



EAST TENNESSEE STATE
UNIVERSITY

Sponsored Program Management

Policy Name: Sponsored Program Management

Policy Purpose

This policy specifies the preparation and submission of sponsored program proposals and the management of sponsored program funding at East Tennessee State University (ETSU or University).

Applicability

This policy applies to ETSU employees.

Responsible Official, Office, and Interpretation

The Associate Vice President of Financial Services/Comptroller is responsible for the review and revision of this policy. For questions about this policy, please contact the Office of [Grant Accounting](#) or the office of [Office of Research and Sponsored Programs Administration \(ORSPA\)](#). The CFO, in consultation with the Office of University Counsel, has the final authority to interpret this policy.

Defined Terms

A defined term has a specific meaning within the context of this policy.

Sponsored Program

Sponsored Programs are those activities that are supported by funding external to the general operating budget of the institution. Sponsored Program funding is restrictive in nature in that the activities it supports are specified by the external agency through the mechanisms of grants, contracts, and/or cooperative agreements.

Cost Sharing

Cost sharing refers to the expenditure of University or third-party resources beyond the amount funded by the sponsor to support the scope of the work defined by a sponsored (federal or non-federal) award.

Facilities and Administrative (Indirect or F & A) Costs

F&A Costs are the real costs of University operations which are not readily assignable to a particular project. These costs are determined by federal auditors and regulations.

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1. General

- 1.1. Sponsored program funding is awarded to ETSU (not to individuals or subunits of the University) and is managed by the Office of Grant Accounting in the Office of Financial Services/Comptroller.
- 1.2. The Office of Research and Sponsored Programs Administration (ORSPA) is responsible for the review and submission of proposals for sponsored program support, the negotiation of sponsored and research-related agreements, and all non-financial, post-award functions.

2. Cost Sharing

ETSU does not voluntarily Cost Share on Sponsored Projects. When Cost Sharing is required by the sponsor or when there is documented evidence that cost sharing is necessary to ensure the competitiveness of the ETSU proposal, the Vice Provost for Research and Sponsored Programs may allow these commitments by approving them in writing and managing the committed University resources.

3. Cost Transfer

ETSU expects that costs directly charged to sponsored project awards will comply with the cost principles outlined in of the Code of Federal Regulations (Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards). Charges to sponsored projects must be:

- 3.1. Allowable (the cost is allowed by federal regulations, sponsor terms and conditions, including program specific requirements and University policy);
- 3.2. Reasonable (reflects whether or not the individuals concerned acted with due prudence in the circumstances);
- 3.3. Allocable (the cost has a direct benefit to the account being charged); and
- 3.4. Treated consistently (like costs in similar instances are treated consistently throughout the University).

4. Financial Conflict of Interest and the Promotion of Objectivity in Sponsored Programs

East Tennessee State University (ETSU) and its employees are committed to the principle of free, open, and objective inquiry in the conduct of its teaching, research, and service missions. The University encourages such endeavors as they enhance personal competency and benefit the community and ETSU. These interactions, however, create the potential for financial conflicts of interest where an individual's

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financial or personal considerations may affect or appear to affect their ETSU institutional activities. A financial conflict of interest depends on the situation, and not on the character or actions of the individual. It is through disclosure to ETSU of significant financial interests related to an employee's institutional responsibilities that such activities may be reviewed and, if warranted, managed. The disclosure of significant financial interests is mandatory for all investigators involved in sponsored research.

5. Indirect Costs /Facilities and Administrative Costs

- 5.1. These rates are negotiated with the Department of Health and Human Services and are applicable to all federally and non-federally sponsored projects.
- 5.2. Full recovery of F&A costs is expected on all grants or contracts.
- 5.3. All deviations from the negotiated Facilities and Administrative Rates must be approved by the Vice Provost for Research.
- 5.4. There are three main F&A activity types under ETSU's negotiated agreement. They are: (1) "Organized Research," (2) "Instruction and Training," and (3) "Other Sponsored Activities." It is important to choose the correct activity type for a proposal, since it determines which F&A rate to use. It is also important to remember that the activity is what occurs during the project period and not for what might result after the project period.

6. No-Cost Extension

- 6.1. Grants and sponsored agreements are awarded with the expectation that Principal Investigator/Project Director (PI/PD) will complete the sponsored project within a certain time frame. When that time frame cannot be met, the PI/PD may request a time extension at "no cost", meaning additional time will be provided to complete the project, without additional funds.
- 6.2. NCE requests are generally directed to the sponsor for approval. However, some sponsors permit the institution's business representative, or the authorized institutional official, to approve or deny requests following sponsor-defined guidelines.

7. Personnel Compensation on Sponsored Projects (Effort)

Personnel costs on ETSU sponsored projects will be budgeted and charged to the sponsored project commensurate with the individual's committed ETSU effort on the project and at their established institutional base rate of pay. Under no circumstances will personnel charges to sponsored projects exceed the proportionate share of the

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base salary for that period. Personnel charges on sponsored projects replace, not supplement, the existing pay source.

8. Pre-award Sponsored Program Account Request

The establishment of a Pre-Award Sponsored Program Account may be requested prior to the receipt of an official notice of grant award or a fully-executed sponsored agreement if there is sufficient evidence that a sponsored award is imminent and the Principal Investigator/Project Director's department accepts financial responsibility for any project costs incurred if the event the award does not materialize.

9. Project Director/Principal Investigator Eligibility

The University assumes significant financial and legal obligations when proposals are submitted to external sponsors and awards are accepted for sponsored projects. Sponsors fund projects based on the professional expertise of the Principal Investigators/Project Directors (PI/PD) submitting proposals. However, the award is made to ETSU. Under the general oversight and authority of ETSU, the PI/PD is the individual who bears primary responsibility for technical compliance, completion of programmatic work, fiscal stewardship of sponsor funds, and compliance with administrative requirements of the project. Thus, the University must ensure that individuals serving in the capacity of PI/PD have the technical competence and administrative capabilities to carry out a sponsored project.

10. Re-budget Requests on Sponsored Projects

There is considerable variation in sponsor policies relative to approval authorities for budget revisions. Accordingly, sponsor agency guidelines and award terms must be consulted when revisions are contemplated. Budget revisions should be based upon the financial plan and cost trends for the award budget period involved. To the extent possible, budget revisions should reflect all necessary reallocations of resources that are foreseen through the end of the budget period. Revisions solely for the purpose of coping with near-term problems (e.g., a \$35.00 overdraft in the supplies category) should be avoided.

11. Sponsored Program Costs

The University will charge costs to sponsored projects in compliance with Federal regulations and ensure all costs are reasonable, allocable, consistent and allowable. Those involved in charging costs to ETSU accounts must meet Federal costing standards and ensure that all costs are allowed and charged in a manner that is an

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accurate reflection of the expenses incurred for the benefit of the project. Unallowable costs will not be permitted on sponsored projects, and, if charged to a sponsored project, will be moved to non-sponsored funds. These costs will be included on the appropriate base when calculating the F&A rate.

Subawards

ETSU is responsible for the programmatic and financial monitoring of its sponsored research award subrecipients. A subrecipient is a third-party organization performing a portion of the scope of work on ETSU research projects or other sponsored programs. The terms of ETSU subrecipient relationships are documented in subaward, subcontract, or consortium agreements. These procedures delineate specific business activity that should be performed in managing subrecipients of sponsored research awards.

Payments to Research Participants

- 11.1. Payments to research participants, regardless of delivery method (check, direct deposit, cash, traditional gift card or electronic gift cards) are considered compensation by the Internal Revenue Service.
- 11.2. Research participants receiving more than \$100 in any calendar year for one study must provide name, SSN and home address at the time of the receipt of payments.
- 11.3. Payments of greater than \$100 to research participants for participation in studies should be made through the university's accounts payable system via check or direct deposit.
- 11.4. A Check Request Form for check or direct deposit payments to research participants should be submitted to the university's Accounts Payable Office.
- 11.5. Some research studies use low dollar payments to compensate participants for time, inconvenience, or as an incentive to increase participation. When such payments are no more than \$100 per payment per participant, and individual participant payments aggregate to less than \$600 per study, it may be appropriate to make payments utilizing cash, traditional gift cards or electronic gift cards.
- 11.6. Payments for traditional or electronic gift cards can be requested using a Check Request Form processed through the Accounts Payable Office.
- 11.7. Payments to research participants using cash can be requested using a Cash Payment to Research Participants Form through Financial Services.

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- 11.8. Payments utilizing cash, traditional gift cards or electronic gift cards or cash are permitted as long as the following procedures are followed:
- 11.8.1. Signatures must be obtained from research participants indicating receipt of the cash or traditional gift card payment.
 - 11.8.2. Personally identifiable information for receipt of payments for research participation should be gathered in a manner which prevents disclosure of personal information to other research participants.
 - 11.8.3. No payment from cash or gift cards may be made to a university employee or non-resident alien.
 - 11.8.4. Cash may not be used to purchase gift cards.
 - 11.8.5. Cash or gift cards for research studies must be assigned to a custodian, e.g. a member of the research study staff, responsible for safeguarding the cash or gift cards.
 - 11.8.6. Cash or gift cards for research studies must be maintained under lock and key by the custodian of the funds.
 - 11.8.7. Access to the cash or gift cards for research studies must be controlled by the custodian of the funds.
 - 11.8.8. The balance of cash gift cards on hand plus participant receipts must equal the cash and gift cards authorized and obtained. If a shortage of cash or gift cards on hand is determined, the shortage must be reported to the university's Bursar's Office immediately.
 - 11.8.9. Cash or gift cards must be used for research participant payment only and may not be used for departmental or other research expenses.
 - 11.8.10. Cash and gift cards for research participants are subject to audit at any time by the university, State Audit, or funding agency.
 - 11.8.11. Cash and gift cards for research participants are required to be closed out at the end of the research study and any excess cash or cards must be returned to the Bursar's Office.
 - 11.8.12. Cash or traditional gift cards must be hand delivered to research participants. These funds cannot be sent to participants through the mail. If participant payments must be mailed, cash or gift cards cannot be used and the payments need to be in the form of a check or direct deposit processed through the university's Accounts Payable department via a Check Request Form. The method of tracking gift cards should record the following information:

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- 11.8.12.1. Recipient name or, in the case of anonymous or confidential human subject participants, the participant ID number;
 - 11.8.12.2. Date of distribution;
 - 11.8.12.3. Signature of PI authorizing disbursement to recipients;
 - 11.8.12.4. Purpose of payment;
 - 11.8.12.5. Serial number of the gift card;
 - 11.8.12.6. Amount of gift card;
 - 11.8.12.7. Signature or initials of study participant or recipient, if available.
- 11.8.13. For anonymous surveys and confidential research participants, the PI must maintain a reconciliation of the number of cards given equaling the number of surveys or participants. This reconciliation must be approved by the supervisor of the person disbursing the cards.
- 11.8.14. For electronic gift cards, the department must maintain a reconciliation of the number of cards given equaling the number of surveys or participants. This reconciliation must be approved by the supervisor of the person disbursing the cards.
- 11.8.15. Payments aggregate to \$600 or more per participant within a calendar year are required to be reported as income to the Internal Revenue Service. Participants receiving an aggregate of \$600 or more in payments of cash or gift cards within a calendar year must be issued a 1099-MISC form by the University's Accounts Payable Office.
- 11.8.16. Employees aware of research participants who have received an aggregate of \$600 or more in payments of cash or gift cards within a calendar year must report the activity to the university's Accounts Payable Office by January 15th of the following year for required tax reporting.

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Procedures

N/A

Applicable Forms and Websites

[Payments to Research Subjects Policy](#)

[Request for Cash payment to Research Participants Version 10/19/17](#)

[Reconciliation of Cash Payments to Research Participants](#)

[Cash Payment Acknowledgement of Receipt](#)

[Traditional Gift Card Acknowledgement of Receipt](#)

[Cost Transfer Request Form](#)

[Fiscal Salary Allocation Form](#)

[Request for Extra Compensation Form for ETSU Employees](#)

Authority and Revisions

Authority: TCA § 49-8-203, et seq; 2 CFR § 200, et. seq.

Previous Policy: [FP-O8 Sponsored Program Management](#)

The ETSU Board of Trustees is charged with policy making pursuant to TCA § 49-8-203, et seq. On March 24, 2017, the Board delegated its authority to ETSU's President to establish certain policies and procedures for educational program and other operations of the University, including this policy. The delegation of authority and required process for revision to this policy can be found on the [Policy Development and Rule Making Policy webpage](#).

To suggest a revision to this policy, please contact the responsible official indicated in this policy. Before a substantive change to the policy section may take effect, the requested

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changes must be: (1) approved by the responsible office; (2) reviewed by the Office of University Counsel for legal sufficiency; (3) posted for public comment; (4) approved by either Academic Council or University Council; and (5) approved by ETSU's President.