

Principal Investigator GUIDE

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100.00 Introduction

This Guide is designed to assist new and established investigators in conducting research at Montana State University (MSU or University) and in complying with research-related regulations. This Guide is designed to provide a quick reference to answer general questions about research and to alert researchers to resources available to help them meet their research responsibilities. This Guide provides an introduction to important research topics and includes links to relevant policy websites for easy access to current information.

110.00 Purpose

- To provide guidance to investigators about how to develop and administer sponsored research projects;
- To inform investigators (particularly Principal Investigators (PI)) and research staff of their roles and responsibilities in research administration and compliance.
- To collect and organize all information about sponsored research projects administration in one document, including linked websites.

Generally, the Guide does not constitute MSU policy; either it summarizes existing policy and provides links to policy websites, or it provides guidance and instruction on various topics relevant to MSU research.

120.00 Contents

This Guide addresses: standards for conduct of research at the University; sponsored project administration from proposal development through post-award administration; financial and other compliance responsibilities; intellectual property administration and technology transfer; and other research related policies, issues, and resources.

200.00 Standards for Conduct for Research

MSU encourages research and scholarly activities and considers them as crucial to the teaching of students, the advancement of knowledge, and the intellectual growth of the faculty. MSU expects that research and scholarly activities will be conducted with the highest ethical and professional standards as described in the Faculty Handbook.

http://www2.montana.edu/policy/faculty_handbook/fh400.html#420.00.

210.00 Openness in Research. MSU adheres to the principle of openness in research because of its missions of education, research, and public service. Therefore, MSU does not generally conduct or permit its faculty to conduct classified or secret research at MSU or under a grant administered by MSU.

MSU will generally not enter into a contract nor accept a grant to carry out research if the grant or contract restrains the freedom of the University to disclose:

- The existence of the contract or grant,
- The general nature of the inquiry to be conducted,
- The identity of the sponsor, or
- The research results

Generally, PIs must be free to publish the results of their research without prior approval of a sponsor or third party.

Sponsors may be permitted a short period to review publications prior to submission in order to identify and request the removal of sponsor confidential information or to identify and take appropriate steps to protect intellectual property.

220.00 Research Misconduct. All MSU researchers are expected to conduct scholarly research and publish the results with the highest standards of ethical conduct, truth, and accuracy. The University has established policies and procedures, consistent with federal regulations, for responding to allegations of research misconduct. The policy establishes a method for reporting and investigating such allegations. Any suspected research misconduct should be reported to the dean of the relevant college. [Faculty Handbook §§ 430-439 http://www2.montana.edu/policy/faculty_handbook/fh400.html#430.00]

230.00 Outside Interests and Employment. MSU encourages sponsored research, consulting, and other activities that disseminate knowledge to the larger public. However, in participating in such activities, faculty and staff must be mindful of the potential for real and apparent conflicts between outside activities and their University responsibilities. And, they must follow Montana law, Board of Regents policies [<http://bor.montana.edu/borpol/bor700/770.htm>] and MSU policy [http://www2.montana.edu/policy/conflict_of_interest/coi_policy_04_2008.htm] concerning conflicts of commitment and interest. Specifically, faculty and research staff must disclose any significant financial interest which may affect their research as explained in more detail in section [830.00](#).

240.00 Nepotism. MSU policy prohibits employees from participation in employment decisions concerning relatives. [Personnel Policies and Procedures Manual § 430 <http://www2.montana.edu/policy/personnel/per400.html#430.00>] Further, employing or contracting with relatives in sponsored research is prohibited unless explicitly approved in accordance with the procedures contained in the Nepotism policy. MSU's policy conforms to federal regulations governing conflicts of interests. The prohibition applies to all types of employee appointments including hourly, temporary, and student employees as well as to the selection of contractors and vendors.

250.00 Sexual Harassment. MSU is committed to maintaining an environment free of sexual harassment, including the research environment. For more information about the sexual harassment policy and training, contact the office of Human Resources/Affirmative Action. [Personnel Policy and Procedures Manual <http://www2.montana.edu/policy/personnel/per1200.html#1210.00>]

260.00 Non-Discrimination. MSU is an equal opportunity employer and does not discriminate on the basis of race, color, national origin, sex, sexual preference, marital status, age, religion, creed or political belief, mental or physical handicap or disability, or status as a Vietnam era or disabled veteran. [Personnel Policies and Procedures Manual § 1220.00 <http://www2.montana.edu/policy/personnel/per1200.html#1210.00>]

270.00 Data Retention and Storage. MSU requires that all documents related to federal and state sponsored projects, including primary research data and all supporting documents, be available to federal and state auditors for the period specified by federal and state regulation—in most cases, a period of three years from the filing of the final financial report. MSU expects faculty members to retain all research data, in their laboratories or other appropriate research locations, and to provide access to the data when requested to do so by authorized institutional officials. Requests from sponsors for access to research data, as well as subpoenas for research data, should be forwarded to the Office of Sponsored Research or to the Office of Legal Counsel for review before a response is made. Further information on data security can be found at [http://www2.montana.edu/policy/itc/data_stewardship.htm].

300.00 Overview of Sponsored Programs Administration

The Office of Sponsored Programs (OSP) assists faculty and research staff with all aspects of securing support from external sponsors, and all requests for externally funded projects require the review and approval of OSP. Once a project is approved, the University and the Principal Investigator (PI) have a shared responsibility to the funding agency or sponsor ("sponsor") to make sure that a project is performed as proposed, that funding is used in accordance with the specified terms and conditions, and that all required reports are provided in a timely manner.

310.00 The Office of Sponsored Programs. The OSP is located on the third floor of Montana Hall, and is responsible for the following functions:

- Review and authorization of proposals for submission
- Negotiation of award terms and conditions
- Acceptance of awards on behalf of the University
- Drafting and issuance of subcontracts and sub grants
- Coordination with the PIs and departments to assure compliance with all applicable sponsor regulations and University policies and procedures
- Notifying the University community of funding opportunities as well as sponsor policies and application guidelines
- Informing the University community of sponsor regulations and policies
- Supporting the efforts of the Principal Investigators and administrators in managing funds awarded as grants and contracts as described in detail below in [Section 500.00](#).

The Office of Sponsored Programs (OSP) and the Technology Transfer Office (TTO) are part of the office of the Vice President for Research, Creativity and Technology Transfer. <http://www.montana.edu/wwwvr/>.

320.00 The Principal Investigator. The PI assumes the primary responsibility for the conduct of any sponsored project. To insure that the research is conducted by those who have the requisite skills and training, only employees authorized in the Principal Investigator Policy may serve as PIs (or Co-PIs) on grants and contracts managed by the MSU Office of Sponsored Programs. Generally, the Policy provides that only tenured, tenurable, or research faculty and research scientists may serve as PIs. The Policy provides for certain exceptions to this general rule and should be reviewed if any other persons are being considered for designation as PIs on particular proposals.

OSP-sponsored PI Training is required before taking on PI responsibilities. The training is also encouraged for all other investigators and research personnel.

330.00 Overview of Principal Investigator Responsibilities. Sponsored projects administration is a joint effort between the PI and the University. The PI is accountable for the proper fiscal management and for the scientific and intellectual direction of the project. The University is legally and financially responsible and accountable to the sponsor for the performance of the activity funded and the proper use of funds, but without the full cooperation and oversight of the PI, MSU would be unable to fulfill its stewardship role.

The PI is responsible to the University and to the sponsor for assuring that the scope of work for which the award was made is completed, that MSU policies and procedures are adhered to, and that funds are expended in accordance with the awarded budget and sponsor terms and conditions.

While the PI may delegate some responsibility for day-to-day management of finances or other tasks to departmental business staff, the PI remains accountable for compliance with University policy and sponsor requirements. A more detailed description of the PI's responsibilities is found below in [Section 520.00](#).

400.00 Proposal Development

410.00 Identifying Funding Sources.

410.10 OSP Resources. OSP maintains up-to-date electronic databases, reference books, reports, directories, guidelines, forms and newsletters from federal, state and private agencies which can be consulted with a particular project in mind. The Office of Sponsored Programs staff can help broaden the pool of possible sponsors by visiting with researchers.

Current information about a particular sponsor, including the program deadline, the review process, allowable costs, past and present funding priorities and agency personnel is available through OSP's Pre-Award office.

Searchable databases of funding sources -- [SPIN](#) (from InfoEd International) (http://spin2000.infoed.org/new_spin/spinmain.asp) and [Community of Science](#) (<http://www.cos.com>) are available to MSU faculty and students. Since these are subscription based services, access is limited to MSU campuses. Funding alert services are also available.

Faculty profiles can be created in [GENIUS](http://spin2000.infoed.org/GeniusSearch/admin_login.asp) (from InfoEd International) (http://spin2000.infoed.org/GeniusSearch/admin_login.asp) and in [Community of Science](http://www.cos.com) (<http://www.cos.com>). Choose keywords that identify your areas of research interest, and you will receive e-mail alerts of new funding opportunities as they become available. Search the GENIUS and COS Expertise databases to identify collaborators worldwide. Call OSP (994-6240) for assistance.

Researchers are welcome to visit OSP in 309 Montana Hall to browse information files, search databases, download forms, scanning letters of support, and converting files to PDF.

410.20 Grants.gov. Grants.gov allows electronic access to more than 1,000 grant programs offered by all federal grant-making agencies. Grants.gov replaces paper applications with electronic forms and requires electronic submission of all applications. It is the central portal for federal grant announcements and submissions and all federal granting agencies now post their funding opportunities on [Grants.gov](http://grants.gov) (<http://grants.gov>) (many also post on their own funding websites). Most agencies also require submission via Grants.gov—although some have not completed their implementation at this date. Researchers should regularly visit agency websites to keep abreast of agency migration to electronic posting and receipt of applications.

MSU is already registered as an institution through Grants.gov. No additional registration by PIs is necessary. If the sponsor requires submission through Grants.gov, contact OSP well in advance of due dates in order to assure an on-time application through this federally required system.

For more information and tips, refer to [OSP's Grants.gov webpage](#). Audrey Thurlow, in Pre-Award Services, can also answer questions and provide guidance. Call 994-6240 or email to: athurlow@montana.edu

420.00 Limited Submissions. Some sponsors limit the number of proposals that MSU may submit to a particular program. Institutional procedures have been developed for selecting proposals in these circumstances, and announcements soliciting internal proposals are distributed by OSP. An internal selection process is used to review the proposals and select those that most closely match the sponsor's and MSU's interests and have the best opportunity for success. [Limited Submission Policy](http://www2.montana.edu/policy/Limited_Submission_Policy.htm) (http://www2.montana.edu/policy/Limited_Submission_Policy.htm)

430.00 Proposal Preparation Overview. The format or presentation of a particular proposal will depend on the requirements of the sponsor. Most sponsors have developed policies and procedures for the submission of proposals and may require the use of specific application forms or electronic web-based systems. Other sponsors may have less stringent format requirements. In any case, PIs should obtain the most recent version of the sponsor's application guidelines and should follow the required proposal format. Guidelines or URLs should be forwarded to OSP well in advance of the due date of the proposal to allow for internal review and processing.

OSP has developed a [Proposal Clearance Form \(PCF\)](#), which must be used when submitting proposals to OSP for review and approval. The PCF summarizes key administrative and fiscal information about the proposal that is helpful to the MSU reviewer. This form is available both electronically and in hard copy (<http://www.montana.edu/wwwvr/grants/PCFexcelMar11.xls>), however, use of the [electronic PCF \(ePCF\)](#) (<https://helene.msu.montana.edu/epcfprod>) is strongly encouraged. The PCF must be signed by the PI and any Co-PIs, the department head and dean. The proposal will not be authorized or transmitted to the sponsor until the completed PCF **and** the accompanying documents, such as Grants.gov packages have been received by OSP. A fax of the PCF is acceptable.

PCFs and all attachments must be submitted to OSP for review no later than 48 hours prior to the submission deadline. PROPOSALS RECEIVED LESS THAN 48 HOURS PRIOR TO THE SUBMISSION DUE DATE WILL BE SUBMITTED ONLY IF THE ASSISTANT VICE PRESIDENT FOR RESEARCH (OR DESIGNEE) DETERMINES THAT THERE IS ADEQUATE TIME FOR A COMPLETE REVIEW OF THE PROPOSAL MATERIALS. In certain instances a proposal may be submitted to the sponsor but later withdrawn or declined if issues arise due to the lack of time to properly review proposal materials. IT IS THE RESPONSIBILITY OF THE PI TO ENSURE THAT THE PROPOSAL IS SUBMITTED TO OSP 48 HOURS PRIOR TO THE DEADLINE.

440.00 Elements of a Proposal.

In general, a proposal uses the following format:

Title Page includes the applicant name (Montana State University), title and duration of the project, amount requested, name and address of the PI and of the Institutional contact (in most cases, OSP).

Abstract or Proposal Summary describes the objectives, methodology and significance of the proposed project. The abstract should be intelligible to someone who is not an expert in the field and should be able to stand alone.

Introduction frames the problem and concisely states the importance of the research being proposed.

Project Narrative includes the specific aims of the research, background and significance, preliminary studies and research design and methods.

Bibliography

CV/Biographical Sketch should be submitted for all key personnel, indicating background, professional interests, research capabilities and publications. Sponsors appreciate clarity and brevity in this section.

Budget and Budget Justification reflecting a reasonable estimate of the expenses necessary to conduct the project. For more information about budget development, see Section 460.00 below.

Current and Pending Support outlining active awards and pending proposals for all key personnel. This includes all financial resources, whether Federal, non-Federal, commercial or institutional, available in direct support of an individual's research endeavors, including but not limited to research grants, cooperative agreements, contracts, and/or institutional awards. Training awards, prizes, or gifts do not need to be included.

Facilities and Resources describing equipment or other relevant resources that will be available to the project. Examples of such resources include: laboratory and office space, library resources, animal facilities, computer services or equipment.

OSP Pre-Award personnel are available to provide assistance in the preparation and submission of proposals.

450.00 Cost Accounting Principles of Sponsored Project Support. The majority of externally sponsored funding at MSU is provided by the federal government. Cost accounting principles for higher education grantees are established by the federal Office of Management and Budget (OMB).

The OMB circulars that are most relevant to universities include:

OMB Circular A-21: Cost Principles for Educational Institutions. This circular establishes principles for determining direct and indirect costs applicable to grants, contracts and other agreements with educational institutions. (http://www.whitehouse.gov/omb/circulars_a021_2004)

OMB Circular A-110: Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations. This circular sets forth the administrative requirements that educational institutions must adhere to. Generally, individual federal agencies implement OMB Circular A-110 as individual agency regulations. (http://www.whitehouse.gov/omb/circulars_a110)

OMB Circular A-133: Audits of Institutions of Higher Education and Other Non-Profit Institutions. This circular establishes audit requirements and defines federal responsibilities for implementation and monitoring such requirements for institutions of higher education receiving federal awards. In addition, the ethical standards expected of faculty participating in federally sponsored programs, are dictated by other federal funding agency policies such as financial conflict of interest regulations and misconduct policies.

(http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf)

Costs may be charged if expenses meet the following criteria:

Reasonableness: The nature of the expenditure and the amount must reflect an action that a prudent person would take under the circumstances.

Allocability: The expenditure must provide a direct benefit to the project (i.e., the cost of a piece of equipment that is required to accomplish the work of two projects may be proportionately shared by those projects).

Consistency: Costs incurred for the same purpose in like circumstances must be treated consistently as direct or indirect (F&A) costs across the institution.

Allowability: Costs must conform to any limitations or exclusions as set forth in OMB Circular A-21 (Cost Principles for Educational Institutions). Examples of unallowable costs under federal sponsorship include alcoholic beverages, entertainment costs and memberships.

Typical unallowable costs (worksheet within Excel workbook)

(<http://www.montana.edu/wwwvr/osp/documents/ExpAcctMstr.xls>)

Costs that do not meet all of the above criteria may ***NOT*** be charged to federal grants.

Non-governmental sponsors may apply different cost principles. Investigators should read the sponsor instructions carefully and consult with OSP for further advice.

460.00 Developing a Budget Proposal. The proposal budget should delineate the entire cost of the project and accurately reflect costs that are necessary to complete the work. The budget should reflect the methodology described in the proposal narrative. Reviewers should be able to determine if sufficient funds are being requested to successfully complete the project, and that those requests are reasonable given the scope of work.

Accuracy and detail are essential in budgeting for any proposal. PIs should follow a sponsor's guidelines exactly and provide information in the format specified in the proposal guidelines.

Your departmental business manager/accountant and the OSP staff are available to assist investigators in developing budgets that are consistent with University policy and agency requirements. These staff members have access to current information about various University costs, such as fringe benefit rates and tuition.

461.00 Major Budget Categories. Sponsored project costs fall into two broad categories: direct costs and facilities and administration (F &A) costs. F&A costs are also sometimes called “indirect costs,” “IDCs” or “overhead”.

462.00 Direct Costs. Direct costs are those which can be specifically identified and allocated to a single sponsored project. At MSU, these costs usually include salaries/wages, fringe benefits, equipment, travel, materials and supplies, publications, subcontract or contracted services, communications, repair and maintenance, participant support costs, and rent. These costs are described in more detail below.

Salaries and Wages.

Faculty - Use current salary figures. For multi-year proposals, an escalation factor may be added up to 7% per year. No additional compensation may be paid from a sponsored project unless it is specifically identified as such in the budget proposal and specifically approved by the sponsor. For summer salary, the National Science Foundation will pay only 2/9 of AY salaries.

Staff - Use current salary figures. For multi-year proposals, an escalation factor may be added up to 7% per year. If the position is new, contact HR/Personnel and Payroll [<http://www.montana.edu/wwwpn/>] to establish an approximate grade and salary or visit the salary administration website, http://www2.montana.edu/policy/recruit_hiring/rhm200.html#sec214_00.

Graduate Research Assistants - contact the Graduate Office (<http://www.montana.edu/wwwdg/>) to obtain the current graduate stipend amount. If paying graduate fees, they should be shown as a separate line item in your budget.

Fringe Benefits. There are different benefit rates for faculty, classified, full-time students, or temporary help. The rates are found OSP Information Sheet (<http://www.montana.edu/wwwvr/osp/documents/InfoSht.xls>) or call OSP for more information. Note that Montana law (§2-18-703 MCA) <http://data.opi.state.mt.us/bills/mca/2/18/2-18-703.htm> requires MSU to contribute a certain dollar amount towards the insurance group benefits costs for each MSU employee. That contribution is required regardless of whether the employee has elected insurance coverage by a state-sponsored group benefit plan. Thus, the fringe benefits charge to the research sponsor must include the statutory insurance benefits contribution amount for each employee proposed to be paid under the grant, whether or not the employee has elected state-sponsored insurance coverage.

Equipment. Items with a cost of at least \$5,000 with a useful life of one year or more are listed here. Cost estimates should include any tax and shipping costs. Parts or pieces of equipment to be fabricated (totaling \$5,000 or greater) should also be included in this category.

** Restriction on General Purpose Office Equipment: Federal regulations (OMB Circular-21) (http://www.whitehouse.gov/omb/circulars_a021_2004) do not allow purchase of general-purpose office equipment (regardless of the purchase price) unless the purchase has been approved by the sponsoring agency in advance of purchase. “General purpose equipment means equipment, the use of which is not limited only to research, medical, scientific or other technical activities. Examples of general purpose equipment include office equipment and furnishings (chairs, file cabinets, etc.), air conditioning equipment, reproduction and printing equipment, motor vehicles, and automatic data processing equipment.”

Travel. Allowable costs include meals, lodging, airfare, and ground transportation which must be in accordance with State of Montana travel rates. Per diem rates, mileage rates, and motor pool rates are available from the MSU-Bozeman Business Office Procedures Manual (http://www2.montana.edu/policy/business_manual/) and Facilities Services (http://www2.montana.edu/policy/facility_use/). Some sponsors require a separate category for domestic and foreign travel. Proposers must provide sufficient detail to support the costs; insufficient detail for travel costs could result in delays at the sponsoring agency.

Materials and Supplies. All consumable materials including the purchase cost of animals as well as small items of equipment that do not meet the threshold for "capital equipment" are listed under this category. Each item or group of items should be listed and carefully justified by using catalog prices or reasonable estimates plus taxes and shipping costs. All Materials and supplies must be purchased in accordance with MSU purchasing requirements. <http://www2.montana.edu/policy/purchasing/>.

Publications. Include the best estimate of the costs of any publications.

Services Provided by Others:

Subcontract. A subcontract/subaward issued to an agency, university or independent contractor that <http://www.montana.edu/wwwvr/osp/SubcontractsMainPage.html> performs a portion of the prime contract/award scope of work—MSU passes-through a portion of the prime work to another. All of the terms and conditions in the prime grant or contract, applicable to the type of subrecipient involved, are included in the subcontract/subaward agreement. Each proposed subcontractor should prepare and submit a detailed budget and a scope of work which should be listed separately on your budget; however, these budgets should be carefully reviewed for accuracy. Generally, federal sponsors allow MSU to apply its allowed F & A rate on the first \$25,000 subcontract costs for the life of the award and that F & A amount should be budgeted as a direct subcontract cost.

Contracted Services. This category consists of services rendered by others EXCEPT equipment rentals, repairs, and maintenance. It includes consultant and professional services, honorariums/speaker fees, and general off-campus services provided by others. On-campus services (e.g., animal care, technical services, plant growth, etc.) should also be included in this budget category. Most federal agencies limit the minimum daily compensation rate paid to off-campus consultant services to GS-18 level (\$482 per day as of 4/01) [replace number with website reference]. Legal Counsel's signature is required on all contract service agreements for \$25,000 or above. More information regarding subcontracts, vendors, and consultants can be found at <http://wuro.wustl.edu/How%20to%20tell.pdf>.

Communications. This includes long-distance, cell phone, postage, courier (FedEX etc.), advertising and other costs of communicating. Cell phone costs must conform to [MSU's cell phone policy](http://www2.montana.edu/policy/itc/FINAL%20Policy%20on%20Mobile%20Comm%20Devices.htm) (<http://www2.montana.edu/policy/itc/FINAL%20Policy%20on%20Mobile%20Comm%20Devices.htm>). Generally, the policy allows cell phones to be charged directly to sponsored grants or contracts only when explicitly approved by the sponsoring agency. Otherwise cell phone costs are reimbursable only when the specific call is grant-related.

Repair and Maintenance. This includes costs of maintaining and repairing equipment and vehicles.

Participant Support Costs. This category includes the costs of the travel, meals and lodging of project participants other than MSU employees—for example, participants in a conference conducted as part of the research. No F & A costs may be charged on participant support costs under federal awards.

Rent. The cost of renting or leasing space is shown in this category.

A budget narrative should follow your itemized budget to fully identify and explain unusual items or activities. For example, contracted services, subcontractors, equipment with a unit cost of \$5,000 or more, or foreign travel should be explained in the narrative.

463.00 Facilities and Administration Costs

463.01 General. F & A costs (also called "indirect cost", "IDCs", or "overhead") are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. They include such categories as library operations, utility costs, depreciation of

buildings and equipment, operations and maintenance costs, grant and contract administration and accounting, and general administrative expenses for central offices such as the President, Provost, Vice Presidents, Human Resources, Purchasing, etc.

463.02 F & A Rates. MSU's F&A cost rate is negotiated periodically with the U.S. Department of Health and Human Services and current rates are found at <http://www.montana.edu/wwwvr/osp/documents/RtAgmtJuly2011.pdf>].

The full facilities and administration cost rate will be applied to all proposals unless the funding agency prohibits facilities and administration costs, has its own rates, or has been approved in advance by the VP for Research. For proposals submitted to state agencies, Board of Regents Policy 404 (Indirect Cost Recovery Rate) must be followed. The policy may be accessed at <http://mus.edu/borpol/bor400/404.pdf>.

Not all sponsors allow F&A cost recovery. If F&A costs are not allowed by the sponsor, or if the sponsor has an established facilities and administration cost rate which is different from the MSU federally negotiated rate, a copy of the sponsor's statement to that effect should be attached to the Proposal Clearance Form when it is submitted for approval to the OSP.

463.03 F & A Rates Not Chargeable to Certain Costs. When allowed, F&A rates are applied against all costs **EXCEPT**:

- Equipment items costing \$5,000 or more
- Subcontract costs of more than \$25,000 per subcontract
- Participant support costs
- Tuition remission
- Rental or lease payments

463.04 MSU Use of F&A Funds. F&A funds are retained by MSU-Bozeman in accordance with Montana law and are available for use by the institution in accordance with law and MSU policy. The MSU Policy on Use of F&A Funds is found at [Appendix A \(http://www.montana.edu/wwwvr/osp/FAFunds.html\)](http://www.montana.edu/wwwvr/osp/FAFunds.html).

464.00 Cost Sharing. Cost sharing is sometimes required by the funding sponsor and MSU policy allows proposals to include cost sharing only when required by the sponsor as part of the eligibility criteria. Cost-sharing under a federal grant is subject to certain federal regulations, which stipulate that cost-sharing must come from non-federal sources. Proposals listing cost-sharing must explain how the cost-sharing commitments will be met and PIs are advised that cost sharing will be proposed only in accordance with MSU's Cost Sharing Policy, contained in [Appendix B \(http://www.montana.edu/wwwvr/osp/Costsharingpolicy.html\)](http://www.montana.edu/wwwvr/osp/Costsharingpolicy.html).

500.00 Proposal Review, Processing and Approval

All MSU proposals submitted to external funding agencies must be transmitted by OSP. Regardless of any sponsor requirements, proposals must be reviewed and have University approval [Section 400.00](#) prior to being submitted to the sponsor. See also [Faculty Handbook Section 1132.08 \(http://www2.montana.edu/policy/faculty_handbook/fh1100.html#1130.00\)](#).

510.00 Proposal Clearance Form and Approvals. OSP has developed a [Proposal Clearance Form \(PCF\) \(https://helene.msu.montana.edu/epcfprod\)](https://helene.msu.montana.edu/epcfprod), which must be used when submitting proposals to OSP for review and approval. The PCF summarizes key administrative and fiscal information about the proposal that is helpful to the MSU reviewer. This form is available both electronically and in hard copy, however, *use of the **electronic PCF (ePCF)** is strongly encouraged.* The PCF must be signed by the PI and any Co-PIs, the department head and dean. The proposal will not be authorized or transmitted to the sponsor until the completed PCF **and** the accompanying documents, such as Grants.gov packages have been received by OSP. A fax of the PCF is acceptable.

PCFs and all attachments must be submitted to OSP for review no later than 48 hours prior to the submission deadline. PROPOSALS RECEIVED LESS THAN 48 HOURS PRIOR TO THE SUBMISSION DUE DATE WILL BE SUBMITTED ONLY IF THE ASSISTANT VICE PRESIDENT FOR RESEARCH (OR DESIGNEE) DETERMINES THAT THERE IS ADEQUATE TIME FOR A COMPLETE REVIEW OF THE PROPOSAL MATERIALS. In certain instances a proposal may be submitted to the sponsor but later withdrawn or declined if

issues arise due to the lack of time to properly review proposal materials. IT IS THE RESPONSIBILITY OF THE PI TO ENSURE THAT THE PROPOSAL IS SUBMITTED TO OSP 48 HOURS PRIOR TO THE DEADLINE.

511.00 Materials Required for Review. A draft of the abstract or proposal summary, budget justification, other support information, and cover/signature pages, must be submitted with the PCF to OSP.

512.00 Required Review and Signatures. No proposal may be submitted to any external sponsor without the prior approval of the University. The signature of the Institution's authorized official (in most cases, the Assistant Vice President for Research) is necessary. In many cases, this authorization certifies compliance with federal regulations. In other cases, the authorization represents pre-acceptance of terms and conditions of the award. OSP will not sign a proposal until the review process, which can take several days, is complete. PIs are encouraged to submit proposals well in advance of sponsor deadlines to allow for review and internal processing. It is recommended that proposals be submitted one to two weeks before the deadline, but in no event may proposals be submitted less than **48 hours** before the submission deadline.

520.00 PI Proposal Review and Approval Responsibilities

PIs are responsible for the following:

- Ensuring the accuracy of the information provided in the proposal, including the scientific and intellectual direction of the project
- Maintaining compliance with all University and sponsor requirements for the design and scheduling of the proposed project
- Obtaining agreement to participate from all proposed collaborators and consultants
- Completing materials in a timely fashion to allow for review, processing, and transmittal to the sponsor by the deadline

530.00 Departmental Business Manager/Accountant Review and Approval Responsibilities. Although responsibilities vary by department, business managers or department administrators are typically responsible for the following functions:

- Assisting in budget preparation by providing accurate estimates for salary and other budget items for PI approval
- Preparing current and pending support information for PI approval
- Assisting the PI in coordinating documentation for subcontracts and/or consultants
- Assisting the PI in preparing required proposal documents

540.00 Department Head/Dean Review and Approval Responsibilities. The PI's department head or dean should review the proposal for the following:

- Appropriateness of the project being proposed by the PI given the resources of the department and its overall objectives
- Commitment to allow the PI to conduct the project
- Commitment to provide sufficient space for the proposed work
- Commitment of time by department investigators to conduct the project
- Cost sharing commitments in accordance with [MSU cost sharing policy](http://www.montana.edu/wwwvr/osp/Costsharingpolicy.html) (<http://www.montana.edu/wwwvr/osp/Costsharingpolicy.html>)

The department head or dean's signature on the Proposal Clearance Form certifies review and approval of the proposal.

550.00 OSP Review and Approval Responsibilities. OSP is charged with performing the following functions:

- Review proposals for compliance with University and sponsor requirements
- Alert PIs and/or departments to potential problems with the funding source (i.e., onerous reporting requirements, problematic intellectual property policies, etc.)
- Ensure that information provided related to any required assurances is accurate and complete (i.e., use of human subjects or animals, lobbying, etc.)
- Obtain approval for any unusual sponsor requirements, such as waiver of indirect costs or restrictions on dissemination of results
- Verify cost-share commitments and/or matching funds

- Verify documentation for subcontractors and/or consultants
- Review proposal routing form for appropriate signatures and PI compliance with relevant special reviews
- Verify F&A accounting cost return rates
- Review proposed budgets

560.00 Submitting the Proposal

561.00 Mail or Courier Submission. The PI should note the number of copies of the proposal required by the sponsor and the deadline for submission of proposals. One complete copy of the proposal must be provided to OSP for the files. The PI is responsible for ensuring that the correct number of copies of the proposal is delivered to the sponsor.

562.00 Electronic Submission of Proposals. Many sponsors require or allow electronic submission of proposals and, as with any proposal, contact your OSP Fiscal Manager when preparing an electronic proposal. Electronic submission must be submitted to OSP for approval in the same manner as all proposals and must be submitted to OSP for review and approval at least 48 hours prior to the submission deadline. For more information on electronic submissions, contact your OSP Fiscal Manager or the OSP Pre-Award Office.

563.00 Deadlines. Sponsor requirements vary widely as to what is considered an "on-time" application. A receipt deadline is the date by which the sponsor must receive the proposal. A postmark deadline means that the proposal must be postmarked by the date, not received by the sponsor. In most cases, a proposal will not be considered if it misses the agency deadline. Electronic proposal submissions have specific requirements concerning deadlines which should be consulted. Pay attention to time zone differences. If you have any questions about the deadline requirements for your application, please contact OSP for assistance.

570.00 Pre-Award Audit/Additional Information

571.00 Additional Supporting Materials. Sponsors may require additional proof or supporting materials to document a proposed budget prior to award. PIs should maintain a file of all supporting materials used in the development of a project budget—e.g., copies of price quotes for equipment, documentation of travel costs, documentation of animal care costs, etc. Easy access to documents supporting your costs can prevent delays in processing and reductions in funding.

A sponsor may wish to support a proposed project, but at a reduced level of funding. If requested, a revised budget should be submitted to OSP for review. Reductions in proposed budgets should be evaluated to determine whether there is a change in the PI's level of effort or to the scope of work. OSP is responsible for negotiations of any changes to the proposal at this stage and when notified of such negotiations, PIs must refer sponsor to OSP.

572.00 Site Visits. For large proposals, sponsors may wish to visit the University to meet with those who will be responsible for the conduct and administration of the proposed project. The visits can vary from brief meetings to discuss the specifics of the science to multi-day reviews by a team of outside experts who will evaluate all aspects of the proposed work and the University environment available to support it.

OSP must be notified of any proposed site visit. OSP staff can assist in preparing for these visits and will be available to meet with members of the site visit team. In order to save on their travel budgets, some sponsors hold "reverse" site visits where the PI and other key personnel are invited to meet agency representatives at the sponsor's headquarters.

580.00 Protection of Confidential or Sensitive Proposal Information. When preparing proposals, PIs should be aware that federally funded proposals must be made available as stipulated by governmental regulations for audit and review. Therefore, PIs should be cautious about including sensitive information, such as personal, scientific, or proprietary information that the PI may not want publicly distributed.

If the federal agency receives a request for access to the proposal under the "Freedom of Information Act" (FOIA), the agency will notify the PI to provide an opportunity to review the application for any information that may be withheld under applicable law. Notices of FOIA requests for information contained in MSU proposals should be reviewed with the Office of Legal Counsel before responding.

600.00 Award Acceptance

An award is most broadly defined as financial support for a specific research project, training program, equipment purchase or other activity. Federal agencies, and many private research sponsors, categorize awards in the four basic types described below. The categories determine how the funds are allocated and controlled. Each type of award carries with it a set of regulations and responsibilities to which PIs must adhere. Post-award responsibilities are discussed in [Section 700.00](#).

611.00 Grants are transfers of funds to support specific projects in which the sponsor has an interest but does not play an active role. A grant is given without expectation of delivery of a specific product or service other than a final written report. Grants are written documents with general terms and conditions that usually stipulate a project period and minimal reporting requirements. They normally fund basic research, fellowships, and training.

612.00 Contracts are entered into to provide support for a specific, often narrowly focused, set of tasks for the direct benefit of the sponsor. Contracts are written documents enforceable by law, typically with terms spelled out in greater detail than in a grant. The University is generally given less latitude to modify aspects of the scope of work and the budget. Contracts normally fund applied research and service by the University.

613.00 Subcontracts or sub grants are contracts or grants issued under a larger agreement where a portion of the scope of work is delegated to another organization. Subcontracts are typically subject to the terms and conditions of the prime award.

614.00 Cooperative Agreements create a collaborative relationship between MSU and the sponsoring agency, which is often substantially involved with the project. The University does not have much latitude to modify the scope of work and the reporting requirements are usually fairly strict. Cooperative agreements are normally awarded in support of basic research.

615.00 Testing Agreements are agreements to use MSU laboratories, equipment, and expertise to perform fee-based testing requested by a third party, using testing protocols specified by the third party, and performed primarily for the benefit of the third party. Testing Agreements are not sponsored research and MSU has adopted a policy for when these agreements are appropriate as well as a form for the agreement. Contact the [TTO Office \(http://www.montana.edu/wwwvr/tto/index.html\)](http://www.montana.edu/wwwvr/tto/index.html) for assistance

620.00 Receipt of Award. The Vice President for Research, Creativity and Technology Transfer, or his designee, has authority to accept an award for MSU. MSU requires that all sponsored awards be processed by OSP; all award documentation must be sent to OSP to be reviewed and accepted on behalf of the University and any documents that are sent to the PI should be forwarded to OSP immediately upon receipt.

630.00 Negotiation/Acceptance. OSP reviews all terms and conditions of an award and assures Legal Counsel and Technology Transfer review before acceptance to ensure that the sponsor's requirements are compatible with law and MSU's policies and procedures. Since a sponsored award binds both the sponsor and MSU to certain commitments, it is important that the terms are clearly understood and that all concerns are resolved before the award is accepted for the University.

OSP has primary responsibility for and takes the lead in negotiating terms between MSU and the sponsor. PIs are not expected or encouraged to negotiate with external sponsors, although they may be asked to participate in discussions with the agency concerning programmatic issues. If a PI is contacted directly by a sponsor regarding the terms of an award under discussion, the sponsor should be referred to OSP.

640.00 Signature Authority. Many awards require the signature of an authorized institutional official to formally accept the terms and conditions of the award. OSP is responsible for obtaining the appropriate institutional signature.

Investigators are cautioned not to sign University agreements for sponsored support, patents or copyright licenses, biomaterials, equipment loans, confidential disclosure agreements, or materials transfer. These agreements bind the University to certain obligations and, as such, can be signed only by those who have delegated signature authority. [\[Delegation of Authority Policy \(http://www2.montana.edu/policy/delegation_of_authority2006/Delegation_%20of_%20Authority10_23_06.htm\)\]](http://www2.montana.edu/policy/delegation_of_authority2006/Delegation_%20of_%20Authority10_23_06.htm).

650.00 Account Set-up. Once an award has been accepted for the University, a fund number is established to allow expenditures to be incurred. An index/fund number is assigned by the Office of Sponsored Programs (OSP). This signifies

that the fund is housed within the OSP area and is subject to restricted use. Once notified of the index/fund number, you may charge allowable project expenses against the account in accordance with the project start date, end date and the approved budget.

660.00 Pre-Award/Late Award Account Set-up. Under certain conditions, a PI may request an account prior to the actual receipt of the award. See [Section 744.00](#) and [MSU's Cost Transfer Policy](#) (http://www2.montana.edu/policy/Cost_Transfer_Policy_for_OSP_Funds.htm).

700.00 Post-Award Administration

The process of managing sponsored research funds is a shared responsibility among the PI, the Office of University Services, the department business manager/accountant, and OSP; each has unique areas of primary responsibility.

710.00 Responsibilities of the PI in Post-Award Administration. The PI has primary responsibility for accomplishing the technical goals of the project and complying with the financial and administrative policies and regulations associated with the award. Although PIs may have administrative staff to assist them with the management of project funds, the ultimate responsibility for the management of the sponsored research project work and funds rests with the PI. The fundamental responsibility of the PI during the performance of the research post-award is to:

- Execute the project as outlined in the funded proposal and the terms and conditions of the award, using sound management techniques.
- Authorize only those expenditures that are reasonable and necessary to accomplish the project goals and that are consistent with the sponsor's terms and conditions.
- Spend no more than the amount authorized by the sponsor for the project period.
- Carry out the project's financial plan as presented in the funded proposal.
- Notify OSP of any proposed changes in: the scope of work, the PI or other key research personnel, the budget, or the period of performance.
- Follow all applicable University policies and procedures such as travel, purchasing, employment, contracted services, and compensation policies.
- Assure that cost-sharing or matching commitments are fulfilled and reported to OSP in a timely manner.
- Assure that Time and Effort Reports for the funded project are accurately, completely, and timely reported (monthly) by the department.
- Oversee the care and maintenance of property procured with project funds in accordance with sponsor guidelines.
- Report any intellectual property development which relates to the project to the Technology Transfer Office in accordance with Board of Regent <http://mus.edu/borpol/bor400/bor400.asp> and MSU Patents and Copyrights Policies and Procedures http://www2.montana.edu/policy/copyright_infringement/.
- Report project progress, including final reports as required by the terms of the award.
- Review project expenditures (including the monthly Project Financial Reports provided by OSP), regularly and in a timely fashion to assure they are correct and appropriate.
- Comply with all sponsor rules, regulations and terms and conditions of the award.

720.00 Role of Departmental Business Managers/Accountants in Post-Award Administration. The departmental business manager/accountant helps administer the award. They play a key role in the financial management of a project. At MSU, the departmental business manager/accountant often acts as a liaison between the PI and OSP. Although responsibilities vary by department, typically their responsibilities include:

- Having knowledge of and understanding MSU policies and procedures related to grant management, as well as the terms and conditions that apply to individual awards.
- Maintaining budgetary control through departmental accounting systems, assuring that expenditures comply with the approved budget.
- Assisting the PI in reviewing expenditures to assure appropriateness and correctness.
- Assisting the PI in all business aspects of grant management.
- Monitoring, along with OSP, grant expenditures to assure that overspending does not occur.

730.00 Role of OSP in Post-Award Administration. OSP acts as the primary administrative liaison between PI, sponsors, and other University offices. The primary responsibilities of OSP during the post-award phase of a sponsored research project include:

- Establishing the fund/index in the University financial system.
- Advising PIs regarding sponsor guidelines and regulations.
- Facilitating good project management techniques by disseminating information and providing training to PIs on a wide range of topics related to sponsored activities.
- Serving as the primary interface between the PI and the sponsor in all areas requiring sponsor prior approval, including changes to scope, budget, key personnel, and project end dates.
- Maintaining project files and records and the proposal and grants information system.

OSP provides post-award financial administration support to departments and is responsible for the following functions:

- Financial reporting to sponsors. OSP prepares the required financial reports that are sent to sponsors.
- Receivables, billings, and collections. OSP manages the collection of grant funds and maintains account records for each sponsor. OSP draws funds under federal letters of credit as costs are incurred, issues billings to sponsors and follows up with sponsors on payments as required by the terms of agreements.
- Project Financial Reports. OSP generates the monthly grant Inception to Date Report (ITD) for each sponsored project which is available for the PI's review. OSP also provides training in the use of the ITD.
- For federal funds, OSP administers the effort reporting function that provides the required documentation for employee salary charges to federal grants.
- Monitors, along with departmental business manager/accountant, overspending.
- Coordinates government, private sponsor, and public accounting firm audits.
- Develops and negotiates federal facilities and administrative agreements.
- Monitors government property accounting inventory maintained by Property Management.
- Conducts space function and departmental administration surveys.

Additional information regarding OSP may be found on its website at <http://www.montana.edu/wwwvr/osp/index.html>.

740.00 Paying Bills and Charging Expenses to Accounts. Charging expenses to a sponsored project is initiated by the PIs or other person authorized to spend funds under the grant. Expenditure must be consistent with grant requirements and purchasing procedures. The [Business Procedures Manual](http://www2.montana.edu/policy/business_manual/) (http://www2.montana.edu/policy/business_manual/) and the [Purchasing Policy](http://www2.montana.edu/policy/purchasing/) (<http://www2.montana.edu/policy/purchasing/>) provide guidance on purchasing requirements and submitting bills for payments.

Expenditures on sponsored project accounts must conform to the line item budgets included in the award and bills submitted for payment must have proper documentation (e.g., original invoices).

741.00 Paying Salaries from Project Funds. To pay salaries from a project fund, a [Personnel Transaction Form](http://www.montana.edu/wwwpn/Forms.htm) (PTF) (<http://www.montana.edu/wwwpn/Forms.htm>) for the employee must be completed by the department and forwarded to HR/Personnel and Payroll for payment.

742.00 Internal Institutional Charges. Certain internal university services (e.g., motor pool, computer services, library loans, telephone charges, etc.) may be electronically billed to a departmental account and charged to a sponsored research account if the OSP fund/index number is provided to the internal departments. However, the charges must be reviewed by the PI for accuracy.

743.00 Travel Charges. Travel reimbursement requests must be made to OSP no later than 90 days after the travel took place; late requests will not be paid. See the travel section of the [Business Procedures Manual](#).

744.00 Cost Transfers. Generally, transfers of costs from one sponsored research account to another are not allowed except to correct errors, and, even then, cost transfers are allowed only within 90 days of charging the cost to a fund in Banner. For more detailed information on cost transfers refer to the [Cost Transfer Policy](http://www2.montana.edu/policy/Cost_Transfer_Policy_for_OSP_Funds.htm) (http://www2.montana.edu/policy/Cost_Transfer_Policy_for_OSP_Funds.htm), OSP's info sheet on [Cost Transfers](http://www.montana.edu/wwwvr/osp/Cost%20Transfers.pdf) (<http://www.montana.edu/wwwvr/osp/Cost%20Transfers.pdf>), and [Cost Transfers \(90 day memo\)](http://www.montana.edu/wwwvr/osp/documents/Over90DayCorrectionMemo.docx) (<http://www.montana.edu/wwwvr/osp/documents/Over90DayCorrectionMemo.docx>).

745.00 Time and Effort Reporting. Effort reporting is a method of documenting the work time devoted to an externally sponsored grant or contract and is expressed as a percentage of professional activity devoted to a particular fund. All individuals who devote effort to grants or contracts, whether or not they are paid, are subject to effort reporting. Effort reporting is required by Federal regulations ([OMB Circular A-21](#)) (http://www.whitehouse.gov/omb/circulars_a021_2004) for all compensation/salary costs charged to federal grants and contracts. The regulations require MSU to have a system in place for certifying the allocation of salaries and wages associated with sponsored agreements. MSU employs after-the-fact certification to confirm and substantiate that the activity of an employee supports the compensation charged to federal awards. Each month a time and effort report [<http://www.montana.edu/wwwvr/grants/TEInstruct2010.doc>] is submitted by all employees who perform work on the grant or contract. Each person must provide a reasonable estimate of the time actually spent working on the project. PIs are responsible for reviewing all time and effort reports to ensure accurate accountability of their own effort and the effort of their staff in a prompt and timely manner. Certifiers must have suitable means of verification regarding the effort expended on the activities they are certifying.

PIs are responsible for understanding and complying with sponsor requirements for notifications regarding changes in personnel and effort. The PI is responsible for ensuring commitments of effort to awards are met within the flexibility allowed in the sponsor's guidelines and in a timely manner. OSP provides training to PIs on MSU's process for effort reporting as well as on the PI's role and obligations for effort reporting. This training is also available to other investigators and research staff.

When assessing percentage of activity expended on a sponsored project, total effort is defined as actual effort devoted to all the activities for which MSU compensates an employee for their appointment. For faculty, total effort includes instructional activities, administrative activities, public services, and clinical and research activities. The federal government guidelines acknowledge that, in an academic setting, teaching, research, service, and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance is placed on estimates in which a degree of tolerance is appropriate. However, the percentage of compensation charged to a federal award during a reporting period can never exceed the percentage of total effort associated with the award.

746.00 Organizational Prior Approval System (OPAS). In an effort to streamline post-award administration of changes from the approved application or budget, many **federal agencies** have delegated authority to institutions to approve certain post-award changes. In exercising this authority, OPAS grantees must assure proper stewardship over these funds and that all costs charged to the awards are allowable, allocable and reasonable. OSP has [OPAS Request Forms](#) (<http://www.montana.edu/wwwvr/osp/forms.html>) available for your use.

746.10 Budget Revision. PIs wishing to revise the budget in an award should review the sponsors requirements and if the proposed change exceeds the sponsors limits for changes (e.g., some sponsors require prior approval for changes of more than 10%), the PI must request approval by submission of the OPAS form. The OPAS form should be completed and submitted to OSP as soon as the need for change in budget is recognized. The MSU OPAS Committee will review the request, consider the specific sponsor restrictions, and submit its written decision.

746.20 Pre-Award Expenditures. Most federal grants permit the incurrence of pre-award costs, and MSU permits per award expenditures which conform to [MSU's Cost Transfer Policy](#) (http://www2.montana.edu/policy/Cost_Transfer_Policy_for_OSP_Funds.htm). MSU's OPAS Committee is authorized to approve such pre-award spending. If the PI needs to commit funds or order equipment within the ninety (90) days preceding the award start date, a request for pre-award spending may be submitted to OSP. Upon verification of the expected award, and approval by the OPAS Committee, an Office of Sponsored Programs index/fund number will be assigned. However, if funding is not ultimately available, the PI and Department will be responsible for all expenses posted to the grant.

746.30 One-Year, No-Cost Extension. The OPAS Committee may also grant a one-year, no-cost extension on most federally sponsored awards which allows for completion of programmatic commitments. To request an extension, the PI must submit an OPAS form or send an e-mail explaining why an extension is necessary. The request should be sent to the OSP Fiscal Manager thirty (30) days prior to the end date of the existing contract period.

746.40 Rebudgeting. Occasionally, a project's financial resources need to be reallocated due to the nature and progress of the research. For example a piece of equipment may become unnecessary, while another expense becomes necessary, or the scope of the project might change due to unforeseen circumstances. In these cases, rebudgeting may be required.

Rebudgeting will be allowed only to the extent the terms of the award or contract allow it. Therefore, before any attempt to rebudget, the PI should review the terms of the specific award. The PI should also assess the potential impacts of the

proposed rebudgeting--e.g., shifting an expense from one budget category to another or shifting expenses from direct costs which may result in adjustment to the F&A cost collection. Rebudgeting to or from a restricted class (such as participant support or subcontract), may need OPAS or sponsor approval. **PIs should contact OSP to determine whether the proposed rebudgeting is authorized under the award and whether it requires OPAS approval.**

747.00 Principal Investigator Termination Checklist. If you are the PI on any current or ongoing awards and you are leaving employment at Montana State University you will need to take steps to address several issues.

747.10 Grant Closeout. If you are transferring to another institution and desiring to move grant/contracts(s) to the new institution you will need to contact your department head to initiate this discussion. Since the award is made to Montana State University, whether a transfer will be allowed is determined by the institution and sometimes in conjunction with the sponsoring agency. Once the transfer has been approved by the department head, then contact the Office of Sponsored Programs to identify the specific transfer requirements for your project's sponsor. Most frequently on federal awards a final financial report will need to be submitted that reflects the unexpended balance that could be moved to your new institution. Please work with your department accountant and OSP Fiscal Manager to finalize this balance.

If the grant/contract is to remain at Montana State University, a new PI must be identified and the sponsoring agency must approve this person. Typically this is accomplished with a letter requesting the change and a copy of the new PI's vitae. A signature from the authorized representative for MSU may be required, depending on the sponsoring agency requirements.

747.20 Equipment. If you are transferring to a new institution you may want to request transfer of any equipment purchased with grant funding during your employment at MSU. In order to initiate this process you must prepare a listing to be presented to your department head for approval. Any release of equipment will be at the discretion of the department head. A copy of the approved list will need to be supplied to the Property Management Office so that accurate inventory records can be maintained and the MSU property control tags get removed. For government owned equipment, the underlying grant/contract document will provide the disposition instructions to follow.

747.30 Final Reports and Deliverables. As the PI on a grant/contract it is your responsibility to ensure that the final technical report and any other deliverables as required under the contract documents are delivered to the sponsor within the allowable time frame and prior to your departure from MSU.

747.40 Facilities and Administrative (F & A) PI Fund Balances. Once PI terminates from their position at the university any unexpended funds in the PI F & A return fund will revert to the Vice President for Research. IF there are ongoing obligations it will be the responsibility of the department to request retention of these funds by supplying an outline of how the funds are to be utilized. The decision to release these funds to the department will be made at the Vice President for Research level.

748.00 Program Income.

Program Income is defined in [OMB Circular A110 \(http://www.whitehouse.gov/omb/circulars_a110\)](http://www.whitehouse.gov/omb/circulars_a110) as "Gross income earned by the University that is directly generated by a sponsored activity or earned as a result of an award." Examples include:

- Fees for services, such as laboratory tests
- Receipts from the sale, use or rental of equipment purchased with project funds
- Royalties from patents and copyrights

MSU may be required to credit program income to the grant, and, therefore, OSP should always be consulted for advice if any income is generated by work under a grant.

749.00 Closing a Sponsored Research Account

Federal agencies and many other sponsors require that projects be closed within 90 days of the termination date of the award. In fact, new awards may be denied if existing awards are not properly closed.

OSP is responsible for closing grants, awards, and contracts and will do so when the following conditions are met:

- The project must be complete by the contractual completion date.
- All reports are complete and filed.
- Any cost-sharing commitments must have been met and are documented.
- Except for fixed price contracts, the total expenditures in the index/fund must match total income in the index/fund. Any excess funds must be returned to the sponsor and any account deficiencies will not be paid by sponsors; however, fixed-price contracts may be an exception to this requirement.

Once the project has been properly closed, the index/fund is inactivated from use and is archived.

800.00 Research Regulatory Compliance

810.00 Institutional Review Board and Committees. Research projects which involve the use of human subjects, vertebrate animals, infectious agents, hazardous materials, genetically altered microorganisms, radioactive materials, or radiation sources require special consideration by one of MSU's several institutional review boards or committees as described below.

810.10 Use of Human Subjects in Research. Federal law and MSU require that any proposed research project involving human subjects (including student research projects) must be reviewed and approved by the Human Subjects Institutional Review Board (Human Subjects IRB) before the research begins. Review and approval, or a determination that the project is exempt, is required for any project involving human subjects, including surveys administered to human subjects, regardless of the source of funding.

MSU's Proposal Clearance Form requires the disclosure of any proposed use of human subjects and documentation of Human Subject IRB review and approval.

The [Human Subjects IRB's website](http://www2.montana.edu/irb/index.html) (<http://www2.montana.edu/irb/index.html>) contains more detailed information such as: what constitutes research involving "human subjects"; what research is exempt from the review and approval requirement (e.g. public observation of human behavior); how to apply for IRB approval; what research is eligible for expedited approvals; and other useful information concerning regulation of human subject research at MSU. Note, however, that decisions about exemptions, approvals, expedited approvals etc. may only be made by the IRB.

All investigators involved in human subject research must complete and document training in ethical conduct of human research and protection of human subjects.

810.20 Use of Animals in Research and Testing. Research proposals involving live vertebrate animals in research, training, experimentation, or biological testing, must be reviewed and approved by MSU's Institutional Animal Care and Use Committee (IACUC). This requirement is based on federal regulations and MSU internal policy. IACUC's overall responsibility is to ensure the humane and sensitive care and use of animals.

The [Proposal Clearance Form](https://helene.msu.montana.edu/epcfprod) (<https://helene.msu.montana.edu/epcfprod>) requires the disclosure of any proposed use of live vertebrate animals and documentation of IACUC review and approval. The [IACUC website](http://www.montana.edu/wwwarc/iacuc/iacuc.htm) (<http://www.montana.edu/wwwarc/iacuc/iacuc.htm>) provides detailed information on such matters as approval requirements, the approval process and MSU's policy concerning use of animals in research.

Training is also required for all personnel using laboratory animals at MSU and for all animal care employees.

810.30 Biological Safety in Research

Research proposals involving the use of infectious agents, hazardous materials, or genetically altered microorganisms must be reviewed and approved by MSU's Biosafety Committee as required by federal regulations and MSU policy.

The [Proposal Clearance Form](#) requires the disclosure of any proposed use of such agent, materials or microorganisms and documentation of Biosafety Committee review and approval.

The [Biosafety Committee website](http://www.montana.edu/opa/coms/biosafe.html) (<http://www.montana.edu/opa/coms/biosafe.html>) provides detailed information on approval requirements, process, and policy.

Training is also required for all personnel involved in research using infectious agents, hazardous materials, or genetically altered microorganisms.

810.40 Radiation Safety in Research. Research proposals involving any radioactive material or radiation source must be reviewed and approved by the Radiation Sources Committee in accordance with federal regulations and MSU policy.

The Proposal Clearance Form requires the disclosure of any proposed use of any such materials and documentation of review and approval by the Radiation Sources Committee.

820.00 Select Agents. Select Agents are certain materials designated by the U. S. Government as agents that have potential use in biological terrorism or warfare. A list of select agents can be found at [<http://www.selectagents.gov/Select%20Agents%20and%20Toxins%20List.html>]. In order to possess, use, send, or receive Select Agents, the University and each individual within the University who will have access to the Select Agents must first satisfy certain federal requirements and receive appropriate training. Federal approval must be obtained on each required element before possession, use, or transfer of Select Agents. PIs who anticipate working with Select Agents should contact MSU's Biosafety Officer, Jo Ann Lindstrom, Microbiology, at 406-994-4490 or at [lindstrom@montana.edu] as soon as possible in order to begin the approval process. More information on Select Agents is found at [<http://www.selectagents.gov/>].

830.00 Conflict of Interest and Conflict of Commitment. The University encourages its faculty to participate in sponsored research, to consult with government and industry and to engage in other activities that further the aims of the University to obtain and disseminate knowledge. At the same time the University is committed to ensuring that these activities are conducted in an atmosphere free from biases and interests that could compromise the free and open pursuit and dissemination of knowledge. Conflicts of interest and commitment are governed by Montana law, Board of Regents policy [<http://mus.edu/borpol/bor700/770.pdf>], MSU policies [http://www2.montana.edu/policy/recruit_hiring/rhm100.html] and [http://www2.montana.edu/policy/conflict_of_interest/coi_policy_04_2008.htm] and federal regulations [<http://grants.nih.gov/grants/policy/coi/index.htm>].

830.10 Law and Policy. The University's policy on conflict of interest (consistent with Montana and Federal law) requires investigators involved in sponsored research to disclose any significant financial interest which may affect, or appear to affect, the sponsored activity. [http://www2.montana.edu/policy/faculty_handbook/].

830.20 Significant Financial Interest. Federal regulations [link] define "significant financial interest" to include anything of monetary value of \$10,000 or greater (including spouse and dependent children interests). Monetary interests include, but are not limited to: equity interests, salary or other compensation, consulting fees, and intellectual property rights.

830.30 Investigators. For purposes of reporting significant financial interests, investigators are defined by federal regulations to include anyone who is responsible for the "design, conduct, or reporting of research." Disclosure is required on the Proposal Clearance Form and during the sponsored research project whenever such an interest is acquired. Once disclosed, actual or apparent conflicts of interest in sponsored research are considered and addressed in accordance with MSU policy [http://www2.montana.edu/policy/faculty_handbook/].

830.40 Inventor Interests in Commercializing Company. Board of Regents Policy requires Regent approval whenever an employee/inventor of intellectual property licensed by the University to a business entity intends to become an owner, director, officer, or employee in the business entity which has a license or other agreement concerning the intellectual property that the employee was involved in inventing or creating. [<http://mus.edu/borpol/bor400/407.pdf>] and to Tech Transfer below.

Questions about conflict of interest should be directed to:
MSU Office of Legal Counsel
406-994-4570 or [<http://www.montana.edu/legalcounsel/>]

840.00 Export Controls (http://www2.montana.edu/policy/export%20control/export_control_policy_08.htm)

840.10 Regulatory Framework. Federal regulations may apply to the export of equipment and technology developed or used in the course of research. There are three primary sets of federal regulations that govern export controls, covering virtually all fields of science, technology, and engineering:

- Export Administration Regulations (EAR) administered by the Department of Commerce, apply to the export of "dual-use" items and their technology (i.e., items that have both commercial and military applications, such as computers, microelectronics, or pathogens);

- International Traffic in Arms Regulations (ITAR), administered by the Department of State, apply to munitions, or defense articles and defense services (i.e., those articles and services that are specifically designed for military applications or defense and do not have predominantly civil applications); and
- Treasury Department's Office of Foreign Assets Control (OFAC) governs trade embargoes, sanctions, and travel restrictions and restricts exportation of information and research articles to embargoed entities and persons.

840.20 When Agency authorization required. Usually, if the sponsored research meets the definition of “fundamental research,” export control regulations do not apply. And, as long as the University has not agreed to any limitation on publication of the research or to any other national security controls, the research is usually “fundamental research”. However, in some cases where publication limitations or other security controls have been agreed to, or when embargoed countries or persons are involved, the University may be required to obtain an export license or other authorization from the appropriate agency before a PI will be permitted to: transfer materials overseas; allow foreign nationals to access certain equipment, data, or technology; collaborate with a foreign company or research organization on research or publications; hire a foreign consultant, or share research results with foreign nationals.

For guidance and questions, particularly if a situation that may require further review arises, please contact Office of Legal Counsel.

900.00 Intellectual Property, Research, and the Technology Transfer Office

910.00 Disclosure. Faculty members and other employees participating in research and creative activities are required by Board of Regent and [MSU Policy \(http://www2.montana.edu/policy/\)](http://www2.montana.edu/policy/) to disclose to the Technology Transfer Office (TTO) any patentable discoveries or copyrightable works for hire developed as an employee of Montana State University. This disclosure allows the TTO to assist in protection and commercialization.

920.00 Patents. The TTO will assess patentability and commercial potential and initiate pursuit of patent or other legal protection when appropriate as provided in [Board of Regents' Policy \(http://mus.edu/borpol/bor400/401-2.pdf\)](http://mus.edu/borpol/bor400/401-2.pdf) and [MSU Patent Policy \(http://www2.montana.edu/policy/faculty_handbook/fh900.html#920.00\)](http://www2.montana.edu/policy/faculty_handbook/fh900.html#920.00).

930.00 Copyright and Trademark. The TTO will assess whether it is appropriate to protect creative works through copyright and names or logos through trademark.

940.00 Licensing. Intellectual property accepted by the TTO will be assigned by the inventor/creator to MSU. The TTO, with the assistance of the inventor/creator, will identify potential licensees for intellectual property developed at the University. This includes patented ideas, copyrighted works, and know-how or trade secrets. TTO negotiates licensing agreements with potential licensees and is the office authorized to enter into agreements related to the use of intellectual property owned by the University. License revenues for technologies developed at MSU are divided equally between inventors and MSU.

950.00 Inventor or Creator Participation in Commercializing Businesses. Montana law and Board of Regents Policy 407 require BOR approval for certain relationships between MSU inventors or creators and businesses in which MSU has certain interests. Therefore, before an MSU employee may participate as an employee, officer, board member or owner in an entity which has (or wishes to have) rights to intellectual property which the employee helped to develop at MSU, the employee must report the proposed participation to TTO. TTO will determine whether BOR approval is required, and if so, will make the application for approval. [<http://mus.edu/borpol/bor400/407.pdf>].

960.00 Role of TTO in Sponsored Research and Development. The TTO works to develop associations with private industry and to facilitate private sponsors of research at MSU. This provides industry the opportunity to participate in research without have to establish costly research and development programs while providing the University with current issues in industry and hands-on research opportunities for faculty and students.

970.00 Role of TTO in [Industry Use of University Resources \(http://www.montana.edu/wwwvr/tto/techforms.html\)](http://www.montana.edu/wwwvr/tto/techforms.html). If a business requests access to or use of University research facilities such as research equipment, research animals, diagnostic and chemical analysis laboratories, the Plant Growth Center, TTO is responsible for determining whether such use is appropriate and authorized under university policy and will enter into appropriate use agreement with the company.

980.00 Policy on Material Transfer Agreements (MTAs). The TTO is the office designated by Montana State University (“MSU”) to review all academic and commercial MTAs for incoming material. The TTO is authorized to sign MTAs on behalf of MSU if they are acceptable under MSU’s policies and consistent with MSU’s academic mission. Click <http://www.montana.edu/wwwvr/tto/techforms.html> for the full MTA policy.

Appendix A - Institutional Use of F&A Funds (<http://www.montana.edu/wwwvr/osp/FAFunds.html>)

Investment of F&A Funds

Procedure for Central Investments and Distribution of Recovered F&A Funds

- The F&A Investment Committee will annually identify the fixed costs investments to be made with recovered F&A funds, and make a recommendation to the President for approval. The VPR Office will calculate each department’s share of the central costs (fixed and variable commitments) for the current year, based on their percentage of expenditures the previous fiscal year. To receive an F&A distribution, a department has to generate enough F&A in the previous year to cover more than the department’s share of central costs. Example:
 - If a department had expenditures of \$2 million out of an MSU total of \$100 million last year, their share of the central costs for the current fiscal year would be 2%.
 - If the total central costs for the current year are \$13 million, the department would receive a distribution in the current year if the department generated more than \$260,000 in F&A returns during the last fiscal year.
- Once the central costs are determined and a total amount of recovered F&A for the current year is projected, the difference between the total projected recovered F&A and the central costs will be distributed. Block grants to colleges that do not receive a calculated allocation of F&A will be taken off the top, as will institutional commitments to programs in the colleges, e.g. COBRE and INBRE. The balance will be distributed with half going to the deans and half going to the departments that qualify. Deans and department heads are then responsible for distributing funds to the PIs, with the full expectation that PIs generating F&A will receive funding.
- Deans must also decide how much of the distributed F&A funds to her/his college will be distributed to departments whether or not the department received a direct distribution.

For FY10:

- It is estimated that a total of approximately \$16 million of F&A will be recovered. Of this total approximately \$13.7 million will be used to fund central costs both fixed (\$11.74 million) and variable (\$1.92 million). The remaining \$2.36 million will be distributed with approximate allocations of the following:
 - \$1.84 million to the colleges and departments that generated enough F&A in the previous year to cover their share of central costs. \$100,000 to the college’s that receive block grants, to be used in support of faculty scholarship.
 - \$420,000 in institutional commitments to university programs such as INBRE and COBRE.

Appendix B - MSU COST SHARING POLICY

Effective October 1, 1999, MSU's cost sharing policy for federally funded projects will be the following: cost sharing can only be added to proposals if it is required by the sponsor (i.e. listed in the RFP) as one of the eligibility criteria to apply for the award. The policy change has been reviewed and approved by the PEC and Faculty Council.

Definition: Cost sharing is the contribution to a sponsored project that supplements agency funding. In general, cost sharing, also known as matching, represents the portion of the project costs not borne by the project sponsor.

Written sponsor cost share requirements should be attached to the MSU [Proposal Clearance Form](https://helene.msu.montana.edu/epcfprod).
(<https://helene.msu.montana.edu/epcfprod>)

Types:

- **Unrecovered indirect costs** (also called foregone or waived IDC's) – The difference between MSU's negotiated IDC rate and the rate allowed by the sponsoring agency. For example, the USDA IDC rate is capped at 25% and MSU's federal research IDC rate is 42.5%, the difference is 17.5% of unrecovered or foregone IDC'S (departments and PIs do not have to track these).
- **Soft dollar** – Typically the salary/benefits of persons involved in the project, such as PIs, Co-PIs, Key Personnel, etc. For example, a lab technician may have 50% of their salary paid from a research project and 50% paid from state funds, but they provide 60% effort on the research project resulting in a 10% soft dollar cost share (tracked by the departmental Time and Effort Reports).
- **Hard dollar** – Typically supplies, travel, equipment and other budget categories that are paid from departmental/instructional/other funding sources (tracked by the department through cost share budgets and activity codes that verify cost share expenses in MSU's accounting system).
- **In-Kind** (also known as third party) – Contributions of salary, travel, equipment, supplies and other budget areas that are from non-MSU sources (tracked with a completed and signed [In-Kind form](http://www.montana.edu/wwwvr/osp/documents/Inkindform.doc) (<http://www.montana.edu/wwwvr/osp/documents/Inkindform.doc>) available from OSP).

Pertinent Federal Regulations:

OMB Circular A-110 – C23. Cost sharing or matching.

C23a. All contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria.

C23a(1). Are verifiable from the recipient's records.

C23a(2). Are not included as contributions for any other federally-assisted project or program.

C23a(3). Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.

C23a(4). Are allowable under the applicable cost principles.

C23a(5). Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.

C23a(6). Are provided for in the approved budget when required by the Federal awarding agency.

C23b. Unrecovered indirect costs may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency.

Cost sharing is difficult to generalize. If you think you have a cost share circumstance, please call your Fiscal Manager in the Office of Sponsored Programs. And please remember cost share situations must be detailed and approved during the proposal process.

Click here for Cost Share [Frequently Asked Questions](#) and brief examples.

Appendix C – Proposal Clearance Form

<http://www.montana.edu/wwwvr/osp/documents/ePcfSetupInstructions.pdf>

****Contact OSP to access new electronic Proposal Clearance Form (ePCF)****

<https://helene.msu.montana.edu/epcfprod>

Appendix D – Who Can Serve as a PI?

<http://www.montana.edu/wwwvr/osp/grants/WhocanbeaPIWLandMcCoyRev42308CLEANDOCUMENT.pdf>

ROLE OF PRINCIPAL INVESTIGATOR

The PI assumes primary responsibility for satisfactory management of all externally funded research projects. Thus, the technical requirements of the project and the day-to-day administration, as well as financial management are the responsibility of the Principal Investigator, under the supervision of the department head, dean, and the Office of Sponsored Programs.

WHO MAY SERVE AS A PRINCIPAL INVESTIGATOR (PI)?

In order to ensure that the project is conducted by those who have the requisite skills, training, and ability to uphold MSU's institutional commitments to funding agencies (subject to the Exceptions below), only employees with at least a 0.1 FTE appointment who hold the following positions may serve as PIs (or Co-PIs) on grants and contracts managed by the MSU Office of Sponsored Programs:

- Tenurable Professors (Full Professors, Associate Professors, or Assistant Professors)
- Research Professors, Associate Research Professors, or Assistant Research Professors
- Senior Research Scientists or Research Scientists
- Senior Research Engineers or Research Engineers
- Emeritus Faculty with a minimum .1 FTE

WHO MAY SERVE AS A CO-PRINCIPAL INVESTIGATOR (CO-PI)?

Only individuals in the following categories may serve as Co-PIs on grants and contracts managed by the MSU Office of Sponsored Programs (Subject to the Exceptions below):

- Any individuals who are qualified to serve as a PI may also serve as a Co-PI.
- Undergraduate students and graduate students: these may only serve as Co-PIs if the funding agency has specified that they may do so. In that case, specific written approval of the department head and the dean of the college in which the student is registered must be obtained.
- Post-doctoral scholars or post-doctoral research associates: these may only serve as Co-PI if specific written approval is granted by the department head and dean of the college where they are affiliated.

Required written approvals must be completed approximately one month before the grant or contract submission deadline.

EXCEPTIONS

Individuals other than those specifically stated above may serve as PI or Co-PI only if specific written approval is obtained by the sponsoring department head, dean and the Vice President for Creativity, Research and Technology Transfer (Exceptions could apply to individuals such as Emeritus Faculty with no FTE, MSU employees who do not hold a faculty position, or Federal employees as outlined below). Such approval must be completed approximately one month before the grant or contract submission deadline.

Federal employees holding faculty-affiliate positions may serve as PIs only with written approval from the Federal agency's authorized business official, and the relevant MSU department head and dean and the Office of Sponsored Programs. If approval is obtained, a written agreement between the Federal agency and the University is required, which must define the relationship between and the management responsibilities of all parties. Federal employees may not be assigned signature authority on a sponsored project.

Appendix F – MSU Responsible Conduct of Research (RCR) Plan

<http://www.montana.edu/wwwvr/osp/grants/RCRplan2010.pdf>

Montana State University Plan to Comply with America COMPETES Act

NSF RCR Requirements

The 2007 America COMPETES Act directed NSF to **require** that all NSF funded students and postdocs undergo training in the responsible conduct of research (RCR). Implementation of this requirement **becomes effective January 4, 2010**, when all institutions submitting proposals to the National Science Foundation (NSF) must certify that they have a training plan in place for undergraduate and graduate students and postdoctoral scholars who will be supported by NSF to conduct research and other scholarly activities. This certification must be in place at the time of proposal submission. Training plans do not need to be submitted with the proposal, but are subject to review upon request. Institutions are responsible for verifying that undergraduates, graduate students, and postdoctoral scholars receive training.

These guidelines are enumerated in detail in the January 2010 NSF Proposal and Award Policies and Procedures Guide, specifically in Part I - Grant Proposal Guide, Chapter II. C.1e and in Part II - Award and Administration Guide, Chapter IV.B found at the NSF website: http://www.nsf.gov/pubs/policydocs/pappguide/nsf10_1/aag_4.jsp. FAQs are available at: http://www.nsf.gov/pubs/policydocs/rcr/faqs_mar10.pdf

Montana State University will require Principal Investigators (PIs) that receive NSF awards containing the RCR language to identify students and postdocs receiving payments under this award and that they will also be responsible for determining the appropriate amount of RCR training needed for each student/postdoc. It is suggested that at a minimum each person involved should take one on-line training module offered via the Collaborative Institutional Training Initiative (CITI) that MSU has recently joined. The CITI program is a subscription service that provides research ethics education to members of the research community. The exact course selection and number of courses will be determined by the PI as is the timeframe for the training, but it is suggested that the training take place shortly after being funded by an NSF award and prior to the end date of the award. The CITI website is:

<https://www.citiprogram.org/>. A personalized training program can be established for each participant utilizing the CITI module selection.

Upon completion of each module a confirmation is generated by the CITI program and a copy must be retained by both the PI and the department. This documentation is necessary in order to confirm compliance with the RCR training requirement. The Office of Sponsored Programs will receive an electronic confirmation of persons completing CITI modules and those lists will be compared to a report of NSF funded personnel to identify personnel that might be overlooked in this process.

The NSF has provided funding for two institutions to develop RCR training materials and PIs are encouraged to visit these sites and utilize the tools located there in addition to the CITI resource.

- <http://www.onlineethics.org/CMS/about/UserGuide/18848.aspx>
- <http://www.umass.edu/sts/digitallibrary/>

A discussion of how PIs provided RCR training to their students and postdocs will be required in the new Public Outcomes Report required by the NSF and submitted on Research.gov.

(revised June 15, 2011)

This PI Guide is also available online: <http://www.montana.edu/wwwvr/osp/grants/piman.html>