

1. PURPOSE

This Policy Statement provides guidelines for the University of Houston-Clear Lake (UHCL) to encourage and assist faculty and staff who engage in sponsored programs intended to extend knowledge for the University community and the greater community that the University serves. The Office of Research and Sponsored Programs (ORSP) serves to expand the educational opportunities available to undergraduate and graduate students at the University, support research activities, encourage scholarly inquiry, and support the development of new knowledge in order to enhance the academic structure of the University.

2. DEFINITIONS

- 2.1 A sponsored program is defined as that which meets the following criteria:
 - 2.1.1 program binds UHCL to a specific scope or statement of work;
 - 2.1.2 progress, technical, financial, or other deliverables are required;
 - 2.1.3 periodic billings or report of expenditures are required;
 - 2.1.4 unexpended funds may or may not be returned to the sponsor at the end of the program;
 - 2.1.5 program involves the disposition of property, tangible or intangible, that result from the program; and/or
 - 2.1.6 program has a specified performance period or completion date.
- 2.2 Grant, contract, subcontract or cooperative agreement. Sponsored programs are awarded through various mechanisms: grants, contracts, subcontracts and cooperative agreements, and/or other legally binding means of transfer.
 - 2.2.1 Grants are a type of financial assistance awarded to an organization for the conduct of research or other program as specified in an approved proposal. The proposal typically defines a scope of work or performance. The sponsor makes

an award, which may be based upon a competitive review, and establishes terms and conditions for performance. These terms may be generally stated, as in many federal awards, or may specifically describe allowable and unallowable activities and/or costs.

- 2.2.2 Contracts or subcontracts may be awarded for research assessment, specific work performance, instruction, training, and/or similar activities. Generally, contracts will define specific details of the legal relationship between the participating entities and will incorporate the description and cost of the work to be performed either as a legally binding attachment or embedded in the contract document. A purchase order may be a form of contract. A contract is a legally binding arrangement or performance agreement for carrying out a specific service or procuring a product that entails specific obligations for both sponsor and recipient. Contracts are a more restrictive mechanism than are grants, and may specify penalties for non-performance.
 - 2.2.3 A fixed cost or fee-for-service agreement is one in which one party pays the other party a predetermined price regardless of actual costs for services rendered.
 - 2.2.4 A cost-reimbursement agreement is one in which the sponsor pays for the full costs incurred in the conduct of the work up to an agreed-upon amount, and for which invoices containing backup information of costs incurred are generally required.
 - 2.2.5 A cooperative agreement is an award similar to a grant, but in which the sponsor's staff may be actively involved in proposal preparation, and anticipates having substantial involvement in research activities once the award has been made.
 - 2.2.6 Cost sharing is the portion of the project costs not paid by federal funds. It is a commitment either required by the sponsor or proposed by the Institution to use resources other than the award itself for the completion of the award objectives.
- 2.3 The Principal Investigator (PI) is the individual specified by the University to be responsible for carrying out the program or research that has been funded by an outside sponsor. This responsibility is outlined in section 3.6 below.
 - 2.4 Indirect costs (IDC) are awarded to the University by the sponsor to reimburse the University for general support costs not easily identifiable and therefore not recoverable as direct costs on the program. These costs are also referred to as Facilities and Administrative (F&A) costs.

3. POLICY

3.1 ORSP is the designated office for the submission of proposals to potential sponsors; for the administration of grants, contracts and other agreements awarded to UHCL by these sponsors; and for compliance with applicable federal, state, and sponsor regulations. ORSP is the only department authorized to submit proposals on behalf of the University. Employees, faculty and staff, are not authorized to submit proposals on their own.

3.2 The Vice Provost and the Executive Director of Research and Sponsored Programs are the individuals designated by the President and Provost of UHCL with the responsibility and authority for submission of proposals, acceptance of awards, and administration of sponsored programs for UHCL. ORSP is responsible for compliance with applicable federal, state, and sponsor regulations related to the performance of sponsored program awards for UHCL, with oversight by the Vice Provost and the Provost.

3.3 Criteria for Sponsored Programs

3.3.1 The basic criterion for sponsored programs is that the program supports the objectives of the principal investigator's department and/or college and the mission of the University.

3.3.2 The University determines the acceptability of externally funded program proposals by weighing the University's benefits against costs and restrictions.

3.3.3 The University does not accept externally sponsored programs with any restrictions which prevent adequate review of the appropriateness of the research to the role and mission of the University.

3.3.4 The University recognizes the right of its faculty and staff to communicate the results of their research, either through publication or presentations at meetings and conferences. ORSP will negotiate the allowance of this policy with external funding agencies.

3.4 Eligibility of Proposer

3.4.1 For grant proposals, the proposer must be a tenured or tenure-track faculty member with the rank of Professor, Associate Professor, Assistant Professor, or Instructor, or professional staff with the title of Director, and hold a full-time appointment at the University at the time the program is proposed.

3.4.2 Lecturers and Senior Lecturers can only participate as a Co-PI or senior personnel on a proposal.

3.4.3 Sponsored program agreements are usually discontinued with the termination of

full-time employment with the University. In some cases, the sponsor may allow the University to retain the program with an alternative University PI or permit transfer of the agreement with approval, to another university.

3.5 Submission of Sponsored Program Proposals

- 3.5.1 The PI must first notify ORSP, his/her Department Chair and Dean of their intention to submit a grant application at least thirty working days prior to the submission date.
- 3.5.2 ORSP prepares a Grant Proposal Approval form with pertinent information about the program including a budget and any required University resources. This form does not come in at the same time the proposal is due and is routed for signatures at least 5 days prior to the submission date. ORSP is responsible for obtaining signatures.
- 3.5.3 Research proposals submitted to an external sponsor must be submitted to ORSP for processing at least ten working days prior to the submission date to allow sufficient time for review, approval, and execution of the submission.
- 3.5.4 ORSP reviews the proposal and any required University resources are evaluated, negotiated, and approved by the applicable Dean and Provost. The proposal is submitted to the sponsor electronically (in most cases) by the ORSP. Official proposal files are maintained by ORSP.

3.6 Management of Sponsored Programs

- 3.6.1 All Sponsored Programs are awarded to UHCL and are accepted for the University by ORSP with Provost approval on behalf of the Principal Investigator (PI).
- 3.6.2 Review of award documents prior to acceptance by the University is the responsibility of the ORSP. Any unusual clauses or requirements are discussed with UHS legal counsel in the UH Division of Research.
- 3.6.3 UHCL administers all sponsored research and contracts in accordance with applicable federal, State, University of Houston System, and UHCL regulations and guidelines.
- 3.6.4 Office of Management and Budget (OMB) Uniform Guidance (UG), 2 CFR , Part 200 - UNIFORM ADMINISTRATIVE REQUIREMENTS, COSTPRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS are used in determining allowability of costs and general administration procedures for sponsored programs at UHCL.
- 3.6.5 The PI is responsible for the submission of all required technical and other non-

financial reports to the sponsor as set forth in the sponsor agreement. In addition, the PI is responsible for initiating and approving all expenditures to the program cost center (see 4.3). The PI is responsible for ensuring that all regulatory compliance approvals (human subjects, animal care and use, conflict of interest, biological and radiation safety) are in place. The Office of Research and Sponsored Programs conducts a congruency review of these items with a direct comparison to the sponsored project documentation prior to the release of research funds.

3.6.6 All financial reports are submitted by ORSP Post-Award Administration.

4. PROCEDURES

4.1 Procedures for the Administration of Sponsored Program

General procedures for the administration of sponsored programs are located on the ORSP website (<https://www.uhcl.edu/about/administrative-offices/sponsored-programs>). It is the responsibility of the ORSP to keep the website up to date at all times.

4.2 Establishment of a Sponsored Research Cost Center

An official notice of award, a signed contract, or other documentation showing a commitment on the part of the sponsoring agency is required before a cost center is assigned. A separate restricted cost center is established for each sponsored program, and expended program funds are recorded in that cost center as they occur. Upon notification of an award, ORSP notifies General Accounting to establish a cost center for the awarded sponsored program. Monthly verification must be performed on each sponsored program cost center by the responsible department.

4.3 Expenditure of Funds

4.3.1 A faculty or staff member who receives funds for a sponsored program must comply with the rules, regulations, restrictions, and requirements imposed by federal law, the granting agency, the State of Texas, the University of Houston System, and UHCL policies and procedures.

4.3.2 The PI of sponsored research funds must initiate and approve in writing all expenditures on a sponsored program and assume the following responsibilities:

4.3.2.1 Ensure expenditure of funds are allocable to the program cost center and that goods and services will be used or received during a program period.

4.3.2.2 Adhere both to the budget for the program period and to any limitations

on expenditures in a given category.

4.3.3 Compensation for services of University personnel on sponsored programs will be based on established University employment and payroll policies and procedures. All University employment policies are applicable to sponsored programs. Compensation of personnel on sponsored programs is administered through the University of Houston System payroll system. Base salary is defined as authorized salary or academic rate.

4.3.3.1 Research funds for summer salary may be used, when requested and approved by UHCL and the sponsor. Payment must comply with University policies, sponsor guidelines and OMB Uniform Guidance (UG), 2 CFR, Part 200.430. Charges for work performed on sponsored agreements during all or any portion of such period are allowable at the base salary rate in accordance with OMB UG Part 200.430 Compensation – personal services. At UHCL, faculty summer salary is calculated using the base pay times 11.11%, which will equal the amount allowed for one summer month.

4.3.3.2 Use of research funds for additional compensation for staff must comply with MAPP 02.B.12 (<https://www.uhcl.edu/policies/documents/human-resources/summer-pay-policy-for-faculty.pdf>).

4.4 Expenditure of Participant Support and Equipment Funds

4.4.1 Funds awarded for participant costs or equipment may not be reallocated into another category unless permission is granted and received from the sponsoring agency. The ORSP can provide guidance and the program budget must be modified accordingly, if approval is granted. Expenditure of project funds for participant support costs must have prior approval of the awarding agency or sponsor.

4.4.2 Equipment may not be purchased in the last ninety days of the program award unless approved by the sponsor. Expenditure of project funds for equipment must have prior approval of the awarding agency or sponsor.

4.5 Effort Reporting on Sponsored Programs

4.5.1 The PI of the sponsored program is responsible for documenting effort spent on the program for all employees who received compensation from a sponsored program cost center.

4.5.2 Sponsored program activities are those activities for which effort is directly charged to an externally funded program cost center and which are budgeted and

accounted for separately. This includes sponsored research, research training, public service, and educational service.

- 4.5.3 Cost sharing activities are effort contributed, but not directly charged, to externally funded projects, while the employee is paid from institutional funds.
- 4.5.4 Effort reports must be signed by the Principal Investigator or Principal Investigator's designee for employees paid from sponsored program cost centers, including any cost sharing cost centers. The designee must be an individual with knowledge of 100 percent of the employee's activities.
- 4.5.5 Most employees will make a single entry to the effort report. Employees who devote effort to many institutional functions (i.e., teaching and working on sponsored programs) may be required to complete more complicated entries.

4.6 Indirect Costs

The University negotiates a Facilities and Administration (F&A) rate also known as, an indirect cost (IDC) rate, with the Department of Health and Human Services (DHHS). This rate is used on all sponsored programs, unless not allowed by the sponsor. Sponsor guidelines on F&A recovery restrictions are to be provided to ORSP during proposal submission for documentation. F&A costs are provided in externally sponsored agreements to reimburse the university for general support costs not readily identifiable in amount and, therefore, not recoverable as direct charges. Recovery and distribution of F&A around the University is negotiated between the Vice President of Administration and Finance and the Senior Vice President for Academic Affairs and Provost. The recovery of F&A costs begins as soon as the program period begins.

5. REVIEW PROCESS

Responsible Party (Reviewer): Senior Vice President for Academic Affairs and Provost

Review: Every three years on or before May 1st.

Signed original on file in the Office of Human Resources.

6. POLICY HISTORY

Issue #1:

7. REFERENCES

[Grant Proposal Approval Process](#)
[Post-Award](#)
[Effort Reporting](#)