



## EASTERN KENTUCKY UNIVERSITY

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September 23, 2008

To: Dr. Mixon Ware, President ECU Faculty Senate

From: Dr. Jerry Pogatshnik, Associate Vice President for Research and Dean of the Graduate School

Re: Sponsored Programs Policies

At the request of the Executive Committee of the Faculty Senate, I am pleased to provide additional information regarding the evolution of the policies related to sponsored programs at ECU. As I mentioned to the members of the Executive Committee, these policies have been developed in through the collaborative efforts of faculty, staff and administrators at ECU with assistance from our external consultants at Huron.

As you may recall, draft policies were presented to the Faculty Senate at the November 2007 meeting. As an outcome of the meeting, an open forum was held at the end of November, facilitated by Mr. Tom Champagne of Huron Consulting Group. Senators May, Frisbie, Schuester, and Petronio and members of the Executive Committee were invited to attend. Other faculty members attending the forum were Dr. Alice Jones, Dr. Sally Martin, Dr. Susan Fister, Dr. Lawrence Hayes, and Dr. Bruce Wolford. At the meeting, it was decided that a representative task force, to be chaired by Executive Vice President Harry Moberly, would be established to review the set of policies and recommend changes, as needed.

The Task Force held its first meeting on March 21, 2008. Former Faculty Senate President David Eakin asked Senators Frisbie, May, Petronio, and Schuester to serve on the task force to represent the Senate. Dr. May declined participation due to his sabbatical. Dr. Susan Fister from the College of Health Sciences and Dr. Allen Engle, from the College of Business and Technology served as additional faculty appointees on the recommendation of Executive Vice President Moberly. A complete list of committee members is included with this memo. I've also included a brief synopsis of each policy along with a brief description of substantive changes that were recommended to the policies as previously presented to the Faculty Senate.

The policies presented for consideration by the Senate are the result of the considerable efforts from this Task Force. I think it is important to note that, like any policy, individual members of the campus community may hold objections to specific provisions in these policies, and that includes members of the Task Force itself. However, the policies as presented represent the consensus of the Task Force and, in my opinion, provide a firm foundation for the encouragement and administration of sponsored program activities at ECU. I would be pleased to address any questions from members of the Senate regarding these policies or provide any additional information that would assist the Senate in the consideration of this important work.



Attachment 1

**University Task Force of Sponsored Programs Policies**

<b>Name</b>	<b>Office/Title</b>
Harry Moberly, Chair	Executive Vice President for Administration
Verna Freer	EKU Libraries
Beth Brickley	College of Education
Kim Lawson	Justice and Safety Center
Hal Fink	Training Resource Center
Tammy Cole	Continuing Education and Outreach
Kristel Smith	CEDET
Malcom Frisbie	College of Arts and Sciences, Faculty Senate
Allen Ault	College of Justice and Safety
Karen Petronio	College of Education, Faculty Senate
Guenter Schuester	College of Arts and Sciences, Faculty Senate
Jerry Pogatshnik	Graduate Education and Research
Rodney Piercey	Provost and Vice President for Academic Affairs
Debbie Newsom	Vice President, Financial Affairs
Barry Poynter	Financial Affairs
Brad Compton	Sponsored Programs Accounting
Gus Benson	Sponsored Programs
Beth Ballard	Internal Audit
Wayne Waddell	University Counsel
Allen Engle,	College of Business and Technology
Susan Fister	College of Health Sciences

## **Policy Synopsis**

### **4.4.3 Cost Sharing on Externally Sponsored Projects**

The policy describes the conditions for obtaining and tracking cost-share commitments that are made when a project requires financial contributions from ECU as a condition of the award. The policy spells out the conditions that must be met before the ECU will commit funds to a sponsored agreement. It also identifies the types of activities that can and cannot be used to satisfy cost sharing requirements and outlines the responsibilities of the University and the project director for tracking these expenditures and assuring that commitments to external sponsors are being met.

### **4.4.4 Cost Transfers on Externally Sponsored Programs**

This policy mainly applies to project directors who manage more than one grant or externally sponsored agreement. The policy describes the mechanism for correcting situations when expenditures are charged to the wrong grant account. It also describes the limitations as to when, and under what conditions, charges can be moved from one grant account to another. Much of the policy language follows directly from federal guidelines.

### **4.4.5 Direct Charges on Externally Sponsored Projects**

The policy describes the criteria that grant expenditures must meet in order for them to be charged to a grant or sponsored agreement. All grant expenditures must meet the criteria of “reasonable, allowable, allocable, and consistently treated” as established under the Office of Management and Budget Circular A-21, Principles for Determining Costs Applicable to Grants, Contracts and Other Sponsored Agreements with Educational Institutions (OMB A-21).

### **4.4.6 Effort Reporting on Externally Sponsored Projects**

This policy describes the University’s responsibilities for assuring that personnel commitments of faculty and staff that are made to an external agency in return for financial support are adequately documented. Effort reporting is an inexact science but the policy lays out a reasonable process that meets the criteria established by the federal government under OMB A-21. Effort reporting applies to all personnel supported on sponsored agreements, either as direct charges to grants or when time and effort is offered as part of the University’s cost sharing commitment to an agency.

### **4.4.7 Externally Sponsored Proposal Submission and Award Acceptance**

The policy describes the process for obtaining institutional approval for submitting and accepting externally sponsored agreements on behalf of Eastern Kentucky University, as well as eligibility criteria for project directors who wish to submit proposals through ECU.

### **4.4.8 Salary Compensation on Externally Sponsored Projects**

Policy 4.4.8 describes conditions for faculty and staff receiving compensation from externally sponsored agreements, or who have made commitments of their time as part of a cost sharing arrangement to a grant or externally sponsored project. The policy also establishes guidelines for the relationship between effort commitments to a grant that must be tracked through the Time and Effort policy and a faculty or staff member’s workload assignment and describes conditions under which overload compensation may be considered.

#### 4.4.9 Subrecipient Monitoring

This policy describes the responsibilities of the University and the project directors for monitoring the fiscal and programmatic activities of third parties who are subrecipients of a grant or other sponsored project issued to Eastern Kentucky University. The policy is based on guidelines and reporting requirements for Federal awards.

#### 4.4.10 Facilities and Administrative (F&A) Cost Recovery and Distribution

The policy sets forth guidelines for appropriate inclusion of Facilities and Administrative (F&A) costs on all externally sponsored agreements. It also establishes guidelines for sharing back a portion of recovered indirect costs to Administrative Units and Project Directors, additional support for Sponsored Programs Accounting, and increased funding for the University's Institutional Match account and for faculty research support.

### **Notes on Policy Revisions**

Most of the policies described above were endorsed by the Task Force with minor recommendations for revision. Specifically, the *Violations of the Policy* section of all policies was amended to include an avenue for appeals. Substantive changes were recommended for the following:

#### 4.4.7 Externally Sponsored Proposal Submission and Award Acceptance

It was recommended that the policy be revised to permit Emeritus Faculty, subject to approval, to submit proposals to external agencies on behalf of ECU.

#### 4.4.8 Salary Compensation on Externally Sponsored Projects

The revised version includes a modification of the "salary savings" provision under the *Use of Funds* section on page 2. As originally proposed, "salary savings" were to be returned to the department to compensate for the loss of support under the proposed F&A redistribution policy (see below). As a result of modification to the F&A policy, and uncertainties regarding the financial impact of the previous "salary savings" provision, the committee recommended that "salary savings" other than those used to cover the cost of reassigned time within the unit be returned to the General fund. The committee recommended that additional data be obtained to assess the financial impact of a modified salary savings provision that might be incorporated into a revised policy at a later date.

#### 4.4.10 Facilities and Administrative (F&A) Cost Recovery and Distribution

The original proposal requested that a fixed percentage of F&A costs be returned to Sponsored Programs/Sponsored Programs Accounting to provide additional staff support and support for faculty. The original proposal also included increased distribution to the College level and reduced support to Departments (see notes on 4.4.8, above). Given the difficulty of revising the percentage distribution currently in place, the recommendation of the Task Force was to provide a fixed amount, rather than a fixed percentage, to support the activities of SP/SPA. These funds would be taken "off the top" of the recovered F&A pool and the remaining funds would be distributed to the administrative units and project directors according to the existing distribution formula.