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**I. PURPOSE**

- A. To document the policies and procedures that are required to administer sponsored programs in accordance with established University and Sponsor guidelines and practices.
- B. To define submission and acceptance policies and procedures applicable to sponsored program proposals.
- C. To define fiscal administrative and accounting policies and procedures applicable to sponsored program awards.

**II. SCOPE**

These policies and procedures are limited to sponsored program proposals and awards.

**III. ADMINISTRATIVE RESPONSIBILITIES**

**A. Project Director**

The Project Director's responsibilities include the following functions. This listing is representative and is not all-inclusive.

1. Preparing the sponsored program proposal and budget, and the Sponsored Project Proposal Submission Form.
2. Directing the performance of the program.
3. Accounting for the use of program funds.
4. Completing progress and final technical/scientific/program reports within the required time period.
5. Completing interim and final patent/invention reports within the required time period.
6. Approving and/or signing interim and final expenditure reports.
7. Adhering to Sponsor and University policies and procedures for incurring allowable expenditures.
8. Adhering to University policies and procedures concerning Conflict of Interest, Patents, and Secret Research.

AUTHORIZED BY *Paul Salgan* DATE *1/15/88*

AUTHORIZED BY *Guthann G. Mangelsdorf* DATE *1/5/88*

APPROVED BY *[Signature]* DATE *1/15/88*



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9. Adhering to Sponsor and University policies and procedures concerning the use of human subjects and animals in the program.
  10. Indicating the proper account number including the appropriate subcode number on all expenditure documents (such as: salaries/wages, computing services, equipment, travel, and supplies/materials).
  11. Completing the required payroll documents and Salaried Personnel Activity Reports.
  12. Submitting Budget Modification Requests to increase, decrease, or open subcodes for expenditure categories.
  13. Submitting requests for prior approval for Sponsor or internal approval.
  14. Maintaining nomenclature information on equipment for assisting in the preparation of interim and final reports of property inventory listings.
  15. Reviewing the monthly Sponsored Project Budget and Expenditure Computer Reports and providing the Research Accounting Department, Payroll Department, or Student Accounts Department with the disposition instructions for:
    - a. any overexpenditure/overdraft in either a restricted category or the total budget,
    - b. any charges incurred after the expiration date,
    - c. any cost or expense not authorized under the specific or special terms and conditions of an award, and
    - d. any other discrepancies.
  16. Completing the required cost sharing reports and forms.
  17. Maintaining staff time, vacation and sick time record forms.
  18. Requesting assignment of an early account number prior to receipt of a continuation award or a new expected award.
  19. Assisting in the resolution of any questions relative to the reimbursement of expenses.
  20. Assisting in the resolution of any costs questioned under audit.
  21. Maintaining files and records relative to program expenditures and the technical/scientific/program reports in accordance with the Sponsor record retention regulations.



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**B. Department Chairperson**

The Department Chairperson's Sponsored Program administrative responsibilities include the following functions. This listing is representative and is not all-inclusive.

1. Determining that proposed sponsored programs are appropriate to the University's mission and the Department's programs, goals and objectives.
2. Establishing internal departmental procedures necessary to assure the proper administration and performance of sponsored programs.
3. Requiring the adherence to Sponsor and University policies and procedures.
4. Requiring that all reporting stipulated by the Sponsor is submitted within the required time period.
5. Reviewing the monthly Sponsored Project Department Computer Reports which provide summary totals of the budget, expenses-this-month, expenses-to-date, and the budget-available. Particular attention should be given to the budget-available column where minus amounts will indicate that a program is overdrawn.
6. Providing for required cost sharing in the department budget or from non-federal funds.
7. Assisting in the resolution of any questions relative to the reimbursement of expenses.
8. Assisting in the resolution of any program overruns and costs questioned under audit.
9. Providing in the department budget for expenditures that are determined to be unallowable.
10. Requiring that files and records of program expenditures and technical/scientific/program reports are maintained and retained in accordance with the Sponsor record retention regulations.

**C. Dean/Director**

The Dean/Director's Sponsored Program administrative responsibilities include the following functions. This listing is representative and is not all-inclusive.



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1. Determining that proposed sponsored programs are appropriate to the University's mission and the Area's programs, goals and objectives.
2. Establishing internal area procedures necessary to assure the proper administration and performance of sponsored programs.
3. Requiring the adherence to Sponsor and University policies and procedures.
4. Requiring that all reporting stipulated by the Sponsor is submitted within the required time period.
5. Reviewing the monthly Sponsored Project Area-Department Computer Reports which provide summary totals of the budget, expenses-this-month, expenses-to-date, and the budget-available. Particular attention should be given to the budget-available column where minus amounts will indicate that a program is overdrawn.
6. Assisting in the resolution of any questions relative to the reimbursement of expenses.
7. Assisting in the resolution of any program overruns and costs questioned under audit.
8. Requiring that files and records of program expenditures and technical/scientific/program reports are maintained and retained in accordance with the Sponsor record retention regulations.

D. Provost/Senior Vice President

The Provost/Senior Vice President Sponsored Program administrative responsibilities include the following functions. This listing is representative and is not all-inclusive.

1. Establishing procedures necessary to assure the proper administration and performance of the sponsored programs within their responsibility.
2. Requiring the adherence to Sponsor and University policies and procedures on the sponsored programs within their responsibility.
3. Reviewing and approving any indirect cost rate used other than the full allowable indirect cost rate for each Sponsor.
4. Assisting in the resolution of any questions relative to the reimbursement of expenses.



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5. Assisting in the resolution of any program overruns and costs questioned under audit.

E. Grants and Contracts Administration

The Grants and Contracts Administration of the Office of Research responsibilities include the following functions. This listing is representative and is not all-inclusive.

1. Providing proposal review and submission, and the negotiation and acceptance of sponsored program awards.
2. Providing assistance, information, and processing instructions in order to facilitate the proposal submission for sponsored programs.
3. Assisting the Project Director or Department Administrator in interpreting Sponsor and University proposal guidelines and related administrative matters.
4. Maintaining certain files and records on each individual sponsored program. These will include the proposal or application, award documents, amendments, approval letters, correspondence, and any other pertinent documents relating to the grant, contract or agreement.
5. Maintaining a current file of Sponsor pamphlets, manuals and guidelines. These will contain rules, regulations, policies, procedures and requirements for each federal, state, or local government agency, foundation, company or other organization with which the University has a grant, contract or agreement.
6. Reviewing all award documents and processing account number information for the activation of the account within the financial accounting information system.
7. Approving and processing budget modifications.
8. Reviewing and processing requests for prior approval to the Sponsor and when the policy of the Sponsor authorizes, approving the request internally.
9. Forwarding notices to the Project Director concerning due dates for progress and final technical/scientific/program reports received from the Sponsor.
10. Processing the transfer of a program award and/or equipment to or from another organization.



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11. Assisting in the resolution of any questions relative to the reimbursement of expenses.
12. Assisting in the resolution of any program overruns and costs questioned under audit.
13. Distributing to the Project Director a Sponsored Project Proposal Budget Computer Report indicating the budget and other detailed information from the Sponsored Project Proposal Submission Form.
14. Distributing to the Project Director a Sponsored Project Account Activation Report indicating the complete detailed program information from the Sponsored Project Proposal Submission Form and the award document.
15. Distributing to the Department Chairperson, Dean/Director, Senior Vice-President or Provost the applicable monthly Sponsored Project Proposal Area-Department Computer Report indicating summary information for the proposals under their responsibility.

The Grants and Contracts Administration personnel are available for meetings to review, clarify and discuss any of the above or related matters with the Project Director and Department Administrator.

**F. Research Accounting Department**

The Research Accounting Department of the Comptroller's Office responsibilities include the following functions. This listing is representative and is not all-inclusive.

1. Providing fiscal administrative and accounting procedures applicable to sponsored programs.
2. Preparing all required expenditure reports, obtaining the approvals and signatures of the Project Director and the Comptroller and submitting the expenditure report to the Sponsor.
3. Maintaining a current file of Sponsor pamphlets, manuals and guidelines. These will contain rules, regulations, policies, procedures and requirements for each federal, state, or local government agency, foundation, company or other organization with which the University has a grant, contract or agreement.
4. Maintaining files and records on each individual sponsored program. These will include the proposal or application, award documents, amendments, approval letters, correspondence, fiscal reports and invoices, monthly Sponsored



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Project Budget and Expenditure Computer Reports and any other pertinent documents relating to the grant, contract or agreement.

5. Assisting the Project Director or Department Administrator in interpreting Sponsor and University fiscal guidelines and related administrative matters.
6. Distributing to the Project Director a monthly Sponsored Project Budget and Expenditure Computer Report indicating the budget, expenses-this-month [including supporting detail], expenses-to-date and budget-available.
7. Distributing to the Department Chairperson, Dean/Director, Senior Vice-President or Provost the applicable monthly Sponsored Project Area-Department Computer Report indicating a summary status for the programs under their responsibility.
8. Forwarding informational memorandums concerning continuation grants and termination requirements to the Project Director.
9. Reviewing all award documents and processing account number information for the activation of the account within the financial accounting information system.
10. Preparing and processing account update and maintenance forms.
11. Approving and processing cost transfers.
12. Reviewing and processing budget modifications.
13. Auditing, approving and processing subcontract/subgrant/subagreement invoices.
14. Depositing all sponsored program checks, such as: Sponsor payments, award-related income, fees for conferences, workshops or meetings, refunds, and miscellaneous payments or reimbursements.
15. Preparing reports of property inventory listings and forwarding them to the Project Director for review, physical verification, location, insertion of additional information [such as the continued need for the equipment, current utilization, and the condition of the equipment] and approval, followed by obtaining the signature of the Comptroller, and submitting the report of property inventory listing to the Sponsor.



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16. Forwarding applicable patent/invention reports or statements to the Project Director with instructions for completion.
17. Coordinating all audits by Sponsors, federal, state, county, city and independent auditors.
18. Providing assistance, information, and processing instructions in order to facilitate the fiscal administration of sponsored programs.

The Research Accounting Department personnel are available for meetings to review, clarify and discuss any of the above or related matters with the Project Director and Department Administrator.

**IV. DEFINITIONS**

The following are terms frequently encountered in administering sponsored programs. Other policy-specific terms will be defined in the appropriate sections of this policy and procedure.

- A. Sponsor: A federal, state, or local government agency, foundation, company or other organization that awards funds for a sponsored program.
- B. Grant: An award given for a sponsored program that contains a broad scope of work defined by the Project Director.
  1. Project Grant - This is the most common form of grant. It provides funding for a program with a broad scope of work with flexible terms.
  2. Consortium Grant - This is a grant made to one institution in support of a project in which the program is carried out through a cooperative arrangement between or among the grantee institution and one or more participating institutions.
- C. Contract: An award given for a sponsored program that contains a scope of work specified by the Sponsor.
  1. Cost-Reimbursable Contract - This is a contract issued on the basis of an estimate of the costs of performing the work arrived at by negotiation between the Sponsor and the Contractor. The contract provides for payment to the Contractor for costs actually incurred up to a ceiling amount equal to the total estimated costs stated in the contract.
  2. Fixed price Contract - This is a contract in which the Contractor guarantees to deliver or to perform the contract work within the period specified at a fixed price agreed upon in advance and payable regardless of the actual costs.



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- D. Cooperative Agreement: An award where substantial involvement is anticipated on the part of the Sponsor in the funded program.
- E. Award Terms: All legal requirements imposed on an award, whether by statute, regulation, the award document itself, or other documents. The terms of award may include both general and special provisions, that are considered necessary to attain the objectives of the award, facilitate postaward administration of the award, conserve award funds, or otherwise protect the Sponsor's interests.
1. General Provisions - These provisions are often referred to as "boiler-plate" because for the most part they are award clauses required by statute or regulation to appear in all awards or all awards of a particular type.
  2. Special Provisions - These are the tailor-made requirements of an award, such as: scope of work, price, delivery terms, and additional matters related to the particular award requirements.
- F. Key Personnel: The personnel, considered to be of primary importance to the successful conduct of a sponsored program. The term usually applies to the senior member(s) of the program staff.
- G. Budget Period: The interval of time (usually 12 months) into which the project period is divided for budgetary and funding purposes.
- H. Project Period: The total time for which support of a project has been programmatically approved. A project period may consist of one or more budget periods. The total project period comprises the original project period and any extensions.
- I. No-Cost Time Extension: An extension of the expiration date without any additional funding.
- J. Allowable Expenditures: Allowable expenditures are costs that can be specifically identified as contributing to the accomplishment of the objectives of a particular program. These costs include but are not limited to:
1. compensation (salaries, wages and benefits)
  2. equipment,
  3. travel, and
  4. supplies/materials.

Different Sponsors have established various restrictions on expenditure categories. Therefore, the Sponsor's policies and regulations should be consulted concerning special terms, conditions and limitations relative to contemplated expenditures.



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K. Unallowable Expenditures: Unallowable costs include but are not limited to:

1. advertising,
2. alcoholic beverages,
3. donations or contributions,
4. entertainment,
5. fines and penalties,
6. gifts,
7. honoraria,
8. memberships in social, dining or country clubs,
9. expenses not authorized under the specific and special terms and conditions of the award, and
10. any other expenses questioned under audit and disallowed by the Grants/Contracting Officer.

L. Unliquidated Obligations: Unliquidated obligations represent the amount of obligations incurred that have not been paid.

M. Unobligated Balance: The portion of the funds authorized by the award that has not been obligated. It is determined by deducting outlays and unliquidated obligations from the cumulative funds authorized.

V. **PROPOSALS**

A. Types of Proposals .

1. Unsolicited Proposal:
  - a. Initiated by the Project Director to request funds from a Sponsor for a program.
  - b. The technical or scientific proposal and budget must be submitted to Grants and Contracts Administration.
  - c. Sufficient time should be allowed the Sponsor for review and acceptance prior to the desired beginning date.



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2. Request for Proposal (RFP):
  - a. Solicited invitation from a Sponsor to submit a request for funds for a program.
  - b. The technical or scientific proposal is prepared by the Project Director in accordance with the Request for Proposal instructions and forwarded to Grants and Contracts Administration.
  - c. The business portion of the Request for Proposal is generally a separate presentation. A budget must be submitted to Grants and Contracts Administration for their preparation and support of the required Sponsor budget form. The Representations and Certifications will also be completed by Grants and Contracts Administration. Any requirement for a Human Subjects Assurance or Animal Welfare Assurance must be processed according to the appropriate academic procedures in the applicable department, school and area and forwarded to Grants and Contracts Administration.
  
3. Public Health Services Grant Application Kits:
  - a. New grant Application Kits (Grant Application, PHS-398) exclusive of training grants:
    - (1) A request for funds for a program not currently receiving support.
    - (2) Application Kits are available in the Dean/Director's Office of all schools. An additional supply is available in Grants and Contracts Administration.
  - b. Noncompeting continuation grant Application Kits (Application for Continuation Grant, PHS-2590):
    - (1) A request for funds for a second or subsequent budget period within a previously approved project period.
    - (2) Computer-prepared application face sheets are received by Grants and Contracts Administration from the Division of Research Grants, National Institutes of Health, the first of each month for continuations with a beginning date of four months later. Upon receipt, an Application Kit is forwarded to the Project Director for completion and the Dean/Director's Office notified. If the Application Kit is not received, the Project Director should contact Grants and Contracts Administration.



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c. Competing continuation grant Application Kits (Grant Application, PHS-398):

- (1) A request for funds to extend for one or more additional budget periods a project period that would otherwise expire.
- (2) A reminder of subsequent support is furnished by Grants and Contracts Administration.

**B. Proposal Preparation**

1. A sponsored program proposal may be initiated by a faculty or staff member, who will personally participate in the program as the Project Director. Under University policy, proposals must be processed through the Department Chairperson, Dean/Director and Grants and Contracts Administration prior to submission.
2. Every sponsored program proposal should include at least the following information:
  - a. Proposal Cover Sheet (Exhibit A):
    - (1) University of Pittsburgh and Sponsor information
    - (2) Signatures of the Project Director, Department Chairperson, Dean/Director, and Head of Grants and Contracts Administration.
  - b. Technical or scientific description of the proposed program:
    - (1) Abstract and detailed description of the proposed program.
    - (2) Statement of the technical or scientific approach, techniques, methods or procedures, originality, specific objectives, and significance of the proposed program.
    - (3) Identification of the major phases, including the time involved in each phase and the total time involved in the proposed program.
    - (4) Review of the technical or scientific work previously and currently being performed in the field.



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c. Description of personnel and facilities:

- (1) Names and pertinent background information, including curriculum vitae, bibliography, and publications, for the Project Director and other key personnel.
- (2) Name and location of the facility in which the proposed program will be conducted, including the major items of equipment, space available, and collaborative arrangements.

d. Itemized budget:

- (1) A budget, listing each major cost category, must be prepared.
- (2) If the Sponsor provides a specific budget format or form this must be followed or completed.

C. Budget Preparation

1. Proposal Budget:

- a. When a proposal is written, a budget must be developed. A properly prepared budget will simplify negotiation and acceptance. The budget should be in sufficient detail so that every major cost category is included. The budget should represent the best estimate but may be subject to adjustment as the requirements of the program indicate.
- b. A sample format for budget preparation is presented Exhibit B.

2. Sponsored Project Proposal Submission Form (Stock-136):

- a. A Sponsored Project Proposal Submission Form signed by the Project Director, Department Chairperson, and Dean/Director must be submitted with each proposal for review and approval by Grants and Contracts Administration. When the same proposal is submitted to more than one Sponsor a separate Sponsored Project Proposal Submission Form must be processed for each Sponsor.
- b. Changes or additions to the budget categories or amounts on a proposal must be submitted on a Sponsored Project Proposal Submission Form with an "R" for revision entered in the applicable space.



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- c. The addition of funds to an existing program account requires the submission of a Sponsored Project Proposal Submission Form.
- d. Refer to SPI 8, Expense Subcodes, for the subcode numbers for expenditure categories.

D. Proposal Submission

- 1. The Sponsored Project Proposal Submission Form (Stock-136) and the program proposal is submitted to Grants and Contracts Administration for the signature of the authorized University official. A program proposal and budget should be prepared in order to allow time for budget review, approval, and the required authorized signatures.
- 2. The signature of the authorized University official is obtained upon submission of the program proposal signed by all other parties, along with the completed Sponsored Project Proposal Submission Form to Grants and Contracts Administration. A copy of the program proposal must be attached for retention in Grants and Contracts Administration.
- 3. Negotiation of proposals regarding technical or scientific matters should be arranged by the Project Director with the Department Chairperson and Dean/Director. However, all matters involving the budget, fringe benefit rate, tuition remission/benefit rate, computing service rates, indirect cost rates, cost sharing requirements, and administrative matters must be negotiated with the Sponsor through Grants and Contracts Administration.

E. Proposal System

- 1. Proposal Budget Report (RP 005-01):
  - a. The approved Sponsored Project Proposal Submission Form (Stock-136) is processed by Grants and Contracts Administration for inclusion in the sponsored project proposal system.
  - b. The Proposal Budget Report indicates the budget and other detailed information from the approved Sponsored Project Proposal Submission Form.
  - c. Two copies of the Proposal Budget Report will be forwarded to the Dean/Director's Office. The Dean/Director will forward a copy of the Proposal Budget Report to the Project Director.



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d. The Project Director should advise Grants and Contracts Administration in writing of any corrections to the Proposal Budget Report.

2. Account Activation Report (RP 050-01):

a. The Account Activation Report indicates the complete detailed program information from the Sponsored Project Proposal Submission Form (Stock-136) and the award document.

b. Upon receipt of the executed award document, Grants and Contracts Administration will process the additional required program account information into the sponsored project proposal system.

c. Two copies of the Account Activation Report indicating an assigned account number will be forwarded to the Dean/Director's Office. The Dean/Director will forward a copy of the Account Activation Report to the Project Director.

d. Upon receipt of the Account Activation Report, expenditures may be incurred against the account in accordance with the award document.

(1) Categories that have been restricted by the Sponsor will have a line item budgeted amount.

(2) Categories that are not restricted by the Sponsor will have the budget amounts accumulated in the unallocated budget category.

e. The Project Director should advise Grants and Contracts Administration in writing of any corrections to the Account Activation Report.

3. Area-Department Proposal Report (RP 020-01):

a. The Area-Department Proposal Report indicates summary information from the Sponsored Project Proposal Submission Forms (Stock-136).

b. Two copies of the Area-Department Proposal Report are forwarded to the Dean/Director's Office, and one copy to the Senior Vice President or Provost indicating summary information on the sponsored program proposals under their responsibility. The Dean/Director will forward one copy of the Area-Department Proposal Report to the Department Chairperson listing the sponsored program proposals in their department.



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- c. Upon receipt of a rejection or cancellation from a Sponsor or a withdrawal memorandum from the Project Director, Grants and Contracts Administration will delete the sponsored program proposal from the sponsored project proposal system.
- d. Grants and Contracts Administration will automatically delete all open pending sponsored program proposals from the sponsored project proposal system one year after the proposed beginning date.

**F. Proposal Approval - Award Document**

1. Award notices for grants from the Department of Health and Human Services will be processed upon receipt by Grants and Contracts Administration.
2. A copy of an award document received from the Sponsor may be forwarded, during review by Grants and Contracts Administration, to the Project Director for review and approval. It must be approved by the Dean/Director and returned to Grants and Contracts Administration. After acceptance by the Project Director and the Dean/Director's approval is received, any additional review, approval and authorized signatures on behalf of the University will be obtained by Grants and Contracts Administration. If an award document is received in the Department or Dean/Director's Office directly from the Sponsor, it must be forwarded to Grants and Contracts Administration in order to effect the foregoing procedure.
3. A copy of the executed award document will be forwarded, by Grants and Contracts Administration, to the Project Director and the Dean/Director. An Account Activation Report in accordance with the award document, including the account number, will be forwarded through the Dean/Director's Office to the Project Director. Upon receipt of the Account Activation Report, expenditures may be incurred against the account in accordance with the award document.
4. If an expected award is not received at least two weeks before the anticipated beginning date, the Project Director should submit a Request for Early Account Number (Stock-146) to Grants and Contracts Administration. Grants and Contracts Administration will verify with the Sponsor that the award document will subsequently be received. Under this arrangement, the Project Director, Department Chairperson, and/or Dean/Director assumes full responsibility for any expenditures not covered by the award or any pre-award expenditures if the award is not made.



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5. Grants and Contracts Administration will forward copies of the proposal or application, Sponsored Project Proposal Submission Form, award document, and Account Activation Report to the Research Accounting Department for their files and records.

G. Proposal Disapproval

1. If a sponsored program proposal is rejected or cancelled verbally by a Sponsor, the Project Director should advise Grants and Contracts Administration by memorandum. If a written rejection or cancellation is received from the Sponsor, a copy should be sent to Grants and Contracts Administration.
2. If Grants and Contracts Administration is notified directly by the Sponsor of a rejection or cancellation of a sponsored program proposal, they will notify the Project Director.

\*NOTE: Section VI and subsequent sections are in the process of extensive revision due to the implementation of a new University financial system. Section VI and subsequent sections are not included in this file.