major part of the project or activity explicitly budgets for administrative or clerical activity and the individuals involved can be specifically identified with the project or activity.

4.2.13. Other Personnel Considerations

Key Personnel. NIH defines key personnel as individuals who contribute in a substantive way to the scientific development or execution of the project, whether or not they receive

compensation from the grant supporting that project. NSF uses similar terms to identify the individual(s) responsible for the scientific or technical direction of the project. The Principal Investigator and collaborators are included in this category.

Naming an individual as key personnel in the application or proposal has important implications for the award: Where key personnel are named in a sponsor's award notice, the sponsor's approval is typically required in the event a person so named leaves the project or is replaced. All key personnel must disclose their financial interests, using the approved Conflict of Interest form in Quali, before the proposal may be submitted to the sponsor. Where the project involves Human Subjects, key personnel must also receive appropriate training.

Principal Investigator, Co-Principal Investigator, and Co-Investigator. Every grant-funded project has only one Principal Investigator. The designation of a Co-Investigator or Co-Principal Investigator does not affect the Principal Investigator's roles and responsibilities as specified in this manual. Even in the case of an NIH Multiple-PI (MPI) there will be one contact MPI who will serve as the point person on the project.

Co-Principal Investigators or Co-Investigators typically devote a specified percentage of time to the project, must be employed by or affiliated with the University or with another organization participating in the project under a consortium agreement/subaward, and are considered key personnel.

Sponsors may limit the number of individuals who may be named as Co-PIs; consult the sponsor's policy for guidance.

Project personnel: named in the proposal or not? When preparing extramural proposals, PIs must follow established University policies and procedures governing the recruiting, appointing/hiring, and paying grant/contract personnel. These guidelines are meant to assure a smooth employment process and a prompt starting of the extramural award.

There are two ways to secure personnel for grant positions: (1) naming the individual(s) in the proposal, and (2) recruiting through regular University procedures.

University and non-University personnel can be named in the extramural application. PIs are encouraged to specifically name project personnel in proposals, where appropriate. These individuals should meet the qualifications of the positions and if they hold foreign national status, they must have the appropriate visa to come into the country and be employed. If the application is approved as submitted, no further posting/advertising is needed for these positions.

Positions for which the person is not named in the proposal are considered vacancies and must be posted or advertised in accordance with the University's equal opportunity/affirmative action policies.

4.3. Fringe Benefits

Employee benefits are charged as a direct cost on the basis of a fixed percentage of salary or wages. The University has a federally negotiated fringe benefit rate. There is one rate for

Marquette employees and another rate for students. These rates vary slightly from year to year. For current rates, please see [Frequently Requested Information // Office of Research and Sponsored Programs // Marquette University](#).

4.4. Consultants

A consultant is an individual who provides professional advice or services on the basis of a written agreement for a fee. Consultants also include firms that provide professional advice or services. IRS guidelines govern the determination of whether someone must be classified as a consultant or as an employee of the University.

The PI must anticipate the need for a consulting agreement before the award and before the consultant can begin work.

Every consulting service must be documented by a statement of work that explains the services to be performed, the payment expected, and the period of performance.

The PI is responsible for ensuring that the consultant is adequately qualified to do the work and that the costs of the services are reasonable. The PI is responsible for working with ORSP's Grant Contracting team to secure a fully executed agreement before the consultant begins work.

Marquette University employees cannot be hired as consultants with funds awarded to the University for a sponsored project. In very rare cases, Marquette employees performing services outside of their normal duties may be paid as a consultant. Please consult with ORSP to make this determination.

4.5. Equipment

Purchases of special purpose equipment allowed by the sponsor are accounted for as direct charges to the project. This section provides guidance regarding the budgeting of equipment in grant proposals.

The University defines capital equipment as any individual item costing \$5,000 or more and having a useful life of more than one year. Component parts costing \$5,000 or more should be capitalized provided the item has a useful life of more than one year. A component part is any item that cannot stand alone and is an integral part of, or enhancement to, an existing piece of equipment.

PIs must adhere to the sponsor's requirements regarding the acquisition of equipment or construction as well as University Policies and Procedures 1-03, "Capital Budget." See [University Policies and Procedures // Marquette University](#)

Where the sponsor's dollar threshold for classifying an item as capital equipment is different from Marquette's threshold, Marquette will use its threshold for the purpose of budgeting and accounting the expense, but will observe the sponsor's threshold for the purpose of determining whether the sponsor's prior approval is required to acquire the item.

As major equipment is added to a budget, be mindful of the additional associated costs. These include, but are not limited to, warranties, maintenance, operations, and space/construction.

Please see [Equipment // Office of Research and Sponsored Programs // Marquette University](#) for other considerations when including equipment in a budget.

4.6. Materials and Supplies

The PI specifies the type and quantity of supplies and provides an estimate of their cost. PIs must adhere to the University Policies and Procedures related to purchasing, and then work through their department to purchase materials and supplies. See [University Policies and Procedures // Marquette University](#).

4.7. Travel

The PI must specify the type, extent, and purpose of anticipated travel in the budget. The PI must adhere to the sponsor's guidelines regarding allowable expenditures for travel as well as the University Policies and Procedures regarding purchasing and travel - [University Policies and Procedures // Marquette University](#). Federal sponsors, for example, require that grantees use only U.S. flag air carriers for international travel, regardless of cost savings available from foreign carriers. Where U.S. flag carriers are unavailable, the traveler must so certify. For more information on federal travel regulations, see [eCFR :: 2 CFR 200.475 -- Travel costs](#).

Some agencies prohibit the use of grant funds for international travel without prior agency approval. Clearly identifying the trip in the budget submitted with the application and approved by the sponsor will normally meet the requirement for prior approval.

Unless otherwise restricted by the sponsor, sponsored projects must adhere to the University's published policies regarding all travel-related expenditures including reimbursement for meals and mileage. See [University Policies and Procedures // Marquette University](#).

Where personal travel or travel unrelated to the project is combined with project travel, only those portions of the travel expense directly attributable to the project may be charged to the project. Where free lodging or meals are provided, such items may not be submitted for reimbursement.

Project personnel may, however, claim reimbursement for expenses related to project travel such as visas and health certificates. These expenses should be included in the budget and budget justification and documented by receipts.

All faculty and staff traveling internationally for the purposes of research, teaching, conferences, service, recruiting, site visits or other objectives under the auspices of Marquette must complete the MU Faculty and Staff Travel Registration. Please see [Employee International Travel Guidelines // Office of International Education // Marquette University](#).

4.8. Subawards and Subcontracts

For federal sponsors, there is an important distinction between subawards (assistance) and subcontracts (procurement). See [eCFR :: 2 CFR 200.331 -- Subrecipient and contractor determinations](#).

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. An example of an assistance arrangement requiring a subaward is collaboration with a coinvestigator at another institution. A subawardee:

- Determines who is eligible to receive what Federal assistance;
- Has its performance measured in relation to whether objectives of a Federal program were met;
- Has responsibility for programmatic decision-making;
- Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and
- In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

Per Marquette's federally negotiated indirect cost rate, subawards carry indirect costs on the first \$25,000 of the subaward. At the time of award, Marquette will use the Federal Demonstration Partnership's subaward template to pass federal funds to a subawardee. See [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1\(Subaward\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1(Subaward)) for more information about subawards.

Contract means, for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award. Examples of procurements requiring subcontracts include speaker agreements, routine laboratory tests and assays, and facility rental. A subcontractor:

- Provides the goods and services within normal business operations;
- Provides similar goods or services to many different purchasers;
- Normally operates in a competitive environment;
- Provides goods or services that are ancillary to the operation of the Federal program; and
- Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.

At the budget preparation stage, it is prudent for the Principal Investigator to secure a bid or letter confirming the estimated cost of the service. Under these types of agreements, no intellectual property will be created. Per Marquette's federally negotiated indirect cost rate, purchase of service agreements carry full indirect costs on the entire amount of the contract. For additional information on contractor determinations, see [§ 200.331](#). [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1\(Contract\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1(Contract)).

4.9. Other Direct Costs

Consult with ORSP to ensure that other direct costs are readily allocable to the project and not already covered under Facilities and Administrative costs.

Conference registration fees and costs associated with conference travel, meals, and lodging, excluding any portion of the conference fee allocable to membership fees or membership dues, are allowable subject to the limitations described below.

Salaries of administrative and clerical staff are normally treated as F&A costs. Direct charging of these costs may, however, be appropriate where:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- The costs are not also recovered as indirect costs.

These costs are allowable as direct charges subject to the limitations described below.

Limitations: costs are allowable as direct costs to the extent:

- they are permitted by the sponsor's published guidelines.
- the project has a special need for the item or service beyond the level of such services normally provided by the University.
- the costs are specifically allocable to the sponsored project and are appropriately justified and documented by the PI with the concurrence of ORSP.
- the costs are specified in the proposed budget submitted to the sponsor, and the special circumstances requiring direct charging are explained in the proposal.
- the sponsor accepts the cost as part of the project's direct cost budget (i.e., does not disallow the cost).

See [eCFR :: 2 CFR 200.413 -- Direct costs](#).

Post-award Note: If the cost meets the first two of these conditions but was not included in the budget approved by the sponsor, it may be charged directly to the agreement if

- 1) the University has rebudgeting authority under the terms of the award, and
- 2) the modification is approved by the Office of Research and Sponsored Programs.

The PI must transmit his or her justification to ORSP in writing, provide the same detail that would have been provided to the sponsor, and comply with all other rules regarding rebudgeting.

Short-term travel visa costs (as opposed to longer-term immigration visas) are generally allowable expenses that may be proposed as a direct cost. Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work

performed on a federal award. For those costs to be directly charged to a Federal award, they must:

- Be critical and necessary for the conduct of the work; and
- Be allowable under the applicable cost principles.

Basic visa application and required fees, such as anti-fraud fees, are allowable direct costs provided they meet the definition above.

Premium processing fees, dependent form fees or internal processing fees are NOT allowable as direct charges to a Federal award. In addition, only initial visa costs are allowable as part of recruitment. Grants may NOT be charged for individuals who have to have their visas renewed.

See [eCFR :: 2 CFR 200.463 -- Recruiting costs.](#)

5. Facilities and Administrative (F&A) Costs

5.1. Roles and Responsibilities: F&A Costs

Comptroller

- The Office of the Comptroller prepares the F&A Cost proposal and negotiates the rate with the cognizant agency.

ORSP

- ORSP provides institutional oversight for the application of the F&A Cost rate in proposal budgets.

Vice President for Research and Innovation

- The Vice President for Research and Innovation may approve requests for voluntary under-recovery of F&A Costs.

5.2. Definition of Facilities and Administrative Costs

Facilities and Administrative (F&A) Costs are those costs that are not allocable to a particular project, such as

- payroll processing, insurance, accounting, and related administrative services, etc.;
- square footage devoted to research, which is used to allocate depreciation and interest expense on University owned buildings, equipment and fixed assets;
- operations and maintenance costs, which includes facilities services; and
- library costs.

Because these costs are not directly attributable to a particular project, they are often referred to as “indirect” or “overhead” costs.

Marquette University’s Facilities and Administrative Cost Rate is determined periodically through negotiation with the Department of Health and Human Services. Marquette does not unilaterally select its own indirect cost rate. See [Frequently Requested Information // Office of Research and Sponsored Programs // Marquette University](#) for the University’s current rate agreement.

Marquette currently has four different indirect cost rates: Research, Instruction, Other and Off-Campus. Activities must use the appropriate indirect cost rate for that particular activity type or the University could be out of compliance and risk federal penalties (e.g., if a project is actually “Other” but uses the higher “Research” indirect cost rate). For guidance on determining the correct indirect cost rate to use, please see Activity Type Designation guidance on [Policies and Guidance // Office of Research and Sponsored Programs // Marquette University](#).

Modified Total Direct Costs include salaries and wages, fringe benefits, materials, supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract. The modified total direct cost calculation excludes equipment, capital expenditures, charges for patient care, tuition remission, rental of off-site facilities, scholarships, and fellowships, as well as the portion of each subgrant and subcontract in excess of \$25,000.

5.3. Under-recovery of F&A Costs

5.3.1. Under-recovery of F&A Costs as a Sponsor's Condition of Eligibility to Apply

If a non-profit sponsor has a published, publicly accessible policy restricting or prohibiting F&A costs charged to a project, the University must either accept that policy in determining the level of F&A costs to include in the budget or elect not to submit an application. Under these circumstances, the University will typically elect to accept the lesser rate even though this results in a cost to the University. If a qualified sponsor will only support a rate that is less than the federal rate, a notation will be made in the internal Supplementary Information of the application package. Full federally negotiated rates must be used in all applications to for-profit sponsors.

5.3.2. Voluntary Under-recovery of F&A Costs

The University strongly discourages the voluntary under-recovery of F&A costs. In the absence of a sponsor's written policy, any proposed voluntary under-recovery of F&A costs must be explicitly approved by the Vice President for Research and Innovation.

To make a request for reduced or waived indirect costs, please send an e-mail to the Vice President for Research and Innovation, cc'ing the Executive Director of ORSP, that contains responses to the following:

- What is the exact wording regarding F&A in the funding announcement or Request for Proposals (RFP)?
- Is the project work being done on campus or off campus?
- Why are you requesting an F&A reduction or waiver?
- If requesting an F&A reduction, what percentage are you requesting?
- Please attach a copy of your currently prepared budget.

Voluntary under-recovery of indirect costs is extremely rare.

5.4. Cost Sharing F&A

Unrecovered indirect costs, including indirect costs on cost sharing or matching, may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.

6. Cost Sharing

Typically, the University proposes cost sharing only to the extent required by the sponsor. Cumulatively, cost sharing commitments have the effect of reducing the University's F&A cost rate. Cost sharing of direct expenses is considered a part of the research base when calculating the F&A rate and is excluded from the indirect pool of expenses. This distribution lowers the amount of indirect expenses that can be allocated to sponsored projects and reduces the University's recovery of F&A costs. Thus, the institution is tapped three times: first, institutional resources are redistributed to make the cost share available to the project; second, the sponsor does not pay F&A costs on the cost-shared items; and third, the institution's F&A rate is lowered in the next negotiation.

Because of the negative impact of cost sharing on the University's research base, cost sharing should only be promised if it is required by the sponsor or necessary to accurately reflect the resources required to conduct a project for which only partial sponsorship is available.

Two general restrictions apply to costs proposed for cost sharing: a) if the costs are used as cost sharing on a federal program, they may not be paid or used as cost sharing on another federal program unless expressly permitted by the sponsor; b) costs otherwise classified as F&A costs may not be represented as direct cost sharing.

See [eCFR :: 2 CFR 200.306 -- Cost sharing or matching.](#)

6.1. Roles and Responsibilities: Cost Sharing

Principal Investigator

- If required, the PI requests cost sharing and in-kind contributions from the chair or unit director. Commitments are documented in the Supplemental Information section of Quali.
- The PI may propose cost sharing through contributed effort if approved by the chair and dean as part of the routing and approval process in Quali.
- All cost sharing requirements must be discussed by the PI and the PI's chair or other unit head in advance of the routing and approval process.

Department Chair or Unit Director

- The chair is the first level of approval for proposed cost sharing. In cases where the cost sharing involves resources not under the chair's authority, the chair approves and works with the PI to make the request to the appropriate administrator, usually the dean of the college or school. If the chair does not approve the cost-sharing request, they must work with the PI on a different resolution.

Dean

- The dean or their designee is the second level of approval for proposed cost sharing. In cases where the cost sharing involves resources not under the dean's authority, the dean approves and works with the PI and chair to make the request to the Provost or other person authorized to make the commitment. If the dean does not approve the cost-sharing request, they must work with the PI and chair on a different resolution.
- The Dean must approve any request for cost sharing or matching that involves fund-raising. The dean may not approve such requests without the concurrence of University Advancement.

ORSP

- ORSP interprets sponsor guidelines regarding cost-sharing requirements, consults the sponsor for clarification where necessary, and advises University personnel accordingly.
- ORSP provides institutional oversight and final approval for cost sharing proposed by PIs and endorsed by chairs and deans.
- At the time the grant account with cost sharing is established, ORSP notifies the Office of the Comptroller and the department to which the cost sharing will be charged.

6.2. Definitions

The terms “cost sharing,” “matching,” and “in-kind” generally refer to the portion of the total project cost not borne by the sponsor. Although these terms are often used interchangeably, administrators and prospective applicants must pay special attention to a sponsor's particular definitions of these terms.

Cost Sharing

Cost sharing, sometimes called “matching,” refers generally to the salary or cash portion of the total project cost not paid by the sponsor. The University is making a cost sharing promise to a sponsor when the proposal or budget includes a statement that leads a reader to believe that non-sponsor funds will be available or devoted to a project. In the case of cost-shared effort, cost sharing is promised or committed when the proposal or budget includes a statement that quantifies the amount of time to be devoted to the work (see **Voluntary committed cost sharing** and **Voluntary uncommitted cost sharing**, below for examples).

In-kind

“In-kind” contributions generally refer to non-cash contributions to a project (e.g., goods, commodities, or services provided by a third party). At Marquette, in-kind contributions are normally accounted as gifts (for guidance, see [UPP 1-13: Gift Acceptance and Processing // University Policies and Procedures // Marquette University](#)).

Mandatory cost sharing

Mandatory cost sharing is cost sharing that the sponsor requires as a condition of the award. Mandatory cost sharing is stated on the Notice of Grant/Contract Award, must be documented, and must be reported to the sponsor.

Voluntary cost sharing

Voluntary cost sharing is cost sharing not required by the sponsor. There are two types of voluntary cost sharing: voluntary committed cost sharing and voluntary uncommitted cost sharing.

Voluntary committed cost sharing

Voluntary committed cost sharing is cost sharing, often in the form of effort, that is not required by a sponsor but is nevertheless specifically pledged in the proposal or budget. Because sponsors incorporate the proposal (and its budget) by reference when making an award, voluntary committed cost sharing becomes a condition of the award. Voluntary committed cost shared expenditures must be accounted and reported in the same way that all other project expenditures are accounted and reported to the sponsor.

Example: A sponsor does not require cost sharing, but the Principal Investigator believes that an explicit commitment of effort is needed to make the proposal competitive. Moreover, the Principal Investigator believes that the University cannot recover the corresponding salary and fringes from the sponsor without reducing the chances of an award. The proposal or the budget therefore includes a statement to the effect that the Principal Investigator will devote 25% of their time to the project, and the project budget does not request salary and fringes corresponding to that amount from the sponsor. Because a promise of effort has been made to the sponsor, salary and fringe benefits corresponding to .25 FTE effort must be allocated to the project and documented for cost accounting purposes (i.e., by completing a salary authorization, using a companion cost-share account, and reflecting the work in the effort report).

The University strongly discourages voluntary cost sharing. As mentioned earlier, cost share becomes a term and condition of the award and must be met. If it is not met, the award may be reduced by the corresponding percentage. Additionally, a separate cost share account must be established and expenses must be tracked and accounted for by multiple parties. Rather, voluntary uncommitted cost sharing is a more preferable option.

Voluntary uncommitted cost sharing

Voluntary uncommitted cost sharing is cost sharing, usually in the form of effort, devoted to the project but not pledged or quantified in the proposal, budget, or award notice. Voluntary uncommitted cost sharing is treated differently from committed effort and is not included in the organized research base for computing the F&A rate or reflected in any allocation of F&A costs.

Example: The Principal Investigator makes no statement quantifying the amount of effort to be devoted to the work, or states in the proposal that “sufficient time will be devoted to the work to

ensure timely completion of results.” Since there is no basis in the statement for calculating salary, the cost sharing of effort is uncommitted and need not be accounted.

6.3. Cost Sharing Expenses Must Be Allowable, Allocable, and Reasonable

To be allowed as cost sharing expenses, costs must be a) allowable, allocable and reasonable under federal cost principles ([eCFR :: 2 CFR Part 200 Subpart E -- Cost Principles](#)) and the terms of the sponsor agreement; b) certifiable in the effort distribution and certification process (for cost shared effort); c) necessary and directly related to the project objectives (except for cost sharing involving F&A costs); d) capable of being quantified and documented.

Mandatory and voluntary committed cost sharing must conform to University and federal policies regarding allowability, allocability, and reasonableness. The same is true for cost sharing involving gifts, donated services, or volunteer services. The primary federal requirements for cost sharing are to be found in [eCFR :: 2 CFR 200.306 -- Cost sharing or matching](#). Guidelines for specific agencies or grant programs may also provide guidance on cost sharing. These requirements must be passed on to any subrecipients performing substantive work under grants and agreements that are passed through or awarded by the primary recipient, if such subrecipients are institutions of higher education, hospitals, and other non-profit organizations.

6.4. Cost Sharing Issues Arising from the NIH Salary Cap

Any salaries in excess of the NIH salary cap shall be considered cost sharing, when allowable.

6.5. Cost Sharing Facilities and Administrative Costs

Per OMB § 200.306, unrecovered indirect costs, including indirect costs on cost sharing or matching, may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity’s approved negotiated indirect cost rate.

6.6. Cost Sharing from Third Parties

Cost sharing may come from arrangements with non-University sources. These arrangements must be clearly documented before the proposal is submitted. Documentation ordinarily consists of a Letter of Intent from the entity making the commitment. The letter must be included in Kualii, regardless of whether the sponsor requires the letter to be submitted along with the proposal. Cost sharing from third parties will comply with all other parts of this section as deemed relevant. Cost sharing that involves soliciting contributions from private entities or individuals ordinarily requires the approval of the dean and the Vice President of University Advancement.

See [eCFR :: 2 CFR 200.306 -- Cost sharing or matching](#).

7. Letters of Intent and Letters of Support

7.1. Roles and Responsibilities: Letters of Intent and Letters of Support

Principal Investigator

- For a proposal being submitted by Marquette University that names another institution or entity as a collaborating partner or subawardee, the PI is responsible for requesting a letter of intent as needed from that institution.
- The PI is responsible for securing letters of support as needed.
- For a proposal being submitted by another institution that names Marquette University as a collaborating entity or subawardee, the Marquette PI responsible for the collaboration must prepare a statement of work and a budget. On the basis of these documents and other materials as may be required from the applicant institution, ORSP will prepare a letter of intent. The letter of intent and its attachments must be fully routed for approval via Kualu before being transmitted to the applicant institution.

ORSP

- ORSP is responsible for determining the adequacy of letters of intent from proposed subawardees and for accepting and acknowledging such letters as appropriate.
- Where an outside entity proposes to name Marquette University as a collaborator or subawardee in an application to a sponsor, the institution submitting the application will require a letter of intent from Marquette. These requests must be routed via Kualu just like any other request for external funding award and will require the signature of the Executive Director of ORSP or the Director of Grants Administration, in the Executive Director's absence.

7.2. Letters of Intent Distinguished from Letters of Support

A letter of intent, sometimes called a letter of commitment, is an institutional promise to devote effort or resources to another institution's project in the event of award. The letter of intent is a precursor to a subaward.

A letter of support expresses agreement with the aims, methods, or anticipated outcomes of the proposed project but makes no specific promise to perform in the event of an award. Letters of support are typically addressed to the Principal Investigator at the applicant institution.

7.3. Letters of Intent

Marquette University is part of the Federal Demonstration Partnership's Expanded Clearinghouse and will use that format to provide a letter of intent. See [FDP Expanded Clearinghouse Letter of Intent \(Oct 2021\).pdf \(thefdp.org\)](#)

Marquette is the primary applicant and another institution is named as collaborator or subawardee: If a collaborating institution is named in a proposal being submitted by Marquette University, a letter of intent must be prepared by the collaborating institution, signed by a person authorized to enter into agreements on behalf of that entity. ORSP must review and approve the letter of intent before Marquette's application is submitted to the sponsor.

In cases where the subaward is contemplated after an award has been made, the collaborating institution must provide a letter of intent to ORSP before Marquette requests the sponsor's approval to allow the subaward.

Another institution will submit an application naming Marquette as a collaborator or subawardee: Where an outside entity proposes to name Marquette University as a collaborator or subawardee in an application to a sponsor, the Marquette PI responsible for the collaboration must prepare a statement of work and a budget. On the basis of these documents and other materials as may be required from the applicant institution, ORSP will prepare a letter of intent. The letter of intent and its attachments must be routed in Quali and fully approved before being transmitted to the applicant institution.

7.4. Letters of Support

An investigator at another institution who will collaborate informally with the Marquette Principal Investigator may provide a letter of support. However, if the Marquette proposal specifically promises that the individual will devote quantified effort or resources to the project, Marquette requires that the institution provide a letter of intent signed by that institution's authorized official.

Note that for the majority of grant competitions letters of support to the National Science Foundation are very prescribed and can only contain certain information. Please see the Proposal and Award Policies & Procedures Guide (PAPPG) at [NSF - National Science Foundation](#) for further guidance.

8. Proposal Routing and Approval

The Proposal Routing and Approval process provides the proposal and budget, along with an internal summary of project commitments. Proposals are routed through Kualu to obtain the appropriate institutional endorsements. When a proposal goes into routing, it must include a final budget and commitments section and a substantially complete version of the proposal. A complete version of the proposal must be uploaded into Kualu before final approval will be granted. Proposals must be fully approved prior to being submitted to the sponsor.

The following table summarizes examples of commitments and the persons authorized to endorse these commitments in extramural proposals. Chairs and deans will need to approve all proposals. For special commitments, e-mail documentation of the approval may be included in Kualu or an individual may be added as an ad hoc approver. For proposals involving for-profit sponsors or special Information Technology requirements, approvers from those units will automatically be pulled in. Note that the person asked to endorse the commitment may be required to obtain the approval or concurrence of others. New space, for example, requires approval of the University Space Committee. New academic programs may require approval by multiple units. For such commitments, the person endorsing the Proposal Registration form warrants that the appropriate approvals have already been secured. Persons requesting these kinds of commitments are advised to give endorsers ample time to obtain these approvals.

Commitment	Requires endorsement by
Reduced course load	Chair and Dean
Cost-shared or contributed effort	Chair and Dean
Cost share or matching dollars from Marquette	Dean and Responsibility Center (RC) account holder
Voluntary under-recovery of F&A Costs	Vice President for Research and Innovation
Efforts to raise cost share or matching from third parties	Dean, UA Vice President
Special network/technology requirements	IT Services
Marquette support after the sponsor's support ends	Dean, Vice President or Provost
New permanent lines	Dean and Provost
New space/Renovation	University Space Committee
Purchase or lease of off-campus space	Dean
Establish a new academic program or change an existing one	Provost

8.1. Roles and Responsibilities: Proposal Registration

Principal Investigator

- The PI works with ORSP to start the proposal in Kualu and provides the data required for its preparation.

- The PI provides certification, completes a questionnaire and credit split data, and approves the proposal in Kualu.
- The PI is responsible for the proposal's accuracy and completeness.
- The PI is responsible for discussing the proposal with their chair and dean, along with others who must approve.

Department Chair

- The chair reviews and approves the proposal with particular attention to accuracy of contract salaries, appropriateness of committed effort, adequacy of the budget relative to the scope of work, appropriateness of the budget justification, and availability of departmental resources. If the chair does not approve the budget, they must return the proposal via Kualu for resolution.
- The chair also approves proposed cost sharing. In cases where the cost sharing involves resources not under the chair's authority, appropriate personnel will be included in the routing process as ad hoc approvers. If the chair does not approve the cost sharing request, he or she must return the application for resolution.

Dean

- The dean reviews and approves the proposal with particular attention to commitment of college or school resources. If the dean does not approve the proposal, they must return the proposal via Kualu for resolution.
- The dean approves proposed cost sharing by the college or school. In cases where the cost sharing involves resources not under the dean's authority, the person with authority to make such commitments will be included as an ad hoc approver. If the dean does not approve the cost-sharing request, he or she returns the application for resolution.

Vice President for Research and Innovation

- The Vice President for Research and Innovation reviews voluntary under-recovery of F&A and approves where appropriate. As this has a budget implication, the PI and/or ORSP will make any under-recovery request prior to the proposal being electronically routed.

ORSP

- ORSP is responsible for putting the proposal into routing.
- ORSP is responsible for the final review and approval of the proposal.

8.2. Endorsements and Routing

The PI certifies that they will abide by sponsor and University guidelines and policies and that the PI will accept responsibility for the conduct of the project. This includes submitting all reports required by the sponsor in a timely manner.

Routing. The PI is responsible for providing information required to route the proposal. The department chair and dean must review and approve the proposal, certifying that the project is consistent with the unit's mission and that commitments of University resources are clearly understood and approved. Where resources are committed beyond their authority to approve, the department chair or dean must seek approval from the appropriate University official. Where the proposal involves two or more departments or units, endorsements will be sought from each unit.

ORSP will provide the final review and approval for a proposal. ORSP will review for compliance with the regulations and requirements of the federal government, sponsor, and University. ORSP will also ensure that no promises are being made on behalf of the University that cannot reasonably be kept.

8.3. Intergovernmental Review of Federal Programs

At the present time, the State of Wisconsin does not participate on intergovernmental review under Executive Order 12372. ORSP will monitor this and if the State would participate, ORSP would secure any such review from the State of Wisconsin Single Point of Contact.

8.4. Final Approval and Transmittal to the Sponsor

The Executive Director of ORSP must approve all applications before they are submitted to the prospective sponsor. Approval to submit the proposal to the sponsor is granted when the Executive Director electronically approves the proposal. In addition, the Executive Director will submit or electronically sign in electronic systems where the authorized institutional official is required to do so by the sponsor.

The PI is responsible for transmitting the application to the sponsor when applications must be submitted via a sponsor's electronic system or e-mail. Where proof of mailing is required, the PI is responsible for obtaining appropriate proof and retaining it for future reference.

9. Disclosure of Financial Interest

Marquette University's Conflict of Financial Interest Certification Policy was approved by the Academic Senate on November 29, 1995 and by the Academic Vice President, January 1, 1996.

Policies and additional information regarding Conflicts of Interest can be found at [Policies and Guidance // Office of Research and Sponsored Programs // Marquette University](#). All certifications must be completed via Kual.

The Conflict of Financial Interest Certification Policy particularly applies to individuals involved in sponsored agreements. Promoting Objectivity in Research applies to individuals receiving funds from select sponsors. The Conflict of Financial Interest Certification Policy supplements and does not supplant or supersede University Policies and Procedures 1-02, "Conflicts of Interest" at [University Policies and Procedures // Marquette University](#).

Disclosure forms must be submitted at the time of application, at the time of award and annually thereafter. Additionally, forms must be updated by the PI or key personnel who have independent responsibility for accomplishing project objectives as a conflict arises.

9.1. Roles and Responsibilities: Disclosure of Financial Interest

Principal Investigator and Key Personnel

- The PI and all key personnel who have independent responsibility for accomplishing project objectives are responsible for completing the Conflict of Interest disclosure form in Kual.
- Kual will automatically prompt individuals when a disclosure is due.

Associate Deans for Research

- Associate Deans for Research provide local oversight and may be involved in the resolution of conflicts of interest disclosed by faculty in their reporting line, including being part of a conflict of interest management plan.

ORSP

- The Executive Director of ORSP is responsible for review of disclosure forms.
- The Executive Director of ORSP is responsible for determining the existence of a conflict based on the disclosure and, in consultation with others as appropriate, developing and implementing a plan to manage, reduce, or eliminate the conflict.

Vice President for Research and Innovation

- Provides institutional oversight for the policy.

9.2. Policy

To avoid any possible conflict of interest in the conduct of grant or contract activities, the following safeguards are established, as mandated by federal law, to prevent employees or consultants from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business or other ties. Adopting this policy not only complies with federal requirements, but also helps ensure that high standards of scientific integrity govern the conduct of sponsored projects, thereby bolstering public understanding and trust of science.

9.3. Implementation

At the time a grant or contract is submitted to an extramural sponsor and registered in ORSP, whether to a governmental or nongovernmental sponsor, the Principal Investigator and other key personnel must complete a Conflict of Interest disclosure form via Kualu. The following provisions apply.

Each Principal Investigator or key personnel must disclose to the Executive Director of the ORSP all of their significant financial interests, including those of their spouse and dependent children:

- that would reasonably appear to be affected by the research or education activities proposed for funding, or
- in entities whose financial interests would reasonably appear to be affected by such activities.

While the initial disclosure must be provided at the time the proposal is submitted, each disclosure must be updated annually or sooner if new reportable significant financial interests are obtained.

If an actual or potential conflict of interest exists, the Executive Director of ORSP will determine what conditions or restrictions, if any, should be imposed to manage, reduce, or eliminate such conflicts. These conditions or restrictions might include, but are not limited to, the following;

- Public disclosure of significant financial interests
- Monitoring of research by independent reviewers
- Modification of the research plan
- Disqualification from participation in the portion of the grant or contract that would be affected by the significant financial interests
- Divestiture of significant financial interests
- Severance of relationships that create actual or potential conflicts

If the Executive Director determines that imposing conditions or restrictions would be either ineffective or inequitable and that the potential negative impacts that may arise from a significant financial interest are outweighed by interests of scientific progress, technology transfer, or the

public health and welfare, then the Executive Director may allow the research to go forward without imposing such conditions or restrictions.

Each condition or restriction, if imposed, will include adequate enforcement mechanisms that allow for sanctions where appropriate. Failure to file a complete Disclosure of Financial Interest Form or to comply with any conditions or restrictions imposed on the conduct of the project all constitutes grounds for University discipline up to and including termination of employment. Specific sanctions will be determined by the Vice President of Research and Innovation after a timely review of pertinent facts. Further, ORSP will keep pertinent agencies appropriately informed.

ORSP and responsible parties will maintain records of all financial disclosures and of all actions taken to resolve actual or potential conflicts of interest until at least three years after the termination or completion of the award to which those records relate, or the resolution of any government action involving those records.

10. Lobbying Disclosure and Certification

Applications for federal grants, contracts, or cooperative agreements require that the University certify compliance with 31 U.S.C. 1352 and 45 CFR 93 pertaining to lobbying. Specific definitions of “lobbying” vary with each specific law, but in general “lobbying” means contacting or encouraging others to contact federal employees or elected officials in an attempt to influence the outcome of a decision, award, law or other government action. This document outlines Marquette University’s plan to ensure compliance with these laws.

Various other federal, state and local laws create additional rules and reporting requirements for lobbying activities. Compliance with these rules and reporting requirements is the responsibility of the Office of University Relations/Public Affairs.

All Marquette employees must contact the Office of University Relations/Public Affairs before engaging in any lobbying.

10.1. Roles and Responsibilities: Lobbying Disclosure and Certification

The Office of University Relations/Public Affairs

- Is the sole point of contact for University lobbying.
- Informs the Office of Research and Sponsored Programs (ORSP) of any activity requiring a Disclosure of Lobbying Activities using Standard Form-LLL.
- Informs ORSP of any material change in previously reported activity, such as new activity or a change in lobbying personnel.

The Office of Research and Sponsored Programs

- Signs and submits Certifications as required by 31 U.S.C. 1352 and 45 CFR 93.
- Prepares and submits SF-LLL to the sponsor as required.
- Flows down certification and reporting requirements to subawardees and subcontractors.
- Provides the Office of Public Affairs (OPA) with any SF-LLL report submitted by a subawardee or subcontractor.

What does the University certify? The Certification Regarding Lobbying attests to the fact that no federal appropriated funds have been paid or will be paid, by or on behalf of Marquette, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

The Certification further promises that if any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or

employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the Executive Director of ORSP will submit Standard Form LLL, “Disclosure of Lobbying Activities.”

Who signs the Certification and when? At the time an application is submitted to a federal agency and as required by 31 U.S.C. 1352, the Executive Director of ORSP will sign and submit an appropriate Certification Regarding Lobbying.

To whom is the Certification sent? The Certification is submitted to the sponsor as a part of the application. Copies of all signed Certifications are kept with the institution’s submitted applications in Quali.

When must Marquette submit SF-LLL? The reporting requirement does not apply to regularly employed officers or employees of the University or to a contract, grant, cooperative agreement, or subcontract that does not exceed \$100,000. In such cases, the University need not submit SF-LLL. Nevertheless, any exemption from the reporting requirement must be reviewed and approved by the Associate Vice President for Public Affairs. Marquette must report any outside lobbying registrant retained by the Office of University Relations/Public Affairs whose efforts are associated with a particular grant, contract, or cooperative agreement that exceeds \$100,000.

When reportable activity has occurred before the application has been submitted, our preference will be to submit SF-LLL at the time an application is submitted to a federal agency. ORSP will prepare SF-LLL and attach it to the application along with and as part of the application. Alternatively, ORSP may submit SF-LLL at the time the Executive Director of ORSP acknowledges receipt of the award if ORSP did not already submit the disclosure with the application. In this case, ORSP will send the form to the Grant Management Officer identified in the award documentation unless otherwise instructed by the agency in the award documentation.

ORSP must also submit SF-LLL at the end of each calendar quarter (March 31, June 30, September 30, December 31) in which there occurs any event that materially affects the accuracy contained in any declaration previously filed in connection with the federal grant, contract, or cooperative agreement. ORSP will submit the form to the Grant Management Officer unless otherwise directed by the agency in the award documentation.

ORSP will provide copies of all SF-LLL disclosures to the Office of University Relations/Public Affairs and to the Principal Investigator at the time ORSP submits the forms to the federal agency. ORSP will also provide the Office of University Relations/Public Affairs with a copy of the Federal Application Cover Sheet along with each completed SF-LLL disclosure.

How will ORSP know when lobbying has taken place (i.e., how will ORSP know when to submit an initial SF-LLL disclosure and what the content of the disclosure should be)? The Office of University Relations/Public Affairs oversees all lobbying activity and prepares periodic lobbying reports as required by the Lobbying Act of 1995. Before any lobbying begins on behalf

of a federal grant, contract, or cooperative agreement, the Office of University Relations/Public Affairs will provide to ORSP:

- the working title of the project
- the name of the Marquette University Principal Investigator or Project Director
- the name of agency from which the award is sought
- the type of federal action being requested (grant, contract, cooperative agreement)
- the name and address of the lobbying registrant
- the names of the individuals performing the services

How will ORSP know when a material change has taken place (i.e., how will ORSP know when an SF-LLL disclosure reporting a material change is required) and what the content of the amended disclosure should be? An amended SF-LLL is required at the end of each calendar quarter (March 31, June 30, September 30, December 31) in which there occurs any event that materially affects the accuracy contained in any declaration previously filed. For example, if the previously reported lobbying registrant or individuals performing the services should change, ORSP must submit a new SF-LLL.

The Office of University Relations/Public Affairs will advise ORSP of any material changes in the information previously reported. The Office of University Relations/Public Affairs will have copies of all SF-LLL disclosures that ORSP has previously submitted to the federal agencies. The University's agreement with the outside lobbying registrant will require the lobbying registrant to periodically report to the Office of University Relations/Public Affairs their activity and any material changes that would require the University to submit a new SF-LLL under 31 U.S.C. 1352.

What about subawards and subcontracts? ORSP will require that the language of the Certification be included in award documents for all subawards, including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements and that all subrecipients certify and report accordingly.

Subawardees or subcontractors who have reportable activity must submit their SF-LLL disclosures to ORSP. ORSP will send copies of SF-LLL disclosures from subrecipients to the sponsoring agency and to the Office of Public Affairs.

In cases where Marquette is a subawardee, the Office of University Relations/Public Affairs will advise ORSP of any activity requiring a SF-LLL report. At the time the University enters into a subcontract or subaward agreement, the Executive Director of ORSP will sign an appropriate Certification as required by 31 U.S.C. 1352. At that time, if reportable activity has occurred, ORSP will also submit SF-LLL to the prime awardee unless otherwise directed by the award instrument and will provide a copy of the SF-LLL report to the Office of University Relations/Public Affairs along with the Notice of Grant Award and Application Cover Sheet.

11. Regulatory Compliance

Projects involving human subjects, vertebrate animals, recombinant DNA, or radioisotopes are subject to federal and/or state regulations, and the PI is responsible for securing appropriate and timely regulatory approval through the Office of Research Compliance (ORC) and from the appropriate compliance office at any off-campus performance sites. **No work with human subjects, vertebrate animals, recombinant DNA, or radioisotopes on a grant funded award can begin without the necessary approval.**

Some sponsors (e.g., NIH and NSF) do not require certification of approval at the time the application is submitted, but do require certification before making an award. Other sponsors require documented approval at the time the application is submitted. It is the PI's responsibility to know when documented approval is required by a sponsor and to secure timely certification for regulated research.

11.1. Roles and Responsibilities: Regulatory Compliance

Principal Investigator

- The PI identifies the regulatory requirements for the proposed activity and prepares appropriate forms for approval by the responsible committee: the Institutional Review Board (IRB), the Institutional Animal Care and Use Committee (IACUC), the Institutional Biosafety Committee (IBC), or the Radiation Safety Committee (RSC).
- The PI ensures that all personnel involved in regulated research are appropriately trained and, where appropriate, certified. The Office of Research Compliance provides guidance on training requirements, assistance, and oversight to Marquette personnel in the areas of regulatory compliance.
- Where the PI elects to work with off-campus personnel, the PI will work with the ORC to secure appropriate certification from the institution employing the personnel.
- The PI and key personnel complete certifications and endorse Conflict of Interest forms in Quali.
- If a potentially significant conflict of interest exists or develops during the course of the sponsored project, the PI updates their Conflict of Interest form via Quali.
- The PI adheres to approved research protocols and policies and notifies the Office of Research Compliance if changes are made.
- The PI ensures that continuing review and approval requirements are met and assists with inspections.
- The PI adheres to safety requirements involving chemicals, biological materials, vertebrate animals, and radioactive materials and reports any adverse events to the Office of Research Compliance or Risk Management, whichever is appropriate.

Office of Research Compliance (ORC)

- Coordinates submission of protocols to regulatory committees.
- Communicates outcomes of protocol review to PI and others as appropriate.

- Maintains documentation regarding protocol review and approval.
- Coordinates the University's required training in the protection of human subjects, animal use, and radioactive isotopes.
- Maintains records of trainees.
- Requires training for all PIs and key personnel working with human subjects, vertebrate animals, recombinant DNA, or radioisotopes, regardless of funding.

ORSP

- Coordinates, with the PI and the Office of Research Compliance, the transmittal of protocol approvals and training certification to sponsors as required.
- Reviews Conflict of Interest forms and works with the Office of Research Compliance to ensure that any conflicts involving grants and regulatory requirements are appropriately managed.

Vice President for Research and Innovation

- Provides institutional oversight over regulatory compliance.

11.2. Approvals and Routing

It is the PI's responsibility to initiate in Kuali the process of protocol review, renewal, or modification.

11.3. Required Training in the Protection of Human Subjects

All PIs and key personnel planning to work with human subjects, regardless of funding, must complete the training offered by CITI. The Tutorial issues a certificate upon completion. The tutorial is accessible through the Office of Research Compliance web site, [Research Compliance // Marquette University](#).

PIs must provide the certificates to ORSP before the University can accept an award. In the case of NIH, the PI must submit the certificates to ORSP, and ORSP must submit the certificates to NIH at the time NIH makes a Just-in-Time (JIT) request for information. For JIT requests, training certificates for all key personnel, regardless of institution, must be submitted.

Some institutions have different training requirements. If the project involves investigators from other institutions, ORSP will flow down all terms and conditions relating to research compliance as a part of the subaward. Their institutional official will need to ensure that all regulations are being met. Work at the collaborating institutions cannot begin until the subaward agreement is in place.

12. Award Notification, Negotiation, and Acceptance

12.1. Roles and Responsibilities: Award Notification, Negotiation, and Acceptance

ORSP

- Reviews and endorses award notifications.
- In consultation with the Principal Investigator (PI) and others as appropriate, negotiates award terms.
- In cooperation with the PI, communicates changes to the chair, dean, or collaborating institutions as needed.

Principal Investigator

- Advises ORSP of any developments during the period between the application and award that require changes to the proposed budget or scope of work.
- Where the notice of award significantly differs from the proposal, the PI reviews and approves the award, budget, terms and conditions.
- Where the award requires new, additional and/or substantially different commitments, the PI consults with others as appropriate (chair, dean, collaborators) to secure review and approval.

Office of University Relations/Economic Engagement

- Reviews and endorses award notifications that are specific to for-profit sponsors.
- In consultation with the PI and others as appropriate, negotiates award terms on awards from for-profit entities.
- In cooperation with the PI, communicates changes to the chair, dean, or collaborating institutions on sponsored awards from for-profit entities.

12.2. Award Notification

ORSP and the PI are responsible for reviewing the terms and conditions of an award prior to its acceptance by the University. ORSP is responsible for ensuring that the sponsor requirements are compatible with the University's sponsored project policies, consistent with governmental regulations applicable to universities, and reflect the understandings agreed upon prior to the award. The PI is responsible for ensuring that the terms and conditions of the award are compatible with the proposed work. ORSP has the primary responsibility for resolving any differences between the University and the sponsor with regard to terms and conditions of new awards as well as modifications and amendments to existing awards.

Sponsors must be directed to send any award notice to the Office of Research and Sponsored Programs. As it happens, however, sponsors sometimes send award notices to other campus offices. In such cases, recipients are required to forward the notice and accompanying documents to ORSP for action.

12.3. Award Negotiation

- In the event that a sponsor requests substantial changes to the budget (involving a reduction equal to or greater than 20% overall), the PI should consider modifying the scope of work to reflect the reduced level of available support.
- Where no reduction in the scope of work is proposed, or where the reduced budget has a greater impact on a University cost sharing commitment, ORSP may ask the PI to seek the concurrence, in writing, of those who approved the proposal in Kuali.
- In cases where the sponsor requests changes that impact regulatory compliance (for example, if the sponsor requests a change that will affect a submitted or approved human subjects protocol), the PI must ensure that an amendment is provided to the appropriate regulatory committee in a timely manner.
- In the event the sponsor proposes or requires changes that affect the work, budget, or regulatory compliance for a subawardee, the PI and ORSP will work together to communicate the changes to the subawardee institution.

12.4. Award Acceptance

The President of the University has delegated to the Executive Director and the Director of Grants Administration of the Office of Research and Sponsored Programs the legal authority to sign grants, contracts, and assurances and to commit University funds in connection with those grants and contracts. Select individuals in the Office of University Relations have the authority to endorse awards from for-profit sponsors. Only an authorized representative may sign a sponsor agreement or other instrument to indicate the University's acceptance of an award.

The terms and conditions of an award, including the text of the accepted proposal and its budget, legally bind the University and its employees. Most sponsors require that the University formally accept the award by signing an award notification. Some sponsors do not require a signature but rather state in the award notice that the University indicates its acceptance of the award terms and conditions by drawing down funds. In either case, only an authorized representative of the University may accept an award, either by endorsing an award agreement or by authorizing the establishment of an account from which sponsor funds or University cost-share funds may be expended.

Upon receipt of award notification, the ORSP Grant Contracting team will initially review the award agreement. In some cases, the Executive Director of ORSP and/or the Office of General Counsel may be consulted regarding the content and form of the award agreement.

ORSP will prepare a response to the sponsor organization if appropriate, forward relevant documentation to the PI and to the Comptroller's Office along with a request for a restricted account, prepare appropriate internal notifications of the award, and update the award information in Kuali.

Faculty Acknowledgement of Contract Terms and Conditions

At ORSP's discretion, ORSP may ask a PI to reply to an e-mail in writing with assurance that the PI understands and accepts the terms and conditions of the award.

In cases where the award does not modify the original proposal, ORSP will regard the endorsement of the PI and others in the Kualu routing and approval process as sufficient concurrence and will consult only with the PI before accepting the award.

12.5. For-Profit Entity Awards

In the case of awards made by a for-profit sponsor, the Office of University Relations/Economic Engagement will complete the above negotiation and acceptance tasks.

12.6. Multiple Accounts for a Single Award

The credit split function in Kualu is designed to acknowledge and reward the efforts and dedication of the parties involved. This is done through two different mechanisms: Allocation and Recognition. Allocation is an internal method of determining how incentive funds should be returned to participating investigators, and their respective units, based on each investigator's relative contribution to the grant project over its lifetime. Recognition is the University's internal method of crediting contributing investigators and personnel (and their respective units), based on each investigator's relative academic contribution to the grant project over its lifetime.

At times, there may be a need to create separate accounts for a single award. These situations are not standard as it is expected that credit splits will cover the allocation and recognition needs. Cases in which multiple accounts on a single award will be established are as follows:

- When a different indirect cost is required on a portion of the award funds. Examples include participant support costs or Research Experiences for Undergraduate (REU) supplements. In these cases, funds cannot be rebudgeted and no indirect costs can be taken on that portion of the award, whereas the full indirect cost rate can be taken on the balance.
- When a portion of a grant is restricted for a specific purpose and that portion cannot be rebudgeted without prior written permission, i.e., diversity supplement.
- When there is a large project that is comprised of one or more distinct, self-contained projects that are administered by different colleges or schools.
- When a single award is made that encompasses multiple students in different units. Examples of this include the National Science Foundation's Graduate Research Fellowship Program and the National Institutes of Health's TL1 award program (administered through the Medical College of Wisconsin).
- When an award contains a budget item for a mini-grant competition to which various investigators apply and receive funds to conduct a subproject.

Note that multiple accounts are limited to the above scenarios as there are additional challenges which include spending down funds, intra-project allocation, financial reporting and close out. The Office of Research and Sponsored Programs (ORSP) reserves the right to make the final determination on the creation of multiple accounts for a single award.

13. Budget Management

Budget management follows [eCFR :: 2 CFR Part 200 Subpart E -- Cost Principles](#).

13.1. Roles and Responsibilities: Budget Management

Purchasing Department

- The Purchasing Department works closely with the PIs to satisfy technical purchasing needs.
- The Purchasing Department is responsible for setting up new vendors to ensure that the University has appropriate vendor agreements and sales contract language to minimize the University's financial and legal risk.
- The Director of Purchasing and their department are responsible for vendor selection, the administration of the Purchasing policies and procedures, and maintenance of the University purchasing system (Coupa).
- The Purchasing Department ensures that the University does not engage in business relationships with debarred vendors.

Office of the Comptroller

- The Office of the Comptroller is responsible for monitoring, recording, and reporting the University's financial activity in accordance with University Policies and Procedures, external audit requirements, generally accepted accounting principles, and governmental rules and regulations.
- The Office of the Comptroller must be careful not to engage in business relationships with debarred vendors.
- The Office of the Comptroller prepares financial statements and transmits them to PIs monthly.

Principal Investigator

- The PI determines whether the expenditures are allowable, reasonable, and allocable to the project. The PI approves expenditures and provides justification for each transaction.
- The PI initiates purchases. This may be delegated using the Authorized Signature form provided when the sponsored project account is established.
- The PI must also be careful not to engage in business relationships with debarred vendors.
- The PI works with their Director of Academic Business Affairs, Office of the Comptroller and ORSP to correct any charges made in error to the account.
- The PI works with their Director of Academic Business Affairs to initiate salary authorizations as appropriate for project personnel.
- The PI initiates the process of documenting cost sharing by understanding effort commitments, making effort adjustments as necessary, ensuring proposed cost share items are captured, and helping identify new items as necessary to make up for shortfalls.

- The PI initiates requests for rebudgeting using the Budget Transfer form - [budget-transfer-form-12.2019.pdf \(marquette.edu\)](#). The Director of Academic Business Affairs and ORSP assist the PI with rebudgeting requests to ensure compliance with sponsor and University requirements.
- The PI initiates and justifies cost transfer requests using the Grant Expenditure Transfer form - [grant-expenditure-transfer-form-12.2019.pdf \(marquette.edu\)](#). The Departmental Expense Transfer form cannot be used for transfers involving sponsored project accounts.
- The PI works with ORSP to secure subawards as needed.
- The PI monitors subrecipient performance and approves payment of subrecipient invoices.
- The PI monitors the financial status of the project account and identifies and resolves errors in the account in a timely manner.
- The PI proposes resolution of any overdraft.
- The PI reviews interim and final project statements prepared by the Office of the Comptroller, ensuring they are accurate, include all expenditures incurred to date, and are not overdrawn. These project statements serve as the basis for the financial reports submitted by Grants Accounting in the Office of the Comptroller to the sponsoring agency.
- The PI identifies any program income for Grants Accounting in the Office of the Comptroller. The PI proposes its allocation and works with ORSP to ensure that any allocation of program income meets the sponsor's and the University's requirements.
- The PI monitors receipt of program income and reviews reports of program income submitted to the sponsor by the Office of the Comptroller.
- At the end of the project budget period, the PI may submit a written request and justification to ORSP that remaining balances be carried forward or may initiate a written request and justification for a no-cost extension. The PI works with ORSP to ensure compliance with the sponsor's requirements concerning unexpended funds.

ORSP

- Assists the PI with grant budget transfer requests to ensure compliance with sponsor and University requirements.
- Reviews and endorses requests for grant expenditure transfers.
- Works with the PI to prepare subawards and subcontracts as needed.
- Works with the PI to ensure that any allocation of program income meets the sponsor's and the University's requirements.
- Assists the PI with requests to carry forward unexpended funds, per sponsor guidelines.
- Administers Expanded Authorities as granted by the sponsor.

13.2. Establishing the Account

Upon acceptance of an award, ORSP works through a checklist as a part of the grant account set up process. The checklist includes items such as compliance approvals, budget revisions, etc. The ORSP Grants Administration team enters necessary information into Quali, including the specific budget items by accounting natural, sponsor contacts, special terms and conditions, payment information, report dates and a copy of the award agreement. This is sent to Grants

Accounting to assign a restricted account number in the 70000 series. The information in Kuali provides the Grants Accounting staff with information they need to establish the restricted account, collect funds from the sponsor, and meet the financial reporting requirements of the award.

Grants Accounting reviews these materials and establishes a restricted account in the 70000 series. In this way, project expenses are readily associated with the source of sponsorship, and sponsor funds can be easily accounted.

When Grants Accounting has established an account number, they will notify ORSP. ORSP then transmits the account number via e-mail to the PI along with information about how to authorize expenditures, including (for example) salaries, subawards, and subcontracts. PIs can also find the information listed above (e.g., report dates, a copy of the fully executed award, sponsor contact information, etc.) in Kuali.

13.3. Authorizing Expenditures from the Grant Account

Expenditures made against grants awarded to the University are primarily the responsibility of the Principal Investigator. The PI must conform to the budget as awarded or as modified through the procedures described in this manual and ensure that funds are utilized only for the purpose for which they were awarded.

The PI may authorize other individuals to sign off on expenditures against the grant account. PIs use the Authorized Signatures Form - [AUTHSIGNform.pdf \(marquette.edu\)](#), provided by the Office of the Comptroller, to designate authorized signers. Those individuals so designated must sign the form, a copy of which is retained by the Office of the Comptroller for reference.

The Principal Investigator's signature, or that of a person authorized by the Principal Investigator, is required on any request for a charge against a grant.

The Principal Investigator remains responsible for expenses approved by persons they have authorized as signers.

All requests for expenditures must be made through the Office of the Comptroller or Purchasing using the forms/process provided for that purpose.

The Office of the Comptroller is responsible for determining the propriety of expenditures to grant accounts based on the awarded budget. This includes ensuring that an appropriately authorized signer has approved the expenditure.

13.4. Salary Authorizations

PIs must ensure that salary authorizations for project personnel are completed at the earliest possible opportunity to ensure that funds are drawn down and expenditures accounted in a timely manner.

The PI is responsible for working with their Director for Academic Budget Affairs to initiate salary authorizations for themselves and all those who receive salary from the grant or who have committed effort as cost share.

13.5. Procurement, including Subcontracts

Expenditures from grant accounts will adhere to the University's business policies and procedures. The Purchasing Department is responsible for qualifying vendors through the Coupa system. For University Policies and Procedures related to purchasing, vendor selection, receipt/return of merchandise, vendor contracting, and related matters, see [University Policies and Procedures // Marquette University](#) and [Purchasing Department // Office of Finance // Marquette University](#).

Subcontracts to procure goods or services (for example, consulting services and speakers) that are grant-funded (i.e., those paid from 70000 series accounts) must be endorsed by ORSP. The purpose of this endorsement is to verify that the subcontract is allowed by the sponsor and that the action does not require a subaward agreement. The PI is responsible for ensuring that adequate funds are available for the subcontract and that the expenditure is reasonable and allocable to the project.

13.6. Monitoring the Grant Account

PIs must review account statements on a monthly basis to ensure that they accurately reflect grant-funded activity. For each budget subaccount, each month the Office of the Comptroller furnishes the Principal Investigator with:

- a Project Statement totaling the project expenditures to date,
- a Detail Expense Report, and
- an Encumbrance Report.

See Business Intelligence (BI) Guidance on [Policies and Guidance // Office of Research and Sponsored Programs // Marquette University](#) for guidance on how to use Business Intelligence as a tool to manage grant awards.

See Postaward PI Checklist on [Policies and Guidance // Office of Research and Sponsored Programs // Marquette University](#) for a checklist to help monitor the administrative functions of a grant award.

Requests that would result in an overdraft in any budget "natural" or subaccount will not be paid. Grants Accounting will notify the PI who must then take the necessary steps to identify appropriate funds to cover the overdraft. The PI's department is ultimately liable for such overdrafts.

In the event an account statement contains a discrepancy, the PI should immediately contact Grant Accounting staff in the Office of the Comptroller to resolve the discrepancy.

13.7. Accounting for Cost-shared Expenses

See SPM 6, Cost Sharing, for additional guidance.

The University will use companion accounts to allocate cost-shared expenses to particular projects. Cost sharing in research projects must be included in the University's research base.

The PI must initiate cost-shared expenditures against the companion account in the same way and using the same forms as other grant expenditures.

13.8. Unallowable Costs

The PI is responsible for ensuring that charges made against the grant account comply with the University and the sponsor's policies and with any special terms and conditions attached to the award. Charges deemed unallowable by the sponsor are the responsibility of the PI's department.

13.9. Overdrafts

An overdraft occurs when expenditures charged to a project exceed the funds awarded by the sponsor and/or the funds committed as cost share in the proposal.

The PI must resolve all overdrafts in a timely manner so that the Office of the Comptroller can submit timely reports to the sponsor.

Payments for overdrafts are the responsibility of the PI's department. In the event that a grant account is overspent, the over-expenditure will be charged to the operating account of the Principal Investigator's department. In the event these funds are not sufficient, the remaining obligation will be charged to the department's operating budget in the next fiscal year.

13.10. Budget Transfers

A budget transfer moves budget dollars from one natural within an account to another natural within the same account.

PIs must use the Grant Budget Transfer form to submit rebudgeting requests to ORSP with a justification well in advance of when the funds are needed. The form and instructions for its use are available at [Tools, Templates and Forms // Office of Research and Sponsored Programs // Marquette University](#).

PIs are advised that transferring budgeted funds from personnel to non-personnel or from supplies to equipment may require prior sponsor approval. Sponsors often limit rebudgeting by specifying a level of rebudgeting that requires written sponsor approval (e.g., "rebudgeting in excess of 10% of any line item"). Sponsors may also restrict rebudgeting for certain items (e.g., "Rebudgeting participant stipends is not allowed except with the sponsor's prior written approval"). Other sponsors allow ORSP to approve rebudgeting within limits (as in the case of NIH grants issued under "Expanded Authorities"). Consult with ORSP before incurring any

expense that will require rebudgeting. Where ORSP has authority to approve rebudgeting, ORSP will advise the PI in writing and assist with the transfer. Where the sponsor's written approval is required, ORSP will work with the PI to justify the request and secure appropriate approval before making the transfer.

The institutional record of the approval, along with a copy of the Grant Budget Transfer form and justification, is sent to Grants Accounting for review, processing, and retention.

Moving funds among categories could result in shifting costs from direct cost categories not covered by the F&A rate to those that are. Such budget changes automatically require a corresponding increase in the indirect cost category, which shall be taken from direct cost line items. Where funds move from direct cost categories covered by the F&A rate to those that are not, the F&A category will be adjusted downward, making additional funds available for direct expenses incurred by the project. Such funds are subject to the terms and conditions of the award and must be both allowable and allocable to the project.

13.11. Expenditure or Cost Transfers

An expenditure or cost transfer is a direct-charge expense transferred from one account to another after the charge has been posted in a financial accounting record. Marquette University's policies and procedures on cost transfers are consistent with [eCFR :: 2 CFR 200.405 -- Allocable costs](#).

The "90 Day" Rule

Federal regulations disallow cost transfers that are not properly documented or not completed in a timely manner (i.e., within 90 days of the expenditure).

Requesting a Cost Transfer

To initiate a cost transfer request, the PI must submit a Grant Expenditure Transfer form with written justification and a rationale for the proposed allocation to ORSP. The request must be approved by ORSP and, at ORSP's request, by the Office of the Comptroller. Grants Accounting in the Office of the Comptroller reviews and processes these requests. The Grant Expenditure Transfer form is available at [Tools, Templates and Forms // Office of Research and Sponsored Programs // Marquette University](#).

- Cost transfers are NOT allowed more than 90 days after the charge has been posted in the financial accounting record.
- Cost transfers are allowed to correct errors in original charges.
- Cost transfers are allowed where the cost benefits both the sponsored agreement and other work of the institution in proportions that can be approximated through use of reasonable methods.
- Where the purchase of equipment or other capital items is specifically authorized under a sponsored agreement, the amounts thus authorized for such purchases are assignable to the sponsored agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.

- Costs allocable to a particular sponsored agreement may NOT be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.
- Any costs allocable to activities sponsored by industry, foreign governments or other sponsors may NOT be shifted to federally-sponsored agreements.

13.12. Program Income

Some sponsored projects generate income that must be accounted, reported, and expended in accordance with the sponsor's guidelines or policies and the terms of the award, if any. Examples include fees for services performed, registration fees for a sponsored conference, or proceeds from the sale of items fabricated under the award. Most sponsors require that project revenue be used to further eligible project objectives. In such cases, grantees may be required to expend program income before drawing down additional funds from the sponsor. In some cases, the sponsor may require that program income be used to reduce the sponsor's award commitment.

In the event that a federal sponsor does not specify in its regulations or the terms and conditions of the award how program income is to be used, the income is to be used to reduce the size of the federal sponsor's award commitment. This rule does not apply to research, however. For federal awards that support research, project income shall be used to further eligible project objectives unless the awarding agency indicates another alternative in the terms and conditions of the award.

Program income only applies to funds generated during the life of the project, not after the project ends.

See [eCFR :: 2 CFR 200.307 -- Program income.](#)

13.13. Participant Support

Participant support costs support individuals who are receiving a training opportunity as part of a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity funded by a sponsored award. Participant support costs are allowed by multiple federal agencies and other sponsors, and are defined by the Uniform Guidance in §200.75:

Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

Funds provided for participant support costs cannot be rebudgeted for use in other categories unless prior written approval has been obtained from the sponsor. In addition, the University must return any unexpended participant costs to the sponsor.

The University is prohibited from applying Facilities & Administrative cost to participant support costs. Costs that cannot be specifically identified to a participant are not allowed as participant support costs.

A participant does not perform work or service for the project or program and is not required to deliver anything or provide services to the University in return for these support costs. The PI must maintain back-up documentation for all participant support costs. This includes a list of program participants and evidence of attendance of participants, such as a daily log or similar documentation.

Payments issued to speakers or to faculty or staff are not considered participant support costs.

The National Institutes of Health only allows participant support costs if they are explicitly identified in the Funding Opportunity Announcement (FOA).

Further guidance that is specific to Marquette University is as follows:

For participants who are paid a flat rate for their participation, the University will pay participants stipends that will be paid out via accounts payable without payroll taxes. Participant support costs will be charged to a segregated grant account that does not associate indirect costs with participant support-related costs. Grants that are appropriate for this method include National Science Foundation (NSF) Research Experiences for Undergraduate (REU) Sites and NSF Noyce Scholars programs.

For participants who are paid on an hourly basis, the University has determined that it is appropriate to pay this stipend as wages through the payroll system. Marquette University students who are considered participants on NSF REU Supplement awards will be compensated through Marquette's payroll system as stated is allowed in the REU guidelines: "For administrative convenience, organizations may choose to issue payments to REU students using their normal payroll system. The funds received by students may be taxable income under the Internal Revenue Code of 1986 and may also be subject to state or local taxes." In these cases, Social Security will be charged to the grant and no indirect costs will be taken on the participant costs. Although these payments are made through the Marquette payroll system for convenience, this does not constitute an employer/employee relationship.

Students as Employees

There are times when a student is an employee, rather than a participant. Guidance from the National Science Foundation is that the institution determines whether a student hourly employee or participant is appropriate for the project. When students are employees rather than trainees, they will be hired to complete specified job functions. In these cases, the student will be paid through payroll, taxes will be taken out as appropriate, and indirect costs will be included.

14. Changes to the Project and Budget

When a sponsor makes an award to the University, the proposal, the approved project budget, and the notice of grant award constitute our legal agreement with the sponsor. In general, sponsors allow institutions some leeway to rebudget within and between budget categories to meet unanticipated needs and to make certain other types of changes during the award period. The official award notice typically defines the type and extent of changes that may be made and describes the approval process that grantees must follow. The degree of discretion varies from sponsor to sponsor and also depends on the type of award: Contracts typically allow less flexibility than grants, for example.

The following headings provide guidance regarding many kinds of changes that a sponsored project might require. As with all other budgetary matters, changes to a sponsored project budget must comply with the University's Policies and Procedures as well as with those of the sponsor and any terms or conditions of the award.

See [eCFR :: 2 CFR 200.308 -- Revision of budget and program plans](#).

14.1. Roles and Responsibilities: Changes to the Project and Budget

See SPM 13. Budget Management

14.2. Incurring Pre-award Costs

Some, but not all, sponsors allow PIs to incur expenses before the award is formally issued. Consult with ORSP before incurring pre-award expenditures to ensure that the sponsor allows the proposed expenditure prior to the award.

- As with all expenditures, those proposed as pre-award costs must be reasonable, allowable, and allocable to the project.
- The cost must be clearly identified in the proposal budget, and the reason for incurring the cost before the award must be well justified.
- The PI initiates the request by submitting a description of the cost, justification, and timeline to his or her department chair.
- The department chair may forward the request to the area dean for further approval, at his or her discretion.
- The request must then be routed to ORSP for final approval.
- ORSP will request written authorization from the sponsor, if appropriate.
- ORSP requests that the Office of the Comptroller create a restricted account for the PI's use. This account will become the grant account in the event of an award.
- Authorized pre-award expenditures are paid and charged directly to the new restricted account.
- The PI's department assumes all risk for expenditures incurred before an award. If the expenditure is unallowable for any reason or the award fails to be made in a timely manner, the department originating the request is responsible for payment.

Marquette's policy on pre-award expenditures is consistent with [eCFR :: 2 CFR 200.458 -- Pre-award costs](#). All pre-award costs are incurred at the recipient's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs). For research awards, prior federal sponsor approval requirements are waived unless: (i) The terms and conditions of award prohibit the extension. (ii) The extension requires additional Federal funds. (iii) The extension involves any change in the approved objectives or scope of the project.

14.3. *Rebudgeting*

See SPM 13.10, **Budget Transfers**.

14.4. *Transferring Amounts from Participant Costs*

Moving funds originally budgeted for participant costs (e.g., stipends, tuition, etc.) to other cost categories typically requires the prior written approval of the sponsor. Consult with ORSP to determine the appropriate approval process.

14.5. *Extension of a Project without Additional Funds (No-Cost Extensions)*

Most sponsors, including NSF and NIH, allow Marquette to extend the final budget period for a period of up to 12 months beyond the original expiration date shown in the notice of grant award.

Only ORSP can approve extensions or request extensions from sponsors. The University's request should be submitted to the sponsor at least 30 days before the scheduled termination date. No-cost extensions cannot be granted after the termination date.

To initiate an extension, the PI must provide ORSP with a written request that includes:

- project title
- proposed length of no cost extension with new end date
- confirmation that the approved scope/initial project objectives have not changed
- reason for the extension
- how remaining funds will be used
- amount remaining

The PI must also provide updated or modified regulatory approvals and assurances (e.g., human subjects protocols) if these are required in the extension period.

The fact that funds remain at the expiration of a grant is not, in itself, sufficient justification for an extension.

Once an extension has been approved by ORSP and/or the sponsor, ORSP will extend the grant end date in Quali and alert Grants Accounting in the Office of the Comptroller, providing the new end date and updating the reporting due date.

For NSF

The PI must request the extension from ORSP and provide supporting reasons for the extension and the revised expiration date. ORSP must formally advise NSF of the extension at least ten days prior to the expiration date specified in the grant. Effort is still required, although it can be at a lower percentage of time. In addition, a report will be due on the anniversary date of the award, even if a no-cost extension is granted.

If additional time beyond the initial extension provided by the grantee is required and exceptional circumstances warrant, a formal request (a “prior approval request”) must be submitted to NSF. The request must be submitted to NSF at least 45 days prior to the amended expiration date of the grant (the date on which the no-cost extension ends). The request must explain the need for the extension and include an estimate of the unobligated funds remaining and a plan for their use. The plan must adhere to the previously approved objectives of the project.

For further guidance, see [NSF Proposal & Award Policies & Procedures Guide \(PAPPG\) | NSF - National Science Foundation](#)

For NIH

The PI must request the extension from ORSP. ORSP must then notify NIH of the extension prior to the project end date. NIH will allow the extension if no additional funds are required from the sponsor, if there is no change in the project’s originally approved scope, and if there is work left to be done and funds remain. Effort is still required, although it can be at a lower percentage of time. In the case of Academic Enhancement Research Awards (AREA; R15), a report will be due on the anniversary date of the award, even if a no cost extension is granted.

In extending the final budget period of the project, the PI and Marquette agree to update all required certifications, including human subjects and animal welfare, in accordance with the applicable regulations and policies.

Any additional extension beyond the one-time extension of up to 12 months requires NIH prior approval. ORSP cannot use expanded authorities to extend project periods previously extended by the NIH awarding office. Further information is required from the PI in these cases.

For additional guidance, please see [Submit A No-Cost Extension | eRA \(nih.gov\)](#).

14.6. Change in Scope of Work

Sponsors of research projects generally allow the PI to make changes in the methodology, approach, or other aspects of the project objectives (procurement contracts are less flexible than grants in this regard). Nevertheless, sponsors typically require that the grantee obtain prior written approval for changes in scope, direction, type of training, or other areas that represent a significant change from the aims, objectives, or purposes of the approved project. The PI must review the proposal and award notice to make the initial determination of the significance of a

change and must consult with the sponsor as necessary. PIs should consult with ORSP if they have questions about changes a sponsor is likely to consider a change of scope. Further conversation with the sponsor may be warranted as well.

14.7. Change in Status of PI or other Key Project Personnel

All sponsors require that ORSP formally notify them if the PI or other persons identified in the Notice of Grant Award as key personnel withdraw from the project or reduce their effort, typically by 25% or more than what was initially promised. Requests for such changes must be made to ORSP along with an explanation for the change.

NIH and NSF require such notification if the PI or other person named in the Notice of Grant award withdraws from the project, is absent during any continuous period of 3 months or more, or reduces their time devoted to the project by 25 or more percent from the level approved at the time of award (for example, a change from 40 percent effort to 30 percent or less effort). The sponsor must approve any alternate arrangement, including any replacement personnel proposed by the grantee.

14.8. Addition of a Foreign Component

On federal grants, the addition of a foreign component to an already-awarded project requires prior written approval from the sponsor. If the foreign component is identified in the original proposal, the notice of grant award will ordinarily serve as such approval. ORSP would follow this practice for non-federal awards as well.

14.9. Carryover of Unobligated Balances from One Budget Period to the Next

Sponsor policies regarding carryover vary considerably. If it appears that there will be unspent funds, the PI should consult with ORSP at least 45 days before the end of the budget period to determine the appropriate procedures for carrying over unexpended funds where allowed.

14.10. Subcontracts and Subagreements Not Budgeted in the Original Proposal

Subcontracts and subagreements that were not included in the approved proposal often require the sponsor's approval prior to executing a formal agreement and commencing work. The choice of a particular subcontractor and the question of whether the action results in a change in the scope of work must be considered and documented. Consult with ORSP for assistance with both the request for approval, the information required from the new entity, and the creation of an appropriate subagreement.

14.11. Change of Grantee Organization

The sponsor's prior approval is always required for the transfer of a grant from one institution to another. PIs changing employers who seek to transfer their grants to their new institution should consult with ORSP at the earliest opportunity. As awards are made to the institution and not to

an individual, ORSP in consultation with others as deemed appropriate, reserves the right to determine whether or not an award will be transferred.

15. Technical and Financial Reporting

15.1. Roles and Responsibilities: Technical and Financial Reporting

Principal Investigator

- The PI is responsible for ensuring that progress and final reports are submitted in a timely manner.
- The PI is responsible for providing ORSP with a copy of all reports submitted to the sponsor.
- The PI reviews interim and final project statements prepared by the Office of the Comptroller, ensuring they are accurate and that they include all expenditures incurred to date, and are not overdrawn. These project statements serve as the basis for the financial reports submitted by the Office of the Comptroller to the sponsoring agency.

Office of the Comptroller, Grants Accounting

- The Office of the Comptroller, Grants Accounting is responsible for preparing interim and final financial reports as required by the sponsor.
- Using the final project statement as the basis for its final financial report, the Office of the Comptroller prepares and transmits the same to the sponsor in the sponsor's required format.

15.2. Interim Reports and Progress Reports

The PI submits to the sponsor timely technical reports as required by the sponsor. Technical reports typically describe progress towards the aims stated in the proposal and explain any problems that may have arisen during the course of the work. PIs must provide ORSP with a copy of any report submitted to a sponsor so that a complete account of the application and award is accessible to the sponsor in one central location.

15.3. Financial Reports

The Office of the Comptroller, Grants Accounting prepares financial reports as required by the sponsor. Grants Accounting provides the financial reports to the PI for review and approval and then transmits the financial reports to the sponsor.

15.4. Combined Financial and Technical Reports

In cases where the sponsor requests that technical reports and financial reports be submitted in a single document, Grants Accounting, ORSP, and the PI will work together to determine who will submit the final combined document. If a foundation is a sponsor, University Advancement must be part of the conversation. In all cases, the original financial report is still prepared by the Office of the Comptroller, Grants Accounting.

16. Subawards

In many cases, the sponsor allows the recipient of grant funds, the “prime awardee” or “grantee,” to flow down a portion of the programmatic activity to another organization referred to as the “subrecipient.” In such cases, Marquette becomes the “pass-through” entity.

The purpose of this policy and its supporting procedures are to provide oversight of subrecipients on federally sponsored programs as required by [eCFR :: 2 CFR Part 200 Subpart D - Subrecipient Monitoring and Management](#).

As a pass-through entity, Marquette University is responsible for performing the following actions for the Federal awards it makes to subrecipients:

1. Identify Federal awards made by informing each subrecipient of information including the Federal Award Identification Number (FAIN); Federal Award Date; Subaward Period of Performance Start and End Date; Subaward Budget Period Start and End Date; Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient; Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current financial obligation; Total Amount of the Federal Award committed to the subrecipient by the pass-through entity; Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity; Assistance Listings number and Title.

The pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement; Identification of whether the award is R&D; and Indirect cost rate for the Federal award (including if the de minimis rate is charged) per [§ 200.414](#).

2. Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.

3. Determine in collaboration with the subawardee the appropriate indirect cost rate to be used.

4. Evaluate each subrecipient’s risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring, which may include consideration of such factors as:

- The subrecipient’s prior experience with the same or similar subawards;
- The results of previous audits including whether or not the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been audited as a major program;
- Whether the subrecipient has new personnel or new or substantially changed systems; and

- The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).
5. Consider imposing specific subaward conditions upon a subrecipient if appropriate.
 6. Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Monitoring includes:
 - Reviewing financial and performance reports required by the pass-through entity.
 - Following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and written confirmation from the subrecipient, highlighting the status of actions planned or taken to address Single Audit findings related to the particular subaward.
 - Issuing a management decision for applicable audit findings pertaining only to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521.
 - Verifying that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501.
 - Considering whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

The pass-through entity is also responsible for resolving audit findings specifically related to the subaward and not responsible for resolving crosscutting findings.

7. Require each subrecipient to permit the pass-through entity and auditors to have access to the records and financial statements as necessary for the pass-through entity to comply with this part.
8. Consider taking enforcement action against noncompliant subrecipients as described in [§ 200.339 of this part](#) and in program regulations.

16.1. Roles and Responsibilities: Subawards

Principal Investigator

- Identifies the need for a subaward and identifies an appropriate subrecipient.
- Is the initial point of contact with the subrecipient and is primarily responsible for communicating with the subrecipient on matters relating to the technical proposal and budget.
- Prepares a statement of work for the subrecipient or approves a statement of work prepared by the subrecipient.
- Approves the subrecipient budget for reasonableness and allocability.

- Provides ORSP with appropriate point of contact for grant administration matters, including budgeting and subaward terms and conditions.
- Receives and reviews invoices and performance reports from the subrecipient to ensure that billing reflects progress and that performance is satisfactory. Monitors subrecipient expenditures to ensure that expenditures are reasonable, allowable, and allocable to the project. Reports suspected non-compliance or questionable costs (i.e., charges on an invoice not adequately described, e.g., “miscellaneous”) to ORSP.
- Approves invoices and authorizes the Office of the Comptroller to issue payment to the subrecipient.
- Shares with ORSP the responsibility for monitoring the activity of subrecipients as necessary to ensure that the federal awards are used for authorized purposes in compliance with federal and state laws, regulations, and provisions of the agreement.
- In cooperation with the Comptroller’s Office and ORSP, may propose and participate in audits and on-site visits, as necessary, to investigate and ensure subrecipient compliance.

ORSP

- Makes the final determination as to whether an action will be deemed a subaward or procurement.
- Prepares the subaward agreement in compliance with University and sponsor policies and advises the subrecipient of requirements imposed on it by federal and state laws, regulations, and the provisions of grant or contract agreements.
- Reviews the subaward budget for compliance with applicable regulations.
- Prepares the project budget and assigns subawards to the appropriate budget naturals.
- Follows the process outlined below regarding subrecipient risk assessment and monitoring.
- Transmits, as appropriate, information related to subrecipient noncompliance to the appropriate University office: noncompliance in the area of regulated research (e.g., humans, vertebrate animals) will be transmitted to the Office of Research Compliance, and noncompliance in the area of expenditures or audits will be transmitted to the Office of the Comptroller.
- Coordinates, with the Office of the General Counsel as needed, actions to resolve the noncompliance.
- Shares with the Principal Investigator the responsibility for monitoring the activity of subrecipients as necessary to ensure that the federal awards are used for authorized purposes in compliance with federal laws, regulations, and provisions of the agreement.
- Shares with the Office of the Comptroller responsibility for identifying and managing subrecipient noncompliance with the requirements of [eCFR :: 2 CFR Part 200 Subpart D - Subrecipient Monitoring and Management](#).
- In cooperation with the Principal Investigator and the Comptroller’s Office, may propose and participate in audits and site visits, as necessary, to investigate and ensure subrecipient compliance.

For those subrecipients disclosing findings bearing on the performance or administration of federal awards made to that subrecipient by Marquette, ORSP will transmit the subrecipient documentation to the Office of the Comptroller for review and recommended action.

For those subrecipients reporting that they do not receive an audit in accordance with the Office of Management and Budget Uniform Guidance, ORSP will transmit the subrecipient documentation to the Office of the Comptroller to determine what, if any, further action is required.

Office of the Comptroller

- Determines whether an independent auditor’s report presents instances of noncompliance with federal laws and regulations that bear directly on the performance or administration of the subaward.
- Considers whether subrecipient audits necessitate adjustment of Marquette University’s own records.
- Shares with ORSP responsibility for identifying and managing subrecipient noncompliance with the requirements of [eCFR :: 2 CFR Part 200 Subpart D - Subrecipient Monitoring and Management](#).
- Reviews the subrecipient’s corrective action plan to determine its adequacy and advises ORSP if changes to the subaward agreement need to be made to ensure compliance.
- In cooperation with the Principal Investigator and ORSP, may participate in audits and/or site visits as necessary to investigate and ensure subrecipient compliance.
- Maintains site visit reports and supporting documentation, and provides a copy to ORSP.
- Where necessary, cooperatively works with ORSP to issue a management decision on audit findings within six months of receiving the subrecipient’s audit report. Ensures (e.g., by withholding payment or requiring repayment) that the subrecipient takes appropriate and timely action.

16.2. Definitions

Subaward Distinguished from Contract, Subcontract, and Consulting or Other Agreement

A subaward is a formal agreement by which the grantee transfers, “passes through,” or “flows down” a portion of the grant funds and a portion of the programmatic activity to another organization. Subaward agreements are used when the intent is to have another organization help Marquette University carry out a portion of the scope of work described in the proposal and assigned under the resulting award. The agreement is directed at cooperatively working with another entity to carry out the project for which funding has been granted. The other entity is, in a sense, a collaborator in the sponsored project. A subawardee has responsibility for programmatic decision-making and is responsible to adherence to sponsor requirements, which are flowed down to the subawardee as a part of the subaward agreement.

By contrast, Principal Investigators also need to acquire goods and services in order for them to carry out the work for which funds have been awarded. Such acquisitions are procurements, and the providers are vendors, consultants, or individuals engaged in “work for hire.” The payments received for goods or services provided as a vendor (recipient of a procurement action) are not considered federal awards.

Because the terms “subaward,” “subgrant,” “contract,” and “subcontract” are often used uncritically by various sponsors, other institutions, and others, their appearance in a document is not a reliable indicator of whether the action is to be regarded as financial assistance or procurement.

The following characteristics will help differentiate among subawards and procurement actions such as contracts, subcontracts, and consulting agreements. There may be unusual circumstances or exceptions to the listed characteristics. In making the determination of whether a subrecipient or vendor relationship exists, the substance of the relationship is more important than the form of the agreement. ORSP is responsible for making such determinations as needed. See also [eCFR :: 2 CFR 200.331 -- Subrecipient and contractor determinations](#).

The action requires a subaward agreement and the third party is considered a subrecipient if:

- The subrecipient has its programmatic involvement in the sponsored project identified as a separate scope of work with a separate budget and organizational approval;
- The subrecipient has its performance measured against its portion of the overall scope of work proposed by Marquette to the sponsor. The subrecipient is responsible for meeting its scope of work.
- The subrecipient has responsibility for assisting Marquette University in the completion of project deliverables and/or technical reports.
- The subrecipient has responsibility for programmatic decision making. The Principal Investigator at the subrecipient institution directs its portion of the work.
- The subrecipient’s Principal Investigator may be a co-author on publications or, where the sponsor is a federal entity, may seek patent protection for inventions.
- The subrecipient uses the funds to carry out a program of its own organization as compared to providing goods or services for a program of Marquette University. The subrecipient organization is conducting its own scope of work and not merely providing goods or services such as executing lab tests or constructing experimental instrumentation.
- The subrecipient has responsibility for adherence to applicable federal or other sponsor’s program compliance requirements.

The action is a procurement and the third party is considered a vendor, consultant, or personal services agreement if the third party:

- Provides the goods and services within its normal business operations.
- Provides similar goods or services to many different purchasers.
- Operates in a competitive environment.
- Provides goods or services that are ancillary to the operation of the sponsored project.
- Is not subject to the sponsor’s compliance requirements.

16.3. Requirements for a Subaward

Principal Investigators are advised that adding a new subrecipient or removing or modifying a subrecipient named in a submitted application or award document typically requires written prior approval from the sponsor. Contact ORSP for specific guidance and assistance.

16.3.1. Letter of Intent

A Letter of Intent, sometimes called a letter of commitment, must be prepared and approved before the application is submitted to the sponsor. In cases where the subaward is contemplated after an award has been made, the Letter of Intent must be prepared before Marquette requests the sponsor's approval to allow a subaward.

This letter is the basis for any subaward or collaboration agreement with another institution that will be needed when the sponsor makes an award to Marquette or approves Marquette's post-award request to issue to a subaward. Such a letter is a promise from one institution to another that, in the event of an award, the institutions will cooperate as outlined in the letter. The letter ensures that both Marquette and the proposed subrecipient or collaborating institution clearly understand the proposed effort, costs, and sponsor requirements.

This letter is typically prepared by the collaborating organization's grants and contracts office. The letter must be signed by the collaborating organization's authorized representative.

Some sponsors require that a copy of the Letter of Intent be included in the application. Other sponsors trust that Marquette has the Letter of Intent in hand for each entity named in the proposal. Marquette University therefore requires a signed Letter of Intent before the proposal can be submitted to the sponsor, whether the sponsor requires a copy or not.

Marquette University utilizes the Letter of Intent template found at [Federal Demonstration Partnership Expanded Clearinghouse \(fdpclearinghouse.org\)](https://fdpclearinghouse.org). Subawardees are welcome to use this format as well. At a minimum, the Letter of Intent includes the following:

- the signature of a person appropriately authorized to make commitments and assurances on behalf of the prospective subrecipient
- a clear statement of work, including the names of key personnel
- a detailed budget including start and end dates
- explicit assurance that the appropriate programmatic and administrative personnel of the prospective subrecipient are aware of the sponsor's grant policies and are prepared to establish the necessary inter-organizational agreement(s) consistent with those policies
- a clear statement that the prospective subrecipient is or is not subject to and compliant with the audit requirements of 2 CFR Part 200.500.

16.3.2. Subrecipient Risk Assessment and Monitoring

All subrecipients on both federally funded and non-federally funded awards whose information is not posted on the Federal Demonstration Partnership (FDP) website will receive a

Subrecipient Commitment Form (SCF) for completion and signature for each new award (some subrecipients are awarded subawards on multiple projects and therefore will receive an SCF for each one). They will be required to complete the entire form, which captures required information needed to issue a Federal Funding Accountability and Transparency Act (FFATA)-compliant subaward (e.g., Unique Entity Identifier (UEI) & DUNS number, System for Award Management (SAM) registration confirmation, etc.) for federally funded projects, as well as documents a basis for assessing subrecipient risk. The SCF can be found at [subrecipient-commitment-form.pdf \(marquette.edu\)](https://www.marquette.edu/subrecipient-commitment-form.pdf).

Subrecipients whose information is posted on the FDP website will receive the SCF, be asked to check a box indicating they are in the FDP Clearinghouse, then will be asked to only provide project specific information not available on the FDP website.

The SCF form MUST be signed and returned before the subaward is issued.

16.3.2.1 Annual Audit or Mini Audit Questionnaire

- a. Subrecipients who have an annual audit in compliance with OMB Uniform Guidance (OMBUG) will provide access to their most recent audit as part of the SCF form above. Subrecipients who do not receive an OMBUG audit will complete the Mini Audit Questionnaire and provide a copy of their most recent financial statement, annual report, etc.
- b. ORSP will review OMBUG audits for any findings involving federal grants. If findings are found, they are forwarded to the Comptroller's Office for review and input on risk and suggested additional terms and conditions.
- c. All completed Mini Audit Questionnaires and related financial statements will be sent to the Comptroller's Office with a request for review and input on risk and suggested additional terms and conditions.

16.3.2.2. Risk Assessment

A Risk Assessment form will be completed for subrecipients. This will help determine whether terms and conditions in addition to those suggested in 16.3.2.1. b and c above need to be added to the subaward, depending upon the subrecipient's deemed risk.

Criteria used to determine the level of risk monitoring may include:

- Institution type (e.g., university, non-profit, for profit, foreign, etc.)
- Size of institution
- Entity experience with federal funding
- Marquette's prior experience with the prospective subrecipient
- Audit findings related to federal funding
- Subaward amount
- Other pertinent information (e.g., prepayment requested due to cash flow issues, late in submitting prior reports/requested information, etc.)

Where ORSP concludes that additional assurance may be necessary before issuing a subaward, ORSP will consult with others as necessary to develop a plan of action.

16.3.3. Preparing the Subaward Agreement

ORSP has standard subaward agreements that are used by the ORSP Grant Contracting team and are dependent upon the type of sponsor. Subaward templates prepared by the Federal Demonstration Partnership will be used for all federal awards - [Subaward Forms - The Federal Demonstration Partnership \(thefdp.org\)](https://www.thefdp.org). The typical subaward includes, at a minimum, the following:

- Identification of the federal award information (if federal) by CFDA number, CFDA Title, award name and number, award year, and the name of the federal agency.
- Incorporation of applicable sponsor requirements and provisions indicating the intent of the subrecipient to comply, including submission of applicable assurances as required by the sponsor or the grantee.
- Identification of the technical, and administrative contact persons (typically the subrecipient's Principal Investigator and grants officer).
- Cost reimbursable or fixed price.
- Statement of work.
- Budget and justification.
- Reporting and requirements for billing/reimbursement.
- The Subaward instructs the subrecipient to transmit periodic invoices and progress reports to the Principal Investigator.
- Other sponsor terms, conditions, and assurances as required by the sponsor or Marquette, including a determination of policies to be followed in such areas as Conflict of Interest where the subrecipient's policies differ from those of Marquette.
- A provision addressing ownership and disposition of data produced under the agreement.
- A provision making the inventions and patent policy applicable to the subrecipient participant and its employees in order to ensure that the rights of the parties to the agreement are protected and that the grantee can fulfill its responsibilities to the sponsor.
- As appropriate, provisions regarding property (other than intellectual property), program income, publications, and reporting necessary for Marquette to fulfill its obligations to the sponsor.
- As appropriate, assurances pertaining to animal care and use, human subjects, biosafety, responsible and ethical conduct of research, and conflict of interest.

16.4. Routing, Review, and Approval

1. The Post Award team identifies the need for a subaward at the time of award setup and notifies the Grant Contracting team.
2. The Grant Contracting team prepares the subaward and reviews it with the PI as necessary.
3. Where the subaward differs from the approved proposal or notice of grant award, the ORSP Contract Administrator consults with others as necessary to determine its allowability, availability of funds, and appropriate terms and conditions.

4. The Grant Contracting team prepares the subaward agreement.
5. The PI and/or subawardee may be asked to review the subaward agreement for accuracy.
6. Where necessary, the ORSP Contract Administrator negotiates with the subrecipient. The PI and Executive Director of ORSP must approve significant changes in the agreement.
7. The Grant Contracting team routes the agreement to the authorized official at both entities for final review and endorsement.
8. Fully executed copies of the subaward agreement are automatically sent to Grant Contracting, the PI and to the Grants Assistant, who then forward them to Grants Accounting.
9. An e-mail is sent to the subrecipient asking them to register and upload a copy of their W-9 in Coupa.
10. The ORSP Contract Administrator reviews the endorsement and sends the signature original to the PI and a copy to ORSP award file. The transmittal letter reminds the PI of their subrecipient monitoring responsibilities.
11. The PI transmits the signature original and a Direct Invoice Voucher (DIV) to the Office of the Comptroller for payment. The PI retains a copy of the agreement.
12. The subrecipient submits invoices and technical reports to the PI.
13. The PI reviews invoices and authorizes payment of an invoice by transmitting a Direct Invoice Voucher with the invoice and the agreement to the Office of the Comptroller.
14. The Comptroller transmits payment to the subrecipient.

16.5. Annual Subrecipient Monitoring

16.5.1. Subrecipient Commitment Form (SCF)

For multi-year projects, an original SCF is required for the initial year. For subsequent (funded) years, the subrecipient is sent a copy of their previous submission and asked to either confirm that there have been no changes since the previous submission or request a new form to provide updates. This verification must be completed before an amendment passing funds is issued.

16.5.2. Annual Audit or Mini-Audit Questionnaire

ORSP will obtain, review and retain annual audits and related data from funded subrecipients each year.

Each subrecipient's fiscal year end date will be noted on the "Subrecipient Tracking" spreadsheet. Once six months have passed from a subrecipient's fiscal year end, ORSP will begin checking the Federal Audit Clearinghouse (FAC) website to access a subrecipient's annual audit. In the case of subrecipients who have notified Marquette that they do not upload their annual audits to the FAC, ORSP will contact those subrecipients directly at the six-month point to request a copy of their audit. The FAC will be checked, or the subrecipient contacted, at least once per month for the following three months, or until a subrecipient's audit information has been obtained. If, after the three-month checking period (nine months after a subrecipient's fiscal year end date), the audit information has not yet been obtained, ORSP will reach out directly to

all subrecipients with outstanding audits to either obtain the audit directly or obtain documentation that a subrecipient has received an extension to submit their audit. If, at that point, a subrecipient fails to either make the information available or provide documentation of an extension, ORSP will notify the Comptroller's Office and consult with them in determining appropriate sanctions.

ORSP will review each audit to determine if any findings were reported, and if so, whether those findings related to a subaward issued by Marquette. In the event audit findings are related to a Marquette-issued subaward, ORSP will forward audit information to the Comptroller's Office for follow-up action. If the findings are not related to a Marquette-issued subaward, ORSP will notify the Comptroller's Office that non-related findings were reported.

16.5.3. Risk Assessment

Upon review of a subrecipient's initial SCF and Audit (Questionnaire), an initial risk assessment is made, and necessary terms and conditions added to the subaward. After the initial year of a project, the original subrecipient risk assessments will be reviewed annually and updated as necessary. Agreements will then be updated accordingly, particularly where additional risk has been noted.

16.5.4. Other Steps

SCF confirmations, audit information and any related correspondence will be uploaded to the relevant Award file in Quali. The "Subrecipient Tracking" spreadsheet will be updated and initialed.

1. The PI reviews subrecipient technical performance reports and advises ORSP of any unsatisfactory performance.
2. The PI reviews and approves invoices from the subrecipient. Where a charge is questionable or not clearly reasonable and allocable to the work and/or allowable by the sponsor and the University, the PI contacts ORSP. ORSP will consult with the subrecipient and the Office of the Comptroller to resolve the issue.
3. ORSP shall maintain documentation pertaining to subrecipient compliance with OMB Uniform Guidance, including responses to the Subrecipient Audit Confirmation Form and correspondence with the Office of the Comptroller and subrecipients.
4. The University may, at its discretion, conduct site visits or contract with independent auditors to conduct site visits in order to assess subrecipient compliance.

17. Agreements for Services (Procurement)

The purpose of this guidance is to explain the process by which PIs may procure services with funds from grants, cooperative agreements, or contracts.

The scope of this guidance is limited to procurement subcontracts paid from 70000 series accounts using the naturals 6500 or 6505 (professional fees or consulting fees). This SOP does not address the creation, preparation, or approval of subawards (which must use naturals 6515 and 6520). Policies and procedures related to subawards, and guidance to help PIs distinguish between procurement subcontracts and subawards is provided elsewhere in this Sponsored Projects Manual.

Note that for some types of off-the-shelf procurement involving University-approved vendors, the PI may place an order via Coupa. This method is an appropriate payment instrument in such cases because the vendor is a corporation and has a well-defined array of standard services and terms. However, in the case of procurements of goods and services from non-Marquette individuals, LLCs, and non-profit organizations, the scope and timing of services and payments requires additional care. In these cases, it is necessary to use a more specialized agreement to ensure that the contractor and the PI share a clear understanding of the work to be performed and the timing of deliverables and payments.

Note that any subcontracting for legal services **MUST** be discussed with the Office of General Counsel and ORSP **BEFORE** discussing the work with the third party.

Why this guidance is necessary: Agreements to procure goods and services with grant funds must adhere to the sponsor's terms and conditions as well as those of the University. Salient questions include, for example, whether third party agreements are allowed by the sponsor or require the sponsor's prior approval, whether the sponsor limits the level of compensation, whether the performance and payment dates are consistent with the grant start and end dates, and whether the sponsor requires that certain conditions (e.g., prohibition against lobbying) must be imposed upon agreements paid with grant funds.

17.1. Roles and Responsibilities: Agreements for Services (Procurement)

Principal Investigator

- identifies the need to procure services related to a sponsored project.
- identifies an appropriate vendor in consultation with Purchasing, where appropriate.
- develops or approves the written scope of work, deliverables, and schedule of deliverables and payments.
- monitors subcontractor performance, receives and approves invoices.
- approves and forwards invoices to be paid to Office of the Comptroller, Grants Accounting.
- retains copies of documentation.

ORSP

- advises Principal Investigator on allowability and sponsor's terms and conditions pertaining to procurement subcontracts.
- checks the period of performance to ensure that expenditures are within the grant period.
- checks for availability of funds in the grant account.
- prepares agreements consistent with award agreement and University policies.
- endorses agreements of behalf of the University.

Comptroller, Grants Accounting

- receives and reviews agreements, payment requests and any other supporting materials.
- checks for PI's signature on the payment request/approval, ORSP's approval on the agreement, a completed W-9 Form, and availability of funds in the grant account.
- checks the period of performance to ensure that expenditures are within the grant period and that the proper natural is being used.
- keeps a copy of the abovementioned materials on file and forwards a copy to Accounts Payable for payment.
- returns questioned documentation to Principal Investigator for resolution.

Office of the General Counsel

- advises ORSP regarding University policies and procedures related to third party agreements, approves standardized agreements for form.

17.2. *Process for Securing a Subcontract for Procurement*

1. PI contacts ORSP Grant Contracting to request an agreement for services to be paid from a grant account. ORSP also tries to review proposals associated with awards and reach out to the PI prospectively.
2. ORSP reviews the sponsor terms and conditions and determines the allowability of the expense and the type of action/instrument required.
3. ORSP requests specific information from the PI, drafts the appropriate agreement (consultant, speaker, performer or participant agreement, etc.), and transmits a draft to the PI for review.
4. Agreements are routed to all parties.
5. Handling agreements that have been signed by the Executive Director of ORSP:
 - a. The contracting entity must be registered in Coupa - see [How to Do Business with Marquette University // Doing Business with Marquette // Marquette University](#)
 - b. ORSP Grants Assistant transmits the agreement to Grants Accounting.
6. **The contracted party may begin work.** No work should be undertaken without a fully executed agreement in place.
7. Making Payments: The agreement will specify payment terms and timing.
 - a. Where the agreement specifies that payment is to be made upon receipt of invoices from the third party:

- a. The PI will be named as the person to whom the third party must send such invoices.
 - b. The PI reviews the invoices and the work deliverables.
 - c. If the PI accepts the work, the PI approves the invoice and transmits it to Grants Accounting via Coupa.
 - d. Grants Accounting transmits the invoice and request for payment via Coupa to Accounts Payable.
 - e. Accounts Payable issues payment to the subcontractor.
- b. Where the agreement specifies that payment is to be made without invoices according to a schedule (i.e., half upon execution and half within 30 days after the service is completed), the PI should work with their Director of Academic Business Affairs or departmental contact to make the request via Coupa.

18. Equipment and Property Management

The University's policy for management and accounting of equipment and property purchased with funds provided by a sponsoring agency will comply with [eCFR :: 2 CFR 200.313 -- Equipment](#). These provisions include:

- Title to equipment acquired by a Principal Investigator with Federal funds shall vest in the University, subject to conditions of this section.
- The Principal Investigator shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.
- The Principal Investigator shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the University shall use the equipment in connection with its other federally sponsored activities, in the following order of priority:
 1. Activities sponsored by the Federal awarding agency which funded the original project, then
 2. Activities sponsored by other Federal awarding agencies.
- During the time that equipment is used on the project or program for which it was acquired, the Principal Investigator shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible. User fees should be considered if appropriate.
- When acquiring replacement equipment, the Principal Investigator may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment.

The University's property management standards for equipment acquired with Federal funds and federally owned equipment shall include all of the following:

1. Equipment records shall be maintained accurately by the Office of the Comptroller and include the following information:
 - a. A description of the equipment.
 - b. A serial number or other identification number.
 - c. Source of the funding for the property, including FAIN number.
 - d. Who holds the title.
 - e. Acquisition date.
 - f. Cost of the property.

- g. Percentage of Federal participation in the project costs of the Federal award under which the property was acquired.
 - h. Location, use and condition of the property.
 - i. Ultimate disposition data, including date of disposal and sales price of the property.
2. Equipment owned by the Federal Government shall be identified to indicate Federal ownership.
3. A physical inventory of equipment shall be initiated by the Office of the Comptroller and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The Principal Investigator shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.
4. A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft of equipment shall be investigated and fully documented. If the equipment was owned by the Federal Government, the Principal Investigator shall promptly notify the Office of the Comptroller and ORSP. ORSP and the PI shall notify the Federal awarding agency.
5. Adequate maintenance procedures shall be implemented to keep the property in good condition.
6. If the University is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award.

1. For equipment with a current per unit fair market value of \$5000 or less, the items may be retained, sold or otherwise disposed of with no further responsibility to the Federal awarding agency.
2. Except as provided in [§ 200.312\(b\)](#), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.
3. The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.
4. In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.

19. Hiring Personnel with Grant Funds

See [Policies and Guidance // Office of Research and Sponsored Programs // Marquette University](#) for Hiring Using Grant Funds.

19.1. Roles and Responsibilities: Hiring Personnel with Grant Funds

Principal Investigator

- Is responsible for the selection of grant-funded personnel and must adhere to the University Policies and Procedures regarding recruitment, hiring, and supervision.
- Is responsible for maintaining documentation regarding recruitment, selection, hiring, and supervision.

19.2. Hiring Current Marquette Faculty

Most faculty who wish to be paid from a grant are already Marquette employees and do not need to go through the hiring process. Rather, they now need to have their wages paid from grant funds instead of through the funds associated with their existing line. In order to do this, a Salary Verification Form (SVF) needs to be completed. College-specific forms are available from your college business office.

- Submit an SVF to your Business Director.
- The authorization of wages to be paid from the grant can only be done for the time period covered by the active increment of the grant. Thus, an SVF may be needed for each year of a grant. In addition, if a grant goes into a no-cost extension, an SVF will be needed to pay wages during that time.
- SVFs need to be done for all faculty, including the Principal Investigator (PI).
- Individuals who receive grant funding will be asked to certify their effort for audit purposes.
- Effort must be charged to the grant as it is committed. For example, one month of summer cannot be charged to the grant if the work is actually taking place during the academic year.
 - Effort reporting is required for each semester (Fall, Spring, Summer).
 - Grants Accounting sends an e-mail to the PI (or Business Director in the College of Health Sciences) to confirm effort processed through payroll.
 - Confirmation of effort needs to be e-mailed back to Grants Accounting by designated date.

19.2.1 Hiring New Marquette Faculty

New faculty positions should follow the hiring process outlined at <https://www.marquette.edu/provost/faculty-search-hiring-appointment-process.php>. Please see the above section for payment information.

19.3. Hiring Full Time Temporary and Part-time Staff (e.g., Support Staff, Technicians)

The Department of Human Resources provides guidance and oversight for hiring part-time and full-time temporary employees. Principal Investigators should consult <http://www.marquette.edu/hr> for guidance and forms.

Research Associates can be hired as Faculty or Staff. If hired as faculty, please see the process in 19.2.1.

19.4. Hiring Undergraduate Students

Principal Investigators should follow the guidance provided by Student Employment Services at [On-Campus Employers // Marquette Central // Marquette University](#).

19.5. Hiring Graduate Students

Principal Investigators should follow these steps in recruiting and hiring graduate assistants:

1. Make an offer to a graduate student using the Graduate Assistantship Offer Letter found on <https://www.marquette.edu/grad/financial-aid.php>. Work with your Director of Graduate Studies on the letter. (If in the College of Health Sciences, please work with your Business Director on completing the offer letter.)
2. Provide a copy of the fully signed offer letter, which includes the student's signature, to your College's Business Director, the Graduate School, your department's student coordinator, and postaward@marquette.edu (the Office of Research and Sponsored Programs). This letter is used by the Business Director to initiate the electronic salary authorization. The salary authorization needs to be completed before the student can begin work. The Graduate School must have a copy as qualified grant-funded graduate assistants will receive supplemental stipends from the Graduate School.
3. Verify with your student that they have completed an I-9 form, particularly if they are hired for the summer or in the middle of a semester. Graduate students MUST work with the Graduate School to complete the I-9 within 72 hours of employment. Please see <https://www.marquette.edu/grad/finaid-payroll.php>. The Graduate School will reach out to all graduate students who do not have an I-9 on file prior to the beginning of the fall and spring semesters. (This step is for new graduate assistants only.)
4. Complete a Student Grant Support Form for tuition. Refer to your grant application to understand the tuition credit commitments promised. Marquette's Tuition Credit policy can be found here: <https://www.marquette.edu/grad/financial-aid-faculty-staff.php>.

20. Effort Reporting

20.1. Roles and Responsibilities: Effort Reporting

Principal Investigator

- Is responsible for reviewing and completing effort report statements for project personnel. These statements are prepared by the Office of the Comptroller at the end of each academic term.
- Makes corrections where needed and returns the forms to the Office of the Comptroller.

Office of the Comptroller

- Is responsible for preparing effort reports, transmitting them to PIs at the end of each academic term for approval or correction, and maintaining documentation pertaining to effort reporting.

20.2. Effort Reports for Faculty and Other Exempt Employees

Marquette University uses after-the-fact activity records, specifically Effort Report Statements, to account for effort. Effort reports will reflect the distribution of activity expended by employees as indicated by the allocation of payments from the payroll system. The effort report accounts for 100 percent of the activity for which the employee is compensated. Effort is expressed as a percentage of total employed time and is not reflected in hours. The total effort expended cannot be more or less than 100 percent.

For professorial and professional staff, the Effort Reports will be prepared each academic term, but no less frequently than every six months. Salary charges are made initially on the basis of estimates made before the services are performed, and such charges are promptly adjusted if significant differences are indicated by activity records. The PI is responsible for ensuring that a superseding Salary Authorization is completed to ensure prompt adjustment to original charges where such correction is needed.

To ensure that Effort Reports reasonably reflect the activities for which employees are compensated by the institution during the period of extramural support, the employee receiving compensation verifies the accuracy of the Effort Report Statement and signs it.

The PI must review and endorse effort reports of all project personnel receiving compensation or committing cost-shared effort to the award. The PI is responsible for final verification of that portion of an employee's Effort Report Statement related to the PI's award.

The Office of the Comptroller notes that the completion of effort reports is verified by the University's auditors during the Audit Report in Accordance with Government Auditing Standards and Uniform Guidance process.

20.3. Activity Records for Non-exempt Employees

For non-exempt employees, unless alternate arrangements are agreed to by the sponsor and the University, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

In cases where Marquette uses electronic timekeeping or other forms of after-the-fact payroll documents as original documentation for payroll and payroll charges, such documents shall qualify as records for this purpose.

21. Project Closure or Transfer

21.1. Roles and Responsibilities: Project Closure or Transfer

Principal Investigator

- Assists with the orderly termination of the award by submitting final technical and administrative reports as required by the sponsor.
- Ensures that project costs have been encumbered and paid in a timely manner so that the final financial report is accurate and complete. This includes communicating with any subrecipients to ensure that subrecipients produce a timely final accounting of their expenditures. Consequently, the PI is responsible for reviewing the final project statement prepared by the Office of the Comptroller, ensuring it is accurate and includes all expenditures incurred on behalf of the project, and is not overdrawn.
- Is responsible for the maintenance and retention of scientific and technical records as required by the sponsor.

Office of the Comptroller

- Using the final project statement as the basis for its final financial report, prepares and transmits the same to the sponsor in the sponsor's required format.

Department Chair

- Is responsible for the retention of scientific or technical records as required by the sponsor in cases where the PI is unable to do so (e.g., the PI leaves the University).

In cases where a faculty member accepts a position at another institution and intends to relocate during the period of the award, ORSP works with Office of the Comptroller and the PI to comply with the sponsor's requirements regarding transfer requests.

21.2. Records Retention

The Principal Investigator is responsible for the retention of scientific and technical records. The department is responsible for records retention in cases where the PI is unable to do so. The Office of Research and Sponsored Programs maintains award agreements and related documents. Grant records follow [UPP 1-12: Records Management](#) and [2 CFR 200.334 -- Retention requirements for records](#).

22. Intellectual Property

In the course of research, scholarship, education, and other activities, Marquette University faculty, staff, and students create patentable inventions, copyrightable works, and other forms of intellectual property that merit legal protection and have financial as well as scientific and scholarly value. As part of its mission, the University promotes the discovery and sharing of knowledge through the protection and licensing of intellectual property. The University is committed to timely assessment of options for legal protection and potential societal benefit of University intellectual property and to sharing equitably the rights and royalties resulting from intellectual property licensing. The purpose of this policy is to define the rights and responsibilities of the University and its faculty, staff, and students with respect to the ownership and administration of intellectual property. See the University's Intellectual Property Policy [Technology Transfer // Marquette University](#).

23. Other Grant Administration Matters

23.1. Return of Salary Savings

Reserved.

23.2. Return of Facilities and Administrative Costs

In order to support research growth and external funding Marquette has adopted an incentive program for those who drive grant funding. These funds reward grant active colleges by supporting future grant activity by way of bridge funding, shared equipment, or other support infrastructure. Units have full control over the funds and may give their faculty direct use of portions of the funds. Every unit has their own allocation policy. More information about the process can be found at [Grant Incentive Program // Research and Innovation // Marquette University](#). Please consult the Director of Academic Business Affairs in a specific College or School to learn more about how funds are allocated locally.

23.3. Material Transfer

A Material Transfer Agreement (MTA) is a contract that governs the transfer of tangible research materials between two organizations, when the recipient intends to use it for his or her own research purposes or commercial evaluation. The MTA defines the rights of the provider and the recipient with respect to the materials and any derivatives. Biological materials are the most frequently transferred materials, but MTAs may also be used for other types of materials, such as chemical compounds and even some types of software. As a general rule, MTAs are required for any incoming or outgoing materials in order to monitor what materials are coming on campus, and what materials (and to whom) Marquette is supplying. Please see [Agreements and Negotiations // Office of Research and Sponsored Programs // Marquette University](#) for sample incoming and outgoing agreements.