

COOPERATIVE EXTENSION

GUIDELINES FOR GIFTS, GRANTS AND CONTRACTS

contract 1. a legally enforceable agreement between two or more parties 2. the writing or document containing such an agreement.

All contracts or agreements that are generated in support of an activity or event in which an agent is the individual in charge or responsible for the activity, the contract or agreement must be between **Penn State University** and the other entity. This policy includes agreements for funding, facilities, banquet arrangements or any “sign and return” documents. Penn State employees may not sign on behalf of the University for **any** contracts except for function agreements from The Penn Stater or The Nittany Lion Inn.

GIFTS

Gifts support broad faculty or staff activities. Three general features of gifts include:

- Deliverables **are not** required from the activities supported
- Formal reports **are not** required
- Formal financial reports **are not** required

Gifts received in county offices should be placed in the Special Account. Gifts specific to 4-H should be placed in the 4-H Development Account. A separate sub-account should be established for each gift.

EVENT OR ACTIVITY CONTRACTS

See **Section 7-4 and 7-5 of the CED Administrative Handbook**. (Updated provided by Diane Brown in July 1997).

FINANCIAL GRANTS AND CONTRACTS

Effective **September 1, 1998** all new or renewed financial contracts must be processed through University channels. Previously many of these contracts have been county-based agreements with County Extension Associations. After **September 1, 1998**, all financial grants or contracts will be between The Penn State University and the funding agency. The benefits to processing all financial agreements through the University include:

Office of Sponsored Programs (OSP). The OSP has a primary responsibility to ensure that grant and contract agreements do not present challenges to our institution's integrity or threaten a faculty member's academic freedom. OSP provides a valuable service to the college and faculty staff through their specialized staff of proposal specialists and contract negotiators. The individuals are responsible for remaining current in university and federal policies related to extramural funding. The contract negotiators are responsible for the review of award documents and negotiation on behalf of University assuring that the terms and conditions are favorable to an institution of higher education and protect the University and its faculty from needless risks or commitments. If additional legal review is needed, OSP has access to University legal counsel. These services are available at no cost to the College and provide protection to the College, faculty and staff.

COAS Grants and Contracts Office. The College Grants and Contract Office serves as the liaison between the faculty/staff and OSP. Many of the services described for OSP are also provided by this office. This office remains current and ensures compliance with federal, state and university policies. In addition, this office has responsibility for proposal submission. This includes development of the budget, preparation of the internal forms for routing the proposal through university channels, review for compliance with sponsor and university guidelines and meeting the deadline for submission. Responsibilities for award processing includes reviewing and making recommendations on behalf of the College. This includes review of terms and conditions that might be in conflict with College funding and/or policies. Responsibilities for post award include establishment of the initial budget in the University computer system, review and approval of all budget revisions, processing requests to sponsor for no-cost extensions or budget revisions, answering questions concerning allowable costs and other policies related to the agreement, and monitoring reporting requirements on selected agreements. The contact person for the COAS Grants and Contracts Office is Judy McCormick @ 814/865-5419.

Cooperative Extension and Outreach/Accounting Unit. The fiscal management of the funds is assumed by the accounting unit for Cooperative Extension and Outreach. This unit initiates financial expenditures, assures proper fiscal management of the funds by monitoring expenditures and following University and

sponsor regulations regarding allowable costs. Personnel in this area must keep up to date on current policies and procedures regarding processing orders, travel documents, personnel, etc. In addition, on the agreements that the sponsor requests detailed information on expenditures beyond the information that is provided on the invoices by Research Accounting, this unit prepares the necessary financial expenditure reports.

Research Accounting. The University office of Research Accounting invoices the sponsor according to the method stated by the agreement. Research Accounting collects receipts, and follows up with sponsors that are in arrears.

501(c)(3). While Penn State has not filed for 501(c)(3) status, we do have a legal opinion that has permitted Penn State to receive funds allowed for institutions with that status.

The University can provide a certificate of insurance.

Responding to a Request for Proposal

When responding to RFPs, the following should be used as a guideline for communication and consideration:

- Agent discusses the RFP and intended scope of work with the CED.
- Agent and/or CED discuss involvement and impact with RD.
- After review and concurrence by the RD and CED, the agent develops the scope of work and begins to work with the COAS Grants and Contracts Office, 814-865-5419, for review of the guidelines and budget preparation.
- Clearance data forms are prepared by the COAS Grants and Contracts Office.
- Signatures of those involved and their supervisors are obtained on the clearance data forms.
- One copy of the complete proposal (cover page, table of contents, narrative, budget, vitae, attachments, etc.) with pen and ink signatures must be received by the COAS Grants and Contracts Office at least four working days prior to the deadline for submission of the proposal.

- After review of the proposal for compliance with sponsor and university guidelines, the proposal will be submitted by the Office of Sponsored Programs (OSP) on behalf of the University.

Award Notification

Awards are transmitted by the sponsor to the Office of Sponsored Programs. If the award notification is sent to the project director, it should be forwarded immediately to the COAS Grants and Contracts Office.

- OSP sends the award document to the COAS Grants and Contracts Office for review and highlights possible problem areas that impose risk upon the University.
- The project director reviews the award for items such as timetable, reporting requirements, restrictions on publications, rebudgeting, etc. Items of concern should be addressed.
- Any non-negotiable item in an agreement that imposes risk to the College/University will require an internal sign-off from the unit receiving the award. The unit assumes fiscal liability associated with these sign offs.
- Advance fund numbers may be requested by the unit after the agreement has been signed by the University if sufficient information is provided in the agreement. The advanced fund allows the unit to set up a budget and begin incurring expenses as of the proposed effective date of the award. If the award does not materialize or the effective date is other than stated, the risk for unallowable expenses falls entirely upon the unit.
- The agreement is completely executed when it has been signed by both the University and the sponsor.

Accessing the Funds

After the award notification, the Cooperative Extension and Outreach accounting staff will review the fiscal requirements with the principle investigator, discuss the budget line items and suggest methods to access the funds which meet the needs of the PI and conform to University policy.

AGENT PARTICIPATION ON GRANTS AND CONTRACTS INITIATED BY FACULTY

Staff may be approached by faculty and asked to contribute a percentage of time to research or extension projects that are sponsored outside of the Penn State funding base. Please use the following process as a guideline for communication and consideration:

- Agent is approached by faculty member and asked to participate in a grant sponsored activity or program.
- Agent informs CED of the request for the purpose of obtaining approval that it is appropriate (program area and time commitment) for the agent to be involved in the project.
- Agent and/or CED discuss involvement and impact with RD.
- Regional Director, CED* and agent sign clearance data forms indicating commitment when the faculty member is ready to submit the proposal.

Regional Directors **will not** sign research proposals unless they have been made aware and agree with the staff time commitment. (RDs are often presented with proposals for agent involvement without any previous knowledge or conversation with the staff member or CED).

- Staff must keep record and be cognizant of the time commitments that they have made to research and extension projects. Staff may be contacted at any time by auditors in regard to their time assignment to project funds. If unable to respond appropriately to an auditor request regarding time commitment, the auditor could determine that the contract has been violated and funds could be withdrawn by the sponsor.
- When staff commit time to research or extension projects, the staff member indicates that **THEY** will spend a certain percentage of **THEIR** time on the project. It is not appropriate to hire another person on salary savings or other funds to do the project work. If the agent commits, the agent **MUST** deliver.
- It is possible to hire wage payroll employees to do the work of the contract; however, that must be planned for at the proposal stage and wages and the appropriate fringe benefit rates written into the budget rather than staff time.

- Staff time commitment can be made in in-kind match support to the grant or by a direct salary charge to the grant. In instances where there is a direct salary charge to the grant and salary savings funds are generated, the Regional Director determines the most appropriate use of the funds to support programs within the region.

Staff must discuss the use of salary savings funds with the regional director. Most times, salary savings funds are provided to support backfill in the agents program area for the period the agent participates on the project.

- Faculty may not commit salary savings funds generated from agent staff involvement on projects.