

Sponsored Agreements

Much of the research conducted at universities nationwide is performed using funds from organizations that support activities through various types of sponsored agreements. At JHU, faculty and researchers, often referred to as principal investigators (PI's), are encouraged to seek additional financial resources to support their research beyond that which is available by the University's general funds. This additional support is generally obtained by receiving a sponsored project award. Sponsored projects are financial assistance mechanisms that provide money, property or both, to carry out an approved project or activity.

Proposals

An application for a sponsored project award generally takes the form of a proposal. A proposal is an application for funding that includes all information that is necessary to describe the project aims and objectives, staff capabilities, environment, and funding requirements.

Policy

The solicitation of a sponsored award must be conducted through the appropriate JHU offices. All proposals and awards for sponsored projects must be processed through Research Projects Administration. Faculty are not empowered or authorized to submit proposals, negotiate the terms of an award, accept grants or execute contracts on behalf of the University.

There are two types of proposals submitted by PI's in search of sponsored funding for research:

Solicited Proposals

Solicitations, or requests for proposals (RFP), are issued by agencies or private funding sources who make requests for a specific research project. These RFP's are generally subject to open bidding to any qualified researcher. Deadlines are specified in the announcement and must be adhered to. The resulting agreement usually takes the form of a contract between the funding agency and the University.

Unsolicited Proposals

Unsolicited proposals are submitted to an agency that generally funds research of the type being proposed. If the agency decides to fund the research, the funding may take the form of a grant, contract or cooperative agreement. Most large agencies have set deadlines for submittal of unsolicited proposals each year, and funding decisions are made once all proposals received in that time period have been reviewed. Corporate sector funding is frequently in the form of teaming or collaborative agreements.

Awards

Definitions

In **contracts**, one party is buying a service or product from the other in exchange for payment. Contracts assume the production and delivery of a specific product that can be an instrument, device, or technical report. Consequently, contract requirements are more specific and less flexible than grants and agency personnel tend to maintain stricter oversight. Federal contracts are governed by the Federal Acquisition Regulations, as well as specific terms and conditions in each contract document.

A **cooperative agreement** is an arrangement where both parties are involved in carrying out a portion of the research. Cooperative agreements generally stipulate the responsibilities of both parties. Federal cooperative agreements are governed by the same regulations as Federal grants.

Gifts represent non-reciprocal and unconditional receipts or promises to give, whereas sponsored agreements represent exchange transactions whereby the sponsor receives some form of consideration in return for the funding. Gifts are not considered sponsored agreements.

Grants are financial assistance instruments that provide the researcher with significant flexibility to determine spending categories and research direction. Grants are usually made in support of basic research, requiring technical and financial reports rather than specifying definite services or product deliverables. Unlike cooperative agreements, grants do not require substantial programmatic involvement between the parties. Federal grants are governed by the Office of Management and Budget (OMB) Cost and Accounting Circulars and by each individual agency's grants policy document.

Sponsored agreements are contracts that require the University to provide goods and /or services in exchange for payment and grants or cooperative agreements that require the University to provide technical and/or financial reporting to the sponsor on the results of research or other sponsored activity.

Private Gifts vs. Sponsored Agreements

The classification of an agreement as either a private gift or sponsored agreement has important accounting and tax related implications. Revenue recognition and net asset classifications are substantially different depending upon its classification in the University accounting system. The classification affects the University and divisional research base impacting the allocation of facilities and administrative (F&A) cost to government and non-government agreements and the distribution of University and Divisional F&A recoveries. The effort and resources consumed in the solicitation of private gifts must be recorded and reported as fundraising expenses. All private gifts over \$250 must be properly receipted by the University to protect the tax deductibility of a gift for a donor.

A sponsored agreement can be distinguished from a private gift by any one of the following criteria:

The sponsor has:

- Control or approval of work scope;
- A requirement for a defined deliverable in terms of a report on results of research, or financial accounting for the expenditure of funds;
- Pre publishing review rights; or
- Licensing rights of products resulting from the research

Agreements classified as sponsored must be reviewed, negotiated, and accepted by RPA.

Questions regarding the proper classification of private gifts and sponsored agreements should be directed to RPA or to the Controller's Office.

Award Administration

Responsibilities

The PI of a sponsored project is directly and totally responsible for adhering to the applicable funding source restrictions. RPA and the divisional business office monitor sponsored funds expenditures, while the Research Accounting section of the Controller's Office prepares and submits agency invoices and reports of expenditures.

The administration of sponsored activity is generally identified as pre-award or post-award:

Pre-Award

Pre-award administration includes all aspects of proposal development and submission as well as contract negotiation. Research Projects Administration (RPA) does not normally review the content of the descriptive part of the proposal, which deals with specific areas of knowledge unique to each department and requires in-depth knowledge of the field. RPA will review budgets, gather necessary signatures, and check the proposal to make sure that all necessary forms have been included. See "Proposal Submission" for more information. RPA will conduct all necessary contract negotiations and assist in the preparation of any additional documents requested by the sponsor during the course of those negotiations.

Post-Award

All activities after the award is issued by the sponsor and accepted by the University are considered post-award administration. Once RPA has received and examined the award to make sure all the conditions for acceptance have been met, it will release the award for account set-up. RPA sets up all sponsored funds accounts for the Academic Centers, the School of Advanced International Studies, and School of Professional Studies in Business and Education. Engineering accounts are issued by the Whiting School of Engineering Business Office. Research Accounting monitors expenditures and cash receivables, and is responsible for assisting the PI in developing and submitting financial reports. Fiscal management oversight is provided by a combination of the Department, the Business Offices for each school and Research Accounting.

Post-award administration is handled by each department, unless problems arise with the sponsor. RPA is considered the liaison between the sponsor and the University, will intervene if

there are problems with the sponsor that cannot be rectified between the department and the sponsor. RPA must approve all requests for modifications to existing agreements, will provide assistance in interpretation of rules, regulations and other legal requirements, and also assists in closeout once the award period ends.

Proposal Writing

Proposals are written by the PI using clerical assistance provided by his or her department. RPA provides assistance with obtaining and interpreting agency guidelines, providing all administration data such as rates and assurance dates, and by reviewing the completed proposal.

In general, a proposal consists of a narrative or technical section, an administrative section or document, and a budget. The narrative or technical section should be a clear and concise explanation of the planned research including specific goals and methodologies.

The budget is the best estimate of support needed to perform the research proposed. It should detail and justify each item of cost.

General Format

Most federal and many private agencies provide application forms and guidelines. Remember that proposals could be eliminated even before reaching the selection committee if the agency's instructions are not precisely followed.

In cases where these are not provided, the following basic format is suggested:

- 1) Cover page
- 2) Certifications and Representations (as required by agency)
- 3) Abstract containing a brief overview (approximately 250 words) of the proposed research including goals and methods
- 4) Introduction which identifies the problem and the need for the research
- 5) Statement of work which outlines precisely the goals, methodologies, dissemination of information and a description of resources.
- 6) Budget estimates for every item of cost and supporting detail
- 7) Listing of current and pending research support
- 8) Appendix, including vitas for key personnel and other pertinent documents or forms

Budget Format

Budgets generally contain itemized direct and F & A costs, other cost requirements, appendices, and required forms. Budget estimates should outline all costs for a given project. The following is a general budget format:

Direct Costs

Direct costs are the expenses directly associated with a specific research project. The sponsor is expected to provide for all direct costs, which may include:

- **Salaries and Wages:** List professional personnel to be involved along with a percentage of effort. Next, list staff required and the estimated number of calendar months to be devoted to the project each year. On federally funded projects, administrative salaries are generally unallowable. If they are to be included, it is essential that sufficient justification for clerical and administrative staff be provided. Refer to the university policy regarding administrative support for further information, their web page address is <http://www.controller.jhu.edu/>. Remember to deduct staff vacation charges prior to calculating effort.
- **Fringe Benefits:** Varying fringe benefits are associated with different personnel categories. See “Information Most Often Needed For Proposal Preparation” for current fringe benefits rates;
- **Materials and Supplies:** These are normally expendable items with a useful life of less than one year. It is generally unacceptable to include office supplies. Provide details for all materials and supplies required;
- **Capital Equipment:** Identify the piece of equipment including the model number, manufacturer, name of the vendor, contact person and telephone number on a separate budget explanation page. Capital equipment must be directly related to the proposed research, have a useful life of more than one year, and cost in excess of \$5,000. General purpose equipment, such as desks and typewriters, is generally not allowed. Consult agency regulations or call RPA for more specific information;
- **Travel:** Describe separately domestic and foreign travel associated with the project. Provide a breakdown of costs according to destination, reason for travel, number of travelers, number of trips, etc.;
- **Consultants:** Identify the names of consultants, specialty, daily rate, and justification for their use;
- **Printing and Publication Costs:** Estimate the number of pages, page charges, and name(s) of journal(s);
- **Subcontracts:** List the names and addresses for all subcontractors. Also submit a letter of intent from the subcontractor (signed by an authorized representative) along with a detailed cost estimate and rate agreement. If the subcontractors' work is not described in detail in Johns Hopkins's proposal, have the subcontractor also a separate statement of work. Refer to “Subcontracting Administrative Procedures” for specific guidelines and procedures.
- **Alterations and/or Renovations:** Itemize the requirements and costs. These changes must be approved by the appropriate dean prior to submission of proposal;
- **Other Direct Costs:** Includes direct costs not specifically described by the general headings above, such as 20% tuition and health insurance fees for graduate students on research grants.

Facilities and Administrative Costs (F & A)

Facilities and Administrative (F&A) Costs, previously known as Indirect Costs, are the expenses incurred for general University operations while conducting the research project, such as library services, administrative costs, and building use and maintenance. F & A costs are calculated as a percentage of direct costs and are set by the Federal Government.

The Federal Government provides rules ([OMB Circular A-21](#)) governing the calculation of F & A cost rates and periodically audits the costs supporting the rates we have negotiated. Some

items, such as capital equipment and tuition/stipends, are excluded from the F & A cost calculation. Known as Modified Total Direct Costs (MTDC), this formula entails deducting the following direct cost items prior to calculating F&A: Equipment exceeding \$5,000; Subcontracts in excess of \$25,000; Tuition; Patient Care Costs; Rental of off-site facilities; Capital Expenditures; and Fellowships and Scholarships.

F & A cost rates may vary according to the type or location of the research project. Consult "[Information Most Often Needed For Proposal Preparation](#)" for current rates, and contact RPA for updates and rates not covered by the information sheet.

Application of F&A Rates to Sponsored Projects

F&A cost rates are applicable to all sponsored projects (grants, contracts, cooperative agreements, subgrants and subcontracts) funded by Federal, state or private sponsors. The application of these rates allows JHU to recover certain costs (e.g. facilities, utilities, libraries, administration, student services, etc.) associated with externally funded training and research activity that, although they are true costs that are incurred, cannot be identified specifically with a particular project or activity. The Federal Government determines the rate that is necessary to collect these costs from sponsored awards. Therefore, any reduction in the allowable rate is considered cost sharing, and JHU must cover those costs from other sources.

The first step in determining the proper F&A rate is to read the sponsor program guidelines. If there is a limit on F&A, the program guidelines or announcement will list the rate that should be used. If the guidelines do not mention F&A or indicate that something other than the applicable Federally negotiated rate should be used, the appropriate full rate should be used.

The next step in determining the appropriate rate is to establish what type of project you have. [OMB Circular A-21](#) describes the different types of awards – Organized Research, Instruction and Training or Other Sponsored Activities.

Organized Research

Organized Research is described as all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the Instruction function.

Research activities include the rigorous inquiry, experiment or investigation to increase the scholarly understanding of the involved discipline. Examples of sponsored research include:

- Awards to JHU faculty to support research activities
- External funding to maintain facilities or equipment and/or operation of a center or facility which will be used for research
- External support for the writing of books, when the purpose of the writing is to publish research results
- Data collection, evaluation, analysis and/or reporting

Instruction and Training

Sponsored Instruction is defined as teaching and training activities at JHU funded by grants and contracts from Federal or non-Federal sponsors. Sponsored Instruction includes agreements which support curriculum development as well as all types of teaching/training activities, whether offered for credit toward a degree or certificate, on a non-credit basis, or through regular

academic departments or by separate divisions, summer school or external division. Sponsored Instruction includes:

- Any project for which the purpose is to instruct any student at any location; recipients of this instruction may be JHU students or staff, teachers or students in elementary or secondary schools, or the general public
- Curriculum development projects at any level, including projects which involve evaluation of curriculum or teaching methods. Note that such evaluation may be considered “research” when the preponderance of activity is data collection, evaluation and reporting
- Projects which involve JHU students in community service activities for which they are receiving academic credit
- Activities funded by awards to departments or schools for the support of students
- Fellowship support for pre-doctoral and post-doctoral training activities, which may include grants to fund dissertation work and travel in relation to a dissertation
- General support for the writing of textbooks or reference books, video or software to be used as instructional materials

Other Sponsored Activities

Other Sponsored Activities means programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than Instruction and Organized Research. Since most projects in this category do not directly involve students and gain little, if any benefit from libraries, the F&A rate applicable to Other Sponsored Activities is less than the rate for Organized Research or Sponsored Instruction. Examples of Other Sponsored Activities include:

- Travel grants
- Support for conferences, seminars or workshops
- Support for University public events such as “lively arts”
- Publications by JHU Press
- Support for student participation in community service projects which do not result in academic credit
- Support for projects pertaining to library collections, acquisitions, bibliographies or cataloging
- Programs to enhance institutional resources, including computer enhancements, etc.
- Health services projects

On vs. Off Campus

Next, determine if your project qualifies for an off campus rate. In order for a project to be considered off campus, the following qualifications must be met:

1. The PI will be away from his or her campus facilities (ie. office and laboratory) for a minimum of three consecutive months;
2. The on campus facilities will be made available for use by other faculty and/or students during the PI’s absence; and
3. The PI will be performing work in accordance with the statement of work of the proposed and funded project while at the off campus location.

These qualifications are a fiscal determination based upon space utilization and it is not simply a definition of where some of the project work is being performed.

Off campus rates can only be used relative to the effort of a University employee. The performance of non-university personnel must be handled via a subcontract to another institution, which takes on campus F&A for the first \$25,000, or a consulting agreement, which takes full F&A for the entire amount. The University must bear a responsibility for the work being done by non-

JHU personnel, and the individual must be responsible to JHU for the integrity of the work performed as the initial requisite of an off campus account.

Once the project type and location are determined, the proper Federally negotiated rate should be applied. Current rates can be found at <http://jhuresearch.jhu.edu/goldenrod.htm>. Federal rates can be used with state and private sponsors, and must be used if JHU will be a subcontractor on a Federal prime award. Questions can be directed to your RPA contact.

Cost Sharing

Some agencies require that a percentage of the research costs be shared by the University. Cost sharing represents a financial commitment to a research project. Whenever the full costs of a project are not recovered (direct or F & A), then the University is sharing a percentage of the research costs and it is considered cost sharing. University cost sharing should not be included in a proposal unless it is mandatory by statute, regulation or written policy.

No cost sharing, waiver or modification can be accepted without the approval of the appropriate Dean or Provost. The School of Engineering generally will not approve voluntary cost sharing, and requires that all cost sharing be approved in advance and documented through the use of the "Dean's Funds Required for Cost-Sharing" form.

Cost sharing may take the form of outright, in-kind or matching. Outright cost sharing generally constitutes a cash contribution coming from University sources. Matching usually refers to a third-party cash contribution through gifts or grants specifically earmarked for participation on a project. In-kind contributions may include University or third-party contributions of efforts, services or goods. To be acceptable as cost sharing, an expenditure must be verifiable from the official University records; not be used as cost sharing for any other sponsored program; be necessary and reasonable for proper and efficient accomplishment of the project; be allowable under the University governing cost principles and policies (OMB Circular A-21 and Johns Hopkins University Charging of Departmental Administrative Costs Policy); be incurred during the effective dates of the award; and not paid by the Federal Government under another sponsored project.

It is important to remember that all types of cost sharing must be accounted for, even if only mentioned in the proposal text and not specified in the budget. See the Office of the Controller's [Accounting for Cost Sharing Policy](#) for further information on accounting and tracking cost sharing.

Proposal Submission

University Requirements

It is essential that all proposals be reviewed by RPA prior to submission to the potential sponsor so that RPA can ensure that the budget is correct, using the most recent Facilities & Administrative Costs and Fringe Benefits rates. RPA also reviews the documents for compliance with University policies and Federal and State guidelines. Remember, proposals must be submitted to RPA when requesting the funds, not when they are received!

RPA requires a minimum of five (5) working days to review any proposal to be submitted to a sponsor. In general, such proposal routing can be accomplished by submitted to RPA the following documents: A University "Information Sheet" (also known as the "Routing Sheet"); a project description and/or scope of work; a budget and budget justification; a cover sheet or

request for a JHU letter of intent; any subcontractor information required; and any applicable approved animal protocol.

Compliance

The University must provide sponsors with certain assurances regarding every research project. These assurances generally involve areas of potential physical, psychological, financial or legal liability that the researcher, the sponsor, and/or the University may be subject to during the course of the research project and beyond.

In order for the affected parties to minimize potential liability, the federal government and the University require that certain approvals be obtained before a proposal is actually submitted. "Approvals" in this sense involve the conduct of an examination by unaffected, technically qualified individuals of those specific elements of the research proposal that pose potential risks. The examination of these risks is based, for the most part, upon federal and/or University regulations specific to the elements being examined.

RPA offers detailed information regarding policies, training, and other information pertinent to the responsible conduct of research online at <http://jhuresearch.jhu.edu/>. Also included on this website is the University "Information Sheet", which must be attached to the front of every proposal. This form can be filled out online or downloaded on to your local PC. In addition to requiring basic information about the award, this sheet outlines the areas requiring institutional assurances. These generally include the following:

Use of Animals in Research

Any research proposal which uses vertebrate animals, or tissue derived therefrom, must have the animal "protocol" approved by the University. This refers to the specific methodologies which describe how the animals will be used and maintained. Research involving animals must be approved by the Institutional Animal Care and Use Committee (IACUC). Information regarding requirements for approval of protocols can be obtained by visiting the [RPA website](#). Copies of the approved protocols, along with the portion of the technical proposal describing the use of animals must be submitted to RPA when routing the proposal for signature.

Use of Human Subjects

The University must approve any research project involving the use of human subjects. The University must give assurances regarding research which involves both physical and psychological testing. This includes social data collection and analysis.

Complete information regarding what is required concerning the use of human subjects in research can be acquired from the Institutional Review Board for Human Subjects at Ext. 6-6580.

Use of Infectious Agents or Other Biohazardous Materials

The University must examine and approve the handling, storage and disposal of any materials in this category. These approvals are obtained by contacting the Office of Health, Safety and Environment (HSE).

Use of Radioactive Materials

The handling, use, storage and security of these materials must be registered with the HSE.

Use of Recombinant DNA

As with "Infectious Agents", contact the HSE.

Alterations, Renovations, and Additional Electrical or Steam Service

Any modification of laboratory or office space must be approved by the department chairperson and the appropriate dean before any information is conveyed to a potential sponsor. The alteration of space involves various levels of cost and has ramifications that could affect space allocations for an entire academic department.

Capital Equipment

First rate research often requires the acquisition of major equipment systems. However, the University is required by the Federal Government to avoid acquiring equipment that is duplicative or easily and conveniently available within a department. This inquiry, therefore, helps the University to determine equipment needs in those instances where it is disadvantageous to utilize existing equipment.

Conflict of Interest

Conflict of Interest exists when external commitments made by University employees threaten or impair independent scholarly inquiry, compromise one's freedom of thought or action, or impede an employee's ability to capably perform the duties of his/her University position. To minimize the likelihood of such conflicts, the University, in accordance with federal regulations, has developed a "University Policy on Conflict of Interest and Conflict of Commitment" of which every employee pursuing external activities with income potential should be cognizant. In addition, schools within the University may have their own Conflict of Interest or Conflict of Commitment guidelines that must be followed.

Certifications and Representations

Due to Federal mandate, the University must often certify that it conducts its activities in a manner that does not violate specific federal laws or regulations associated with the obligations of entities which receive federal funds. These assurances to the federal sponsors constitute "promises" on the part of the University that it understands the sum and substance of the regulation, and that it will do its best to behave in accordance with such regulations. The documents which convey our assurances in these matters are called "certifications and representations".

Most agencies have a single form which covers a general set of certifications regarding non-discriminatory employment practices, accuracy of cost and pricing data, employer identification number and the like. The more highly visible certifications are the "special certifications" that usually reflect a conspicuous attempt by the government to address problems of contemporary importance. Among these assurances would be those attesting that the

University is a Drug Free Workplace; that Johns Hopkins has not experienced Debarment or Suspension in previous federal grants or contracts; that the University does not attempt Lobbying in order to attract research funding, that equipment purchases are not duplicative (Equipment Certification), and so on. Because certification requirements are constantly changing, RPA monitors federal requirements in these areas. Whenever there are questions about required certifications and representations, please direct them to RPA.

Routing of Proposals

Proposals must be routed as detailed below through RPA for review and to obtain the necessary signatures of the Dean or Provost. To ensure that your submission deadlines are not missed, please allow five working days for this review.

- All proposal components (text, budget, agency forms) except certifications are prepared in the department.
- An information sheet must be filled out and attached to the proposal. This must be signed by the Principal Investigator (who attests to the proposal's accuracy) and Department Chair or Center/Institute Director (who agrees to space, equipment, personnel, department cost sharing, etc.), and attached to the proposal. Proposals should be signed by all co-investigators and their respective Department Chairs or Center/Institute Directors. In cases where multiple departments or centers are involved, a Signature Page for Multi-Investigator Proposals should be completed in addition to the Routing Sheet and circulated for approval.
- Generally the sponsoring agency has a cover sheet that requires the signature of an authorized official of JHU. This cover sheet should be completed by the department and submitted to RPA, along with the Information Sheet, which will obtain the authorized representative's signature. If the agency has no cover sheet format, the optional [RPA Cover Sheet](#) may be signed and attached to the proposal as well.
- Note that cost sharing should be negotiated with the Department Chair and the appropriate Dean or Provost before the proposal is sent to RPA.
- The forms and proposal become the proposal package. The proposal package is sent to RPA for review. Proposals being submitted electronically to NSF must follow the procedures outlined under the subheading NSF Fastlane and Electronic Forms Submission. RPA will ensure that the proposal is:
 - Reviewed by the appropriate Sponsored Projects Specialist and/or Research Projects Administrator for University and sponsor requirements as well as for budgetary accuracy. Also, RPA will prepare and attach any certifications required by the agency.
 - Signed by the Assistant Provost or designated representative, if administratively acceptable.
 - Signed by the appropriate Dean or Provost
- RPA will then call the person indicated on the Information Sheet to notify them that the proposal is ready for pick up.
- After the appropriate number of copies are made, the department may mail or deliver the proposal package to the sponsor. If requested in advance, RPA will mail the proposal to

the sponsor if the department supplies the requested number of copies. Overnight or other special rates will be charged to the PI or the PI's department. Proposals should be sent Overnight or Federal Express only in emergencies, as many agencies do not accept other than The U.S. Postal Services postmark as proof of mailing.

- PI's may check the status of their proposals during the review process by contacting RPA at (410)516-8668.
- NOTE: Failure to follow these procedures may result in delays in the negotiation process and account set-up.

Project Management

Award Acceptance

Awards are made to and accepted by JHU. Once a sponsor makes an award, RPA checks the terms and conditions. If all is satisfactory, RPA will notify the PI of the award and an account number is assigned to the research project. For contract awards, additional time is required for negotiation. PI's are notified of the receipt of the agreement prior to the beginning of negotiation and award processing occurs when all terms and conditions are acceptable.

Capital Equipment Purchases

As indicated in OMB Circular A-21, equipment is defined as "an article of nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit". For sponsors which require prior approval for equipment purchases (primarily contracts) or, if applicable, the rebudgeting of funds, requisitions must be routed through RPA. In addition, components being incorporated into an item of equipment (requisitions with a code "c") under these types of awards should also be processed through RPA.

Inventory Reporting

Records of equipment that can be inventoried are maintained by the Department of Cost Analysis, a section of the Controller's Office. Although individual equipment records are maintained for each grant or contract by the PI, it is important that Cost Analysis is notified of any changes to the equipment, such as transfers between departments or to other institutions. All changes in status must be documented by the completion of an [Equipment Information Form C824](#). Other instances where Cost Analysis must be notified include the fabrication of equipment from component parts and transfers of government-owned equipment to the University. In these instances, an [Equipment Notification Form C825](#) should be completed and sent to Cost Analysis.

These procedures are necessary in order for the Controller's Office to submit complete and accurate equipment reports to the sponsors.

Further information as well as the above mentioned forms can be obtained by referencing the [Equipment and Space Accounting Guide](#), published by the Office of the Controller.

Post Award Changes

After an award has been made, changes affecting the budget or the award period are sometimes necessary. Regulations regarding post award changes vary among agencies. Particularly, changes in some items may require approval, such as travel, extensions (cost and no cost), non competing renewal, absences, supplemental funds, rebudgeting, or change of PI.

Awards are made to JHU under specific terms and conditions. All sponsors reserve the right to conduct an audit of the expenditures for a research project. Sponsors may determine that certain expenditures may be disallowed if the letter and spirit of their regulations are not followed. In this case, JHU may be required to refund to the sponsor all disallowed expenditures.

Reporting Requirements

Most grant and contract agreements require interim and/or final reports. These reports may include equipment, patent, financial and/or technical. Most of these reports are required to be submitted on an annual basis; however, some sponsors may require more frequent reporting. Final reports are required at the close of the award, usually within 90 days of the expiration of the final project funding period.

It is important that all reporting responsibilities be fulfilled as failure to do so may jeopardize future funding to the entire University. While it is the PI's responsibility to ensure all requirements of the award are met, RPA can assist by coordinating reporting compliance. The following offices are responsible for preparing the reports frequently required by a sponsored award:

- **Technical Reports** – The PI is responsible for preparing and submitting all technical reports.
- **Patent Reports** - The Office of Licensing and Technology Development (LTD) prepares all annual and final reports on inventions. RPA prepares negative reports.
- **Equipment Reports** – The Department of Cost Analysis of the Office of the Controller prepares and submits all required annual and final equipment reports. RPA assists by negotiating the disposition of remaining equipment at the term of the project.
- **Financial Reports** – The Research Accounting Department within the Office of the Controller is responsible for preparing all financial reporting requirements.

Additional Services Available Through RPA

Research Information Services

Research Information Systems provides a variety of services that support research at Johns Hopkins. Foremost among these is the ongoing maintenance and development of the ReSource Information System. This system tracks all proposal and award activity initiated over the past 10-15 years, and is used by administrative personnel throughout the University to obtain accurate, up-to-date summaries of sponsored projects activity in the aggregate or at the individual project level.

Electronic Research Administration

Our primary initiative at present is to spearhead the move to Electronic Research Administration (ERA) at Hopkins. To that end, we have licensed software from MIT to use as a

prototype for developing an electronic proposal system. We are also evaluating electronic data interchange (EDI) software that will enable electronic submission and receipt of proposals and awards. When fully implemented, ERA will streamline the proposal and award process, and allow us to further reduce duplicate data entry by easily uploading proposal and award information into the ReSource and CUFS (JHU's accounting system) systems.

TRAM

The Texas Research Administration Group (TRAM) has developed an on-line search engine which allows you to search for local funding opportunities from many different sources. [TRAM](#) also maintains a set of forms of various agencies, including grant applications, federal regulations, licenses and additional links to other research administration servers.

Lists of Parties Excluded from Federal Programs

The U.S. General Services Administration (GSA) provides an on-line database of parties excluded from federal procurement and nonprocurement programs. This database provides an up-to-date source of information on those firms and individuals that have been suspended, debarred, or otherwise excluded from federal procurement or nonprocurement programs government-wide. RPA routinely accesses this database prior to the issuance of subawards to verify the status of the subrecipients. This is a free government service, available 24 hours a day, 7 days a week. It is available online at <http://www.arnet.gov/epl>.

NSF Electronic Award Notification

After a successful test run with several universities including Johns Hopkins, the National Science Foundation now sends all award notifications by electronic mail. RPA will check for these notices daily and forward a copy to the PI. Award processing will begin immediately, and upon account set up, the PI will receive an additional copy of the award attached to the electronic mail Receipt of Award notice.

FastLane

Leading the way in electronic forms submission, NSF has created FastLane through which all administrative functions can be completed and submitted electronically to NSF. The ease of use and the time efficiency of this program make it ideal for PIs to submit forms, from proposals to technical reports. NSF FastLane can be found at www.fastlane.nsf.gov.

A password and registration in the NSF PI Database is required to use FastLane. If you need a password, or would like further information or instruction, please contact RPA. The following features are available for on-line use:

Proposal Preparation and Submission Forms preparation is initiated by the PI, with access controlled by a valid user name, SSN and password. Proposal submission and electronic signature is done by Research Projects Administration. FastLane provides checks for completeness and other information edits. The forms may be reviewed and edited on-line prior to submission by the PI or anyone designated by the PI.

Proposal Status Inquiry PI's can view information regarding the receipt and status of submitted proposals. Information includes the verification of basic identifying information, the date the proposal was received by Sand the name of the NSF Program and Program Officer assigned to the proposal. FastLane also provides dates of final program approval, as well as the identification of overdue reports and other factors that might be delaying the proposal process.

Revised Budgets, Notifications and Requests Any administrative changes, including revised budgets, no-cost extensions and any changes in PI, scope of work or other changes requiring NSF notification or approval, must be completed in Fastlane. All administrative changes should be entered by the PI and will be submitted by RPA.

Interim and Final Project Reports NSF grants require the submission of Interim Project Reports 30 days prior to the start of a continuation year, and a Final Project Report (NSF Form 98A) within 90 days after the expiration of the grant. To complete either of these reports, the user enters a valid NSF award number, Principal Investigator last name and password. The reports can then either be entered into an on-line format, or uploaded as a word processing or PDF file.

NSF Award Search NSF maintains a database of all active awards with information including PI, institution, start and end dates, amount and abstract. Users can query the NSF database by state, institution, NSF program, and fiscal year within each category. FastLane also provides a list of recent awards.

Proposal submissions just prior to or on the deadline date may be delayed due to the system load. Please keep this in mind when completing and submitting your proposal for review by this office. The routing sheet, an abstract, and budget, as well as cost sharing forms if applicable, continue to be required for review and signatures by RPA and the Dean or Provost. Please allow time for this process (usually five working days).

Seminars

RPA, from time to time, hosts seminars and teleconferences on various research related topics. Advance notification will be given to Homewood faculty. In addition, RPA staff is available to provide departments with individual training sessions on different aspects of sponsored research.

Subcontracting Administrative Procedures

Introduction

Sponsored project awards made to The Johns Hopkins University (JHU) are generally conducted within the physical boundaries of JHU by University faculty and staff. Occasionally, however, a significant portion of the required work may need to be provided outside the University by a third party. The third party is made responsible for a discrete portion of the project award, providing the leadership and direction of a responsible investigator and the resources necessary to conduct that portion of the work. Costs associated with this work may include personnel costs, supplies, equipment, travel, overhead, etc. Such an arrangement is carried out through the issuance of a subcontract.

The U.S. Government Office of Management and Budget (OMB) requires recipients to analyze and monitor funds going to subcontractors. The Office of Naval Research audits

recipients' compliance with this requirement. The guidelines and specific office procedures set out in this manual have been developed by Research Projects Administration (RPA) for establishing subcontracts for research, development and services under Department of Defense (DOD) and National Aeronautics and Space Administration (NASA) prime contracts awarded to the Homewood Division of JHU to assure compliance with U.S. Government regulations. These instructions should also be used as guidance in establishing private subcontracts and federal and private subawards.

Activities performed by private individuals who are not employees of JHU are normally administered through a Contract for Personal Services Rendered by a Consultant/Independent Contractor. For further information on consultants and independent contractors, please refer to the [Independent Contractors and Consultants Guide](#) issued by the Office of the Controller.

In cases where purchased services involve an organizational entity but do not involve substantive scientific research, a purchase request may be appropriate. An example would be the performance of repetitive tests or activities requiring no discretionary judgment on the part of the provider. The issuance of a purchase request may also be appropriate in purchaser-vendor relationships involving the procurement of goods or services which are related to the administrative support of the federal assistance program. Further information regarding vendor procedures and relationships can be found in the [Purchasing Guide](#) issued by the Purchasing Services Department.

Overview

Administrative responsibilities at various stages in the subcontracting process are shared by the Principal Investigator (commonly referred to as Project Director or PI) and Research Projects Administration as indicated:

- The subcontractor's proposal to perform a portion of the project's work generally is sent directly to The Johns Hopkins University's (JHU) project director, who incorporates it in his or her proposal for forwarding through to RPA which examines it for form, policy adherence and sufficient detail.
- If required under FAR Clause 52.219-9 for federally funded subcontracts exceeding \$500,000, RPA will obtain a Small Business Subcontracting Plan from the subcontractor.
- When the prime contract is received by RPA the PI will be notified by RPA.
- For specific instructions regarding JHU's proposal and award process, please refer to the previous sections of this Handbook.
- At the time the contract is received, the subcontract is prepared by RPA and executed on behalf of JHU and the subcontractor.
- Throughout the administration of the subcontract, a complete file of all documentation and correspondence is maintained at RPA. RPA has the final signatory authority for all administrative aspects of the subcontract, including rebudgeting approval and subcontract modifications.
- Upon completion of the subcontract, all appropriate closing documents are completed by the PI and RPA and forwarded to the sponsor. The complete file is retained by RPA for a predetermined period of time to satisfy all audit requirements.

The Subcontract Proposal

Selection of Subcontractor

It is the responsibility of the Principal Investigator (PI) to ensure that the selection of a subcontractor is conducted in a manner to provide, to the maximum extent practical, open and free competition. As such, solicitations shall be based upon a clear and accurate description of the technical requirements for the service to be provided and should clearly set forth all requirements that the offeror must fulfill in order for his or her bid to be evaluated by the recipient. Subsequent awards to subcontractors, therefore, should be made to the offeror whose bid is most responsive to the solicitation and is most advantageous to the recipient, price and other factors considered. In addition, positive efforts should be made to utilize small business and minority-owned business sources.

The PI is responsible for price analysis when selecting a subcontractor. Price analysis may include the comparison of price quotations submitted, analysis of market prices and similar indicators, together with discounts. The PI will ultimately determine the appropriate price for the required services.

At this stage of the selection process, the PI may choose to contact RPA to determine whether or not the potential subcontractors are debarred or suspended from receiving federal funds.

When the nature of the program requires performance from a single source because the required services or expertise are not available from other sources, the PI is required to provide sole source justification, identifying the need for the particular services and why the selected subcontractor is the only source available for the needed services.

Incorporating the Subcontractor Proposal into the Prime Proposal

The PI and the subcontractor negotiate the Statement of Work for the subcontract and it is included as part of the proposal submitted to the prime agency. The Statement of Work should be a concise narrative abstract of the work to be undertaken by the subcontractor. In the case of a fixed price subcontract, the Statement of Work should also contain performance standards and deliverable schedules.

The costs related to subcontracting are included in The Johns Hopkins University's (JHU) direct cost portion of the prime proposal. Within the proposal, a separate subcontract budget should be attached providing a detailed breakdown of budget categories, such as salaries, wages, fringe benefits, materials, supplies, equipment, travel and other direct costs that are required in order to accomplish the specific aspects of the research that the subcontractor has been requested to perform. Percentages of effort for personnel should also be included. Indirect costs and fringe benefits should be calculated using the subcontractor's negotiated rate agreement, which should be submitted as part of the subcontractor's proposal. If cost sharing is required, the percentage and amount required should also be included in the subcontractor's budget.

A Letter of Intent, signed by a designated business official of the subcontractor should be included as part of the subcontractor's proposal. This individual should be someone who is

authorized to commit the subcontractor's time and resources toward the work described in the subcontract.

If required under FAR Clause 52.219-9, JHU will also obtain a Small Business Subcontracting Plan from subcontractor and incorporate the Plan into the prime proposal.

The Request for Subaward form must be completed by the PI and submitted to RPA along with the prime proposal.

Negotiating the Subcontract

RPA reviews the subcontractor's proposal to determine the acceptability. Under federal law, agreements should be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed subcontract. Consideration is given to matters such as subcontractor integrity, record of past performance, financial and technical resources and accessibility to other necessary resources. An on-line database is available to RPA for checking the status of potential vendors and contractors to assure the organization is not debarred or suspended from receiving federal funds.

RPA is responsible for ensuring that cost analysis of the subcontractor's proposed budget has been performed by the PI. Evaluation and verification may be necessary for each element of the price to determine reasonableness, allocability and allowability. Documentation of this analysis is provided to RPA from the PI by completing the Request for Subaward form.

At this stage of the negotiation process, RPA requires the subcontractor to submit a Certificate of Current Cost or Pricing Data, if applicable (subcontracts of \$550,000 and over).

The procedures outlined above are designed to accommodate the majority of subcontracts prepared by RPA. In some cases, however, it may be necessary to issue a subcontract which was not planned for or listed in the contract proposal. In such instances, these guidelines shall be followed as closely as possible and in consultation with RPA.

Preparing the Subcontract

Upon receipt of a fully executed prime contract from the sponsor, RPA issues a subcontract to the third party. Each sponsor has its own approval requirements regarding subcontracts. In most cases, approval is required for all subcontracts. This approval is often implied if the subcontract was incorporated as part of the approved prime proposal budget. In certain instances, however, the sponsor's cognizant administrative official may require either the approval of the subaward document itself prior to execution or the provision of a copy of the executed document. It is strongly advised that the PI contact RPA well in advance concerning the required turn around time for subcontract approval.

The prime contract is reviewed by RPA to determine any budgetary constraints; whether the terms and conditions that are included in the prime contract (special provisions) are applicable to the subcontractor; whether any general provisions have been incorporated into the contract that are required to be flowed-down to the subcontractor; and whether there are any certifications required of the subcontractor.

A subcontract is drafted which is consistent with the terms and conditions of the prime contract (type and provisions of contract) and which is appropriate for the specific subcontractor (i.e. non-profit v. profit).

Subcontract Administration

RPA Subcontract Monitoring

RPA holds final approval rights in the administration of the subcontract. This includes requests for approval for rebudgeting, foreign travel, the purchase of equipment, and the hiring of consultants. RPA will consult with the PI before approving or rejecting such requests. Sponsor approval may be necessary for certain changes.

RPA is responsible for oversight of subcontractor compliance with the terms of the subcontract, including compliance with the reporting requirements of the subcontract, as well as monitoring expenditures to determine if costs are in accordance with the negotiated budget. During the course of the contract, it may be necessary to issue modifications. RPA is responsible for the issuance and execution of all subcontract modifications.

PI Subcontract Monitoring

The PI holds final approval rights for all technical components of the subcontract. After RPA reviews the invoices, payment approval is required from the PI. This enables the PI to monitor the rate of expenditure to determine if costs are reasonable, if the work is progressing as planned and if there will be sufficient funds for the duration of the agreement.

The PI is responsible for monitoring all work in progress. Generally this will entail informal contacts between investigators, although it may be desirable to request monthly or quarterly technical reports in the subcontract document if the PI deems necessary. The PI should ensure compliance with the reporting requirements and inform RPA if he or she needs assistance in attaining compliance from the subcontractor.

Prior to issuing a subcontract modification, the PI must determine if the proposed modification will involve a change in scope of work or objectives which will impact the project. In such a case, RPA may be required to obtain sponsor approval prior to issuing a subcontract modification.

Close Out of Subcontracts

RPA reviews the subcontract to ensure that all necessary closing actions have been carried out, including receipt of all appropriate closing documents.

The following reports are required for closeout within 30 – 45 days of termination:

- Final technical report –submitted directly to PI and copied to RPA
- Final equipment report, if required – to be obtained by RPA
- Final patent report – to be obtained by RPA
- Final voucher and all appropriate releases – to be obtained by RPA

RPA performs a final desk audit of expenditures and, if necessary, may request that there be a full audit of the subcontract. RPA retains the complete file for a predetermined period of time to satisfy all audit requirements.

The PI is responsible for seeing that an acceptable final report is received from the subcontractor. RPA forwards the final invoice to the PI, who is responsible for the review and final authorization of the final payment to the subcontractor.