

**UNIVERSITY OF
SOUTHERN CALIFORNIA
SPONSORED PROJECTS MANUAL
From Project Proposal to Closing**



FOREWORD

The University is a major recipient of sponsored funding from both government and non-governmental sources. Such funding continues to increase in number of awards, dollar amount and administrative complexity.

This manual is intended to assist faculty and staff in the preparation of applications and proposals and the administration of awards. It also provides information to USC faculty, staff and students regarding their rights and responsibilities under University and sponsor policies and procedures when conducting research projects on behalf of the University. This manual reflects a chronological sequence for submitting a project proposal, administering the project, and closing the project. It is intended to ease the burden of sponsored project administration so that faculty and staff can direct their efforts toward the academic and technical objectives of the sponsored project.

This manual addresses the requirements for sponsored projects. Some of the requirements set forth in this manual do not apply to projects sponsored by non-governmental sources, such as industry sponsored clinical trials. If you require further information for non-governmental sponsored projects, please contact Contracts and Grants for guidance and also refer to the terms of the agreement between the sponsor and the university. If you require information for administration of clinical trials, please contact the Institutional Review Board at the Health Sciences Campus or the Office of Compliance for further guidance.

Appropriate University forms and policies relating to sponsored projects administration and compliance are referenced in this manual. Please call any of the staff listed in Section IX of this Manual if you have any questions regarding sponsored project administration.

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RIGHTS AND RESPONSIBILITIES IN THE CONDUCT OF RESEARCH

A. Principles of Ethics in the Conduct of Research

Integrity in our dealings with people both inside and outside the University is one of the core values of our institution. The good name and reputation of the University, its faculty, staff and students continue to depend upon the willingness of each of us to adhere to the highest ethical standards in our business practices.

All faculty members, staff and students are expected to adhere to all laws, contractual obligations and institution policies applicable to all university activities, including research administration. For business and research activities not subject to particular laws or regulations, the rules of fairness, honesty and respect for the rights of others will govern our conduct at all times. These expectations apply to everyone regardless of position or level of responsibility.

Whenever any member of the University community has any question about the legality or propriety of any activity taken or to be taken on behalf of the institution, that individual should seek guidance or advice from his or her supervisor, director, chair, Dean or other senior administrator, as appropriate. Anyone who has knowledge or a good faith belief that an applicable law, regulation or institutional policy has been, is being or may be violated, or that the integrity of the University may be compromised by the actions of others, should speak immediately to their supervisor, chair or Dean. In addition, questions and concerns can be directed to the Office of General Counsel or the USC Office of Compliance. Alternatively, the **USC Help and Hotline, (213) 740-2500**, is available to anyone with compliance-related questions or who wishes to report in good faith a suspected violation. These calls are handled confidentially. All reasonable efforts will be made to protect callers against retaliation for reporting complaints in good faith.

Each of us is responsible for ensuring that we conduct our research ethically and responsibly and in accordance with sponsors' requirements and USC's policies. Therefore, it is important that we comply with the policies and procedures of the university, the department, the sponsors, government and other relevant agencies. If you have any questions regarding these obligations, it is your responsibility to contact the relevant departments identified in this document for further guidance. Other policies governing the research practices of USC's faculty, staff and students are referenced below and also can be found at: <http://policies.usc.edu/>. Failure to comply with these policies may be cause for disciplinary action, which may result in termination. For faculty, any such action shall observe all provisions of the policies published in the Faculty Handbook.

B. Roles and Responsibilities in the Administration of Sponsored Projects

The following describes the authority and responsibilities of the Principal Investigator in conducting responsible research as well as the departments and units that support USC's research mission.

Role of Principal Investigator

The Principal Investigator is responsible for the scientific, technical and administrative aspects of the project, even if he or she has delegated certain responsibilities to his or her staff, students or co-investigators. The Principal Investigator initiates the proposal, defines the scope of work, controls the conduct of research, directly supervises other faculty, staff and students involved in the research, specifies and participates in the selection of supplies, equipment, and subcontractors, certifies the percentage of effort for other faculty and staff working on the project, certifies as to the accuracy of other charges, notifies and communicates with sponsor personnel and collaborating organizations as needed and manages the orderly execution and close out of the project.

It is the Principal Investigator's responsibility to secure the necessary administrative and research compliance committee approvals prior to commencing sponsored research. For example, all sponsored project proposals first must be reviewed and approved in writing by the appropriate department, institute and Dean or designee at the school. Some schools (such as the Keck School of Medicine) require additional approvals, for example, from a Division Chief. The Principal Investigator also is responsible for ensuring that the appropriate research compliance committee (e.g., Institutional Review Board, Institutional Animal Care and Use Committee, etc.) has reviewed and approved a sponsored project protocol in accordance with those committees' policies and procedures. Further information regarding research compliance committee review is described in Section II of this manual.

The Principal Investigator should forward the approvals together with the University's Proposal Approval Record ("PAR) to the Department of Contracts and Grants ("DCG"). A copy of the PAR can be obtained by contacting DCG or at the following site: http://www.usc.edu/dept/contracts/int_proc.htm. Additional information regarding the PAR is in Section II of this manual.

Only faculty members may serve as principal investigators for sponsored projects. Graduate students, post-doctoral students, medical residents and clinical fellows may serve as co-Principal Investigators provided a faculty member serves as a co-Principal Investigator on the sponsored project as well. The University will look to the faculty member as the individual with primary responsibility over the project.

University faculty and staff members and students who perform sponsored research under University auspices have an important public as well as professional responsibility to manage those projects in accordance with the policies and procedures of the University and the sponsor. These management responsibilities include, but are not limited to:

- Compliance with the administrative salary cap imposed by certain government agencies;

- Ensuring that costs charged to a sponsored project are ONLY those actually incurred for the benefit of the project;
- Ensuring that only allowable costs are charged to a sponsored project;
- Confirming that time and effort certifications are reported properly;
- Completing the necessary scientific and administrative reports to comply with sponsor and university requirements.

Failure to do so may lead to restrictions or termination of funding by the sponsor. This manual provides further information regarding these obligations, as well as university resources to assist Principal Investigators in satisfying these responsibilities.

Role of Departmental Administrator

Principal Investigators may delegate to a Departmental Administrator the authority and responsibility for carrying out some of the day-to-day administrative matters of a project. Items commonly handled by Departmental Administrators include purchasing supplies and equipment, arranging travel, recording payroll and financial transactions, receiving and reconciling official USC financial statements, identifying and correcting accounting errors, and coordination with central administrative offices. In some cases, these administrative duties may be in addition to providing support for research such as recording the results of experiments, administration of a laboratory, operating and maintaining lab and computer equipment, etc. The Departmental Administrator is essential in large research departments and frequently handles important fiscal and contractual matters for the Principal Investigator. The delegation of these duties does not release the Principal Investigator from the responsibility to oversee and supervise all aspects of the project.

Role of Department Chair, Institute Director and Dean

The purposes to be served by a project must be academically worthy, in accord with the needs and priorities of the University, and not an impediment to the achievement of other academically worthy aims or programs. The Chairperson or Director and the Dean are responsible for ensuring that the proposed project has academic merit, is consistent with the department, institute or school objectives, and that the department, institute or school has the necessary resources to support the project.

Role of Provost's Office

The Provost and Senior Vice President for Academic Affairs ("Provost") has overall responsibility for all of the University's sponsored projects and is the University's principal signatory for sponsored projects. Much of this responsibility is delegated to the Vice-Provost for Research, who serves as the senior executive office to the Provost for all university research activities. In concert with the Vice Provost for Research, the Provost coordinates with other university Senior Vice-Presidents, Vice Presidents, Deans, and Institute Directors in establishing University policies and procedures relating to sponsored projects.

Sponsored projects are awarded to the University, not the Principal Investigator. Therefore, by accepting an award, the University is responsible for assuring that all relevant terms and conditions of the award, including all statutes, regulations and policies that may be incorporated or included by reference in the sponsored project, are followed.

Role of Students

Sponsored projects may involve substantial student participation. Involvement of students for purposes of training and support for degree-related research may be an important component of the academic goal of the project. Please contact the Graduate School at (213) 740-9033 for information regarding the policies and procedures for using graduate students on sponsored projects.

Students may not serve as principal investigators. Graduate students, post-doctoral students, medical residents and clinical fellows may serve as co-Principal Investigators provided a faculty member serves as a co-Principal Investigator on the sponsored project as well and ultimately is responsible for the project.

Role of Department of Contracts and Grants

DCG is responsible for all pre-award and most post-award confirmations and certifications. In the pre-award function, DCG reviews proposals to assure that the Principal Investigator has specified allowable, allocable, and reasonable costs in the budget, is in compliance with University policies and practices and conforms to the sponsor's guidelines. In cooperation with the Principal Investigators, DCG negotiates with the project sponsor all terms and conditions and approves contract documents for final signature. DCG also is responsible for obtaining written approval of the proposal by the Provost.

In the post-award function, DCG administers the contract or grant once the award is made, which includes account number assignment, distribution of an internal Notification of Award, Modification or Update ("NOA"), preparation of sub awards for the project, and review and submission of proposed changes in the projects requiring University and/or sponsor approval. Sections II and III of this Manual contain additional information regarding this process.

Overall, DCG is charged with assuring that the University is in compliance with both sponsor and University requirements concerning sponsored projects. DCG monitors submission of required reports -- e.g., small business subcontracting plans, technical and financial reports -- and coordinates closeout procedures. DCG also assists in coordinating the University's response to audits by sponsors.

Role of Sponsored Projects Accounting

Sponsored Projects Accounting (SPA) is responsible for overseeing post award fiscal compliance of sponsored projects. SPA provides sponsors with invoices and expenditure reports in accordance with generally accepted accounting principles as well as sponsor and university policies. SPA also provides special invoicing and expenditure reports in consultation with the Principal Investigators. SPA provides the departments with monthly reports/analyses that are used to monitor and control activities on sponsored accounts at the department level. SPA is responsible for collections, budget changes, and cost transfers. SPA furnishes departments with accounting training, support in problem solving and general ledger corrections.

Role of Office of Financial Analysis

The Office of Financial Analysis is USC's center for determining, negotiating and defending facilities

and administration (“overhead”) rates, the fringe benefits rates, and other charges to sponsored projects. Financial Analysis also is responsible for the review of recharge center rates, the disclosure of USC’s cost accounting practices (the Disclosure Statement [DS-2]) and the coordination of audits of externally sponsored projects. Financial Analysis must be notified and should participate in all audits conducted by the research sponsors.

Role of Purchasing

Purchasing Services is responsible for the following: (1) Requiring competitive bids, when possible, to obtain maximum value from the expenditure of University and government funds; (2) Providing a liaison with the suppliers who service the University; (3) Coordinating the procurement of goods and services for academic, administrative, and research departments of the University; (4) Assisting the University in locating sources of supplies; (5) Assuring compliance with federal requirements on sponsored project purchases; (6) Determining the qualifications of potential suppliers and maintaining a disbarred bidder list; and (7) Providing the University with pre-negotiated vendor contracts.

The Purchasing Department enjoys a special designation from the Office of Naval Research, which delegates to USC the responsibility of ensuring that it is complying with appropriate purchasing policies. To maintain this designation, USC participates in a biennial review of its purchasing systems, demonstrating that purchases are made through fair and competitive bidding, adherence to a professional code of conduct, thorough and consistent record-keeping, and identification and preservation of sponsor assets. The staff of the Purchasing Department provides support and assistance to Principal Investigators in their procurement decisions through a wide array of services and pre-negotiated contracts.

Role of the Small Business Development Office

The Small Business Development Office assists academic and research units in developing goals for research proposals that provide maximum procurement opportunities for minority, women, and disabled veteran-owned small business enterprises as well as local vendors. It is responsible for developing government subcontracting plans in compliance with the sponsored project's goals and monitoring and reporting compliance with such goals.

Role of Equipment Management

The University is responsible and accountable for all equipment to which it holds title and for government-owned equipment in its possession. This includes equipment that is provided or acquired under a sponsored project. The Equipment Management Department has been delegated the responsibility to establish and maintain a University "Equipment Management System." The system adheres to the screening and reporting requirements of sponsoring agencies, establishes accountability for maintaining equipment, assists in calculating depreciation for indirect cost recovery and provides data for adequate insurance coverage. The "Equipment Management System" is the official record of property at the University.

Role of Audit Services

The Office of Audit Services conducts routine departmental and unit audits to confirm that USC’s policies and procedures regarding research administration, as well as other areas, are followed and

that sound internal controls exist to assure day-to-day compliance.

Role of Office of Compliance

The Office of Compliance is charged by the Board of Trustees with coordinating the University's compliance functions in an effort to ensure that the institution is adhering to all laws, regulations and policies that govern the institution, including those relating to research administration. The Office of Compliance works closely with the departments and units described in this manual to ensure that USC's policies and procedures relating to research are current and well articulated. In addition, the Office of Compliance coordinates with other departments and co-sponsors to provide education and training, including education in the protection of human subjects in research. Further, this office works with Audit Services to ensure that research administration functions are reviewed and audited on a routine basis. The Office of Compliance also administers a Help and Hotline (213-740-2500) for individuals with compliance questions or who wish to report a potential violation. For further information, please call (213) 740-8258.

Role of Office of General Counsel

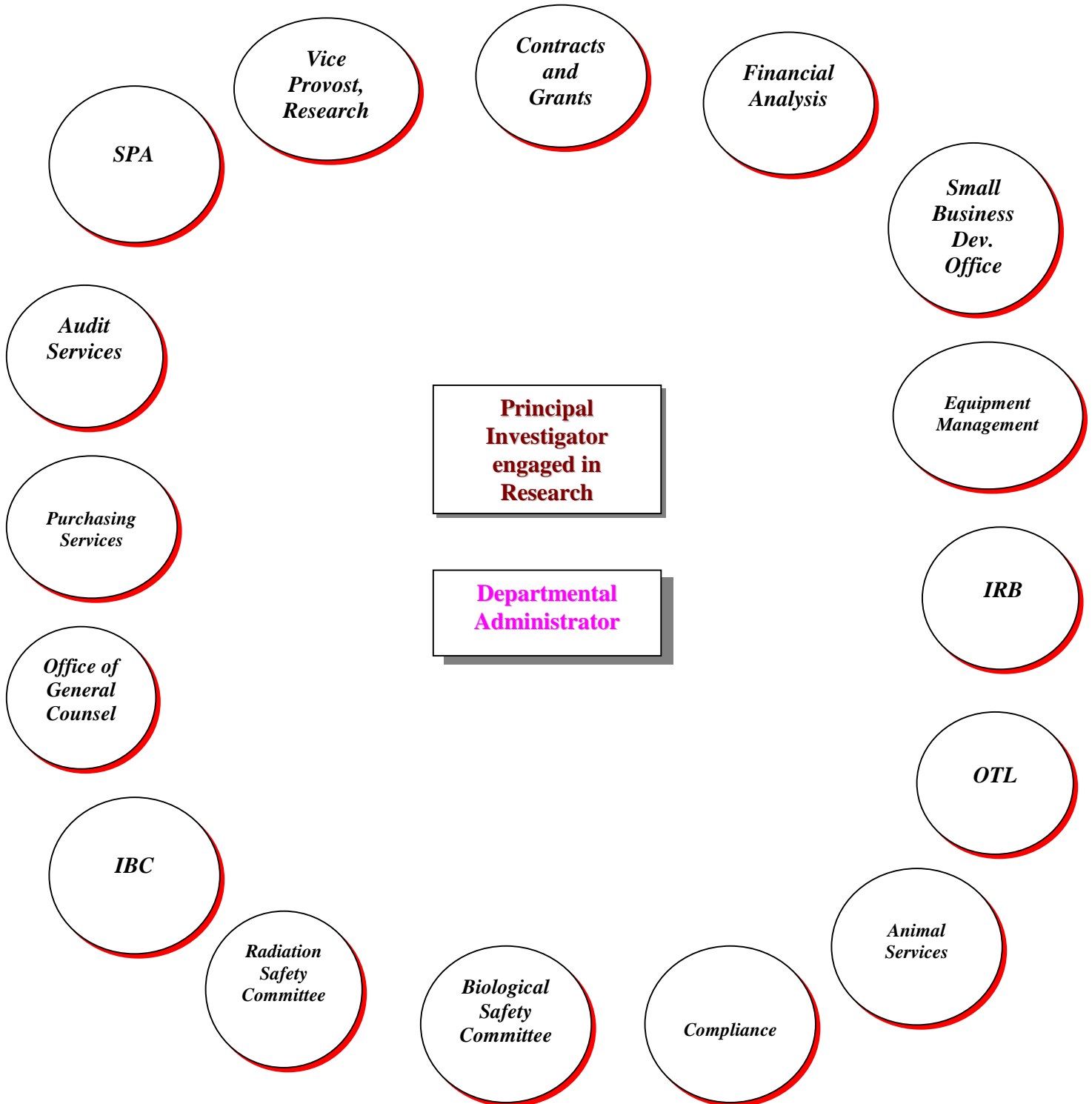
The Office of the General Counsel serves as legal counsel to the University. All contracts which require signature by the Senior Vice President, Administration must be reviewed and approved as to their legal effect by the Office of General Counsel before they may be signed. For further information, please call (213) 740-7922.

Role of Executive Research Compliance Committee ("ERCC")

The Executive Research Compliance Committee (ERCC) was formed in April 2000 to consider and make recommendations regarding University research compliance policy issues. The committee reports its recommendations to the Senior Vice President for Medical Care. The membership of this committee includes the following: Vice Provost for Research, Vice President for Health Affairs (co-chairs), the CEO and Compliance Officer for USC Care Medical Group, Inc., the Senior Associate Dean for Scientific Affairs for the Keck School of Medicine, the Executive Director of the USC Office of Compliance, University Counsel, the Associate Vice President for Risk Management and Career Services, the Chairs of the University Institutional Review Boards, the Institutional Biosafety Committee, the Clinical Trials Committee, as well as membership from other University departments and schools.

Diagram of Support Services for Principal Investigators

The diagram below shows the wealth of support services available to the Principal Investigator and Departmental Administrator in management of the research project.



II. PREPARING AND PROCESSING A PROPOSAL

A. Early Contact with Department of Contracts and Grants

When a faculty member has plans for a sponsored project, one of her/his first steps should be to communicate with the Department of Contracts and Grants (DCG). Advice and assistance at an early stage on such matters as budget, using an appropriate contractual form with commercial sponsors, and familiarization with University and sponsor practices, policies and procedures will often prevent later delays and changes in the proposal. In addition, since DCG is in frequent contact with sponsors, it is recommended that preliminary discussions between a potential sponsor and faculty member be coordinated with DCG. If DCG has not been notified of such discussions, unnecessary confusion may occur during award negotiations.

DCG's website at www.usc.edu/dept/contracts contains useful information regarding the proposal process including sources of funding support, proposal preparation tips, budget development and links to sponsors.

B. Finding Sources of Funding Support

The Sponsored Projects Information Network (SPIN), accessed through DCG's website, is a computerized database of funding opportunities (federal, private, and corporate) created to assist faculty and administrators in identifying external financial support for research, education, and development projects. The database is updated daily to incorporate new sources and any changes to existing information. The university covers the costs of the service, so there is no charge to the person requesting a SPIN search. It is capable of searching by academic discipline, by deadline date, and by key words.

The National Science Foundation (NSF) has a customized news service that allows faculty and administrators to request e-mail notifications of various kinds of NSF documents, including program announcements and news releases. It also allows one to choose documents by broad areas of science.

The NIH Guide is a weekly National Institutes of Health publication that provides program announcements, requests for applications and notices.

The Federal Information Exchange (FEDIX) provides a free e-mail service (Opportunity Alert) targeting research and education funding opportunities available from the major federal funding agencies.

Please contact DCG or visit its website at: www.usc.edu/dept/contracts for further information regarding funding sources.

C. Proposal Preparation

Most of the federal sponsors, as well as many of the private ones, have specific guidelines for proposal preparation, which include formatting instructions, page limitations, and detailed directions concerning the content of the proposals and the budget format. Most of these application kits are either available or may be ordered through DCG.

Sponsors often issue Request for Proposals (RFPs) when they are looking for contractors to do specific, well-defined work of some kind. RFPs contain very detailed instructions as to proposal and budget preparation, as well as representations and certifications, and proposed contract clauses that must be reviewed at the proposal stage. If a response to an RFP is planned, it is important to provide DCG with a copy of the RFP well in advance of the deadline date to allow for completion of the administrative requirements and for review and comment on any proposed contractual language.

Investigators are encouraged to take full advantage of the services presently available to them at the University in the preparation of a proposal for external support. *A well-conceived and carefully prepared proposal is essential for serious consideration by a sponsor.*

Please contact DCG or visit their website at: www.usc.edu/dept/contracts for further information regarding proposal preparation.

D. Obtaining Administrative Approvals

A faculty member who intends to submit a proposal for a sponsored project is expected to obtain approval from her/his department chair, director and/or dean. This is an important step because these persons will be responsible later for endorsing the proposal and for approving the use of any department, institute or school resources, including space and facilities. In cases of interdepartmental or inter-school projects, it is imperative that all affected department chairs, directors and deans be consulted. Some schools, such as the Keck School of Medicine, require additional administrative approvals from a Division Chief or equivalent.

If institutional resources (e.g., faculty time, staff personnel, supplies, etc.) are required for the performance of a project above and beyond what the sponsor has approved or provided, then these commitments should be noted on the PAR and must be endorsed by the department chair, institute director and dean. This includes forgiven indirect costs or indirect cost rates that are lower than the negotiated rate as directed by the sponsor.

In the event the sponsor requires University contributions to the sponsored project for salaries, supplies, etc., they should be clearly indicated on the proposal budget sheet and noted on the PAR. DCG will assist in problems of interpretation of sponsor instructions and in coordinating administrative data required.

E. Obtaining Research Compliance Approvals

Research involving any of the categories described below requires approval from the applicable research committee charged with reviewing and approving research in that area:

Human Subjects – Institutional Review Board

Animal Use – Institutional Animal Care and Use Committee

Recombinant DNA and gene therapy – Institutional Biosafety Committee

Biohazardous Materials – Biological Safety Committee

Radiological Materials and X-Rays – Radiation Safety Committee

Principal Investigators ultimately are responsible for ensuring that these approvals are obtained in accordance with the policies and procedures of the relevant committee. The relevant research compliance committee must review research protocols at least annually or whenever modifications are made to the approved protocol.

If the research project involves more than one of the categories described above, the Principal Investigator must obtain approval from each one of the relevant committees. For example, if a research project involves the use of radioactive materials and human subjects, a Principal Investigator would require approval from both the Institutional Review Board and the Radiation Safety Committee. Approval from one committee does not suffice for both activities. Further information regarding each of these regulatory committees is described below.

1. Human Subjects in Research.

The University conducts research involving human subjects pursuant to two Multiple Project Assurances with the government, which outline the shared responsibilities of the University, the Institutional Review Boards and the Principal Investigators in maintaining compliance with regulations governing the conduct of research involving human subjects.

In order to ensure the protection of human subjects, all proposals submitted by the University involving human subjects research must be reviewed and approved by an Institutional Review Board (IRB) either on the University Park campus or on the Health Sciences campus. Generally, the University Park IRB is responsible for reviewing and approving research conducted by Principal Investigators located at University Park campus (other than research conducted by the faculty at the School of Dentistry). The Health Sciences campus IRB is responsible for reviewing and approving research conducted by Principal Investigators located at the Health Sciences campus and research conducted by faculty in the School of Dentistry.

Appropriate IRB forms and guidelines may be obtained on the University Park campus by calling (213) 740-6709 or on the Health Sciences campus by calling (323) 223-3240. The University Park's IRB policies, procedures and relevant forms are available on the USC Web site at: www.usc.edu/admin/provost/irb/. The HSC IRB policies, procedures and forms can be found on the USC Web site at: www.usc.edu/hsc/research.html

NIH has changed its policy regarding the timing of IRB review of research involving human subjects. The previous policy required IRB review and approval at the time of submission of an application or within 60 days of submission. The new policy states that IRB review is not required until after the protocol is peer reviewed and is within a monetary range that is considered reasonable by the agency. The NIH is developing guidance on how institutions and Principal Investigators can determine the fundable range based on an application's priority score/percentile. Please contact the relevant IRB or DCG for further information regarding just in time review.

Beginning October 1, 2000, all new and non-competing grant applications submitted to the National Institutes of Health must indicate that all "key personnel" involved in the research have received education in the protection of human subjects. "Key Personnel" are defined as anyone substantively involved in the design AND conduct of the study involving human subjects as set forth in Form 398.

Education must be completed prior to award of the project. **The NIH will not fund awards if the**

key personnel have not satisfied this requirement. The NIH also requires written confirmation from the institution that the key personnel on the project have completed the necessary education requirement.

The University sponsors an education certification program to meet the NIH's requirements. Key Personnel on USC administered projects must complete this program to obtain institutional confirmation that the NIH mandate has been satisfied. If there are key personnel who are employed by an institution with its own education program, the university will require written confirmation from that institution that the education requirement has been satisfied. Please contact the Office of Compliance for further information regarding the university's sponsored education certification program for the protection of human subjects in research.

2. Animal Use in Research.

The University conducts research involving animals pursuant to an Assurance with the government, which outlines the shared responsibilities of the University, the Institutional Animal Care and Use Committee and the Principal Investigators in maintaining compliance with regulations governing the conduct of research involving animals.

When a sponsored proposal includes the use of animals, it must be submitted for review and approval to the Institutional Animal Care and Use Committee (IACUC) to assure that proper animal care standards will be maintained. Principal Investigators are required to complete a Protocol Synopsis form and submit it to the IACUC when proposing use of vertebrate animals in research. This form may be obtained from either DCG or the Department of Animal Resources on the HSC at HMR-214, (323) 342-1692. Please contact the Department of Animal Resources for a copy of IACUC's policies and procedures for research with animals.

The National Institutes of Health and most other sponsors require evidence of approval from the appropriate IACUC no later than sixty (60) days after the proposal deadline.

Principal Investigators only may obtain animals for research through the Department of Animal Resources. Requests for animals will not be processed until a protocol has been reviewed and approved by the IACUC. Part of the approval process requires evidence that the Principal Investigator and his/her staff have attended education regarding proper animal care offered by the Department of Animal Services and training in occupational safety and health provided by Risk Management and Career Services. **Protocols will not be approved until the education requirement has been completed.** Contact the Department of Animal Resources for further information regarding its education program.

3. Research Involving Recombinant DNA and Gene Therapy.

In accordance with federal government requirements, the University has established an Institutional Biosafety Committee (IBC) to review and approve proposals involving recombinant DNA and gene therapy. All protocols involving recombinant DNA must be approved by the IBC before the sponsored project may commence. Contact the Biological Safety Specialist at (323) 442-2208 for IBC policies as well as copies of the IBC application forms and for any further information regarding research with recombinant DNA.

4. Biohazardous Materials.

The University has established a Biological Safety Committee (BSC) to review proposals involving biohazardous materials other than recombinant DNA. Biohazardous materials include infectious and potentially infectious materials relating to humans and non-human primates (including human blood, tissue or body fluid, whole animal or tissues) and human carcinogens. All protocols involving biohazardous materials must be approved by the BSC before the sponsored project may commence. Principal Investigators planning research with biohazardous materials should contact the Laboratory Safety Office at (323) 442-2200 or Biological Safety Specialist at (323) 442-2208, regarding current requirements and review procedures. Safety policies and procedures are available on the USC Web site as follows: http://srm.usc.edu/Safety_Dept_Web/main/index.htm.

5. Use of Radiological Materials.

Use of radioactive materials or x-rays for any purpose is governed by regulations of the California Department of Health Services. Within the University, the Radiation Safety Committee controls such use. Therefore, those individuals purchasing any radioactive material (no matter how small the amount) or installing/operating any radiation devices (including x-rays) must be approved "users" for these operations by the Radiation Safety Committee. In addition, all researchers and staff must receive education from the Radiation Safety Office. Researchers will not be permitted to obtain radioactive materials until this education is completed. Please contact the Radiation Safety Officer for further information regarding the university's education program.

The Radiation Safety Officer (RSO) must be contacted regarding procedures to be followed for approval as a "user", and for receipt, handling, transfer, and disposal of radiation sources. Copies of the State and University rules, regulations, and application forms may be obtained from the Laboratory Safety Office at (323) 442-2200. Information also can be obtained at: <http://srm.usc.edu/rpo>.

The Radiation Safety Committee must approve sponsored projects involving radioactive materials or x-rays before the project can begin.

F. Deadlines

Meeting deadlines for proposal submission (and during the project for various types of reports) is a challenging problem for both faculty and administrators. A principal investigator should allow at least five (5) working days for processing of her/his final proposal through University review channels to the sponsor. Early informal discussion with the several offices in the review chain is encouraged, particularly if any special or unusual needs are involved.

G. Processing the Proposal

1. Proposal Approval Record (PAR). A PAR is used as a routing endorsement sheet for each proposal. It provides basic information about the proposal, such as the name and department of the principal investigator, the amount requested, and the period of the proposed support. In addition, in requiring signatures of the principal investigators, department chairs, deans, and

the vice presidents, it provides evidence that the appropriate campus reviews and approvals of the proposal have taken place. Spaces have been provided for the appropriate signatures and dates, which must be obtained by the Principal Investigator before approval by the Provost. The completed PAR becomes the basis for entering proposal data into the Sponsored Projects Information System (SPIS) database maintained by DCG, and also for the distribution of the proposal and award documents and other information to the proper offices within the University. The PAR is available either at the following site: http://www.usc.edu/dept/contracts/int_proc.htm or by contacting DCG.

2. Number of Copies Needed. In addition to the number of copies of the proposal required by the sponsor, DCG requires a copy (as submitted to the sponsor) for the University's file.
3. Transmittal to Sponsor. Upon approval by the University, the Principal Investigator to the sponsor returns the proposal to the Principal Investigator along with the University's letter of transmittal from DCG for forwarding. DCG can assist with necessary information on the quickest method of transmitting a proposal with restrictive deadlines.

H. Pre-Award Site Visits

Proposals occasionally result in site visits by the prospective sponsor before a decision is reached regarding an award. Principal Investigators should inform the appropriate DCG Administrator in advance of such visits and involve her/him in planning for the visit. When appropriate, the Director or a Deputy Director of DCG will be available to confer with site visitors.

III. NEGOTIATING THE AWARD

A. Who Negotiates the Award

DCG is responsible for negotiating awards on behalf of the University and the Principal Investigator. DCG conducts these negotiations in consultation with the Principal Investigator and other offices, such as the Office of Technology Licensing, Safety and Risk Management, the Office of General Counsel, etc., as necessary. Researchers must not negotiate sponsored project agreements without involving DCG directly. DCG will involve the Office of General Counsel, as appropriate.

A copy of USC's standard research agreement also can be found at www.usc.edu/dept/contracts/formshow.htm. In addition, DCG has prepared a brochure entitled "Guidelines for Externally Funded Projects," which may be provided to sponsors during initial discussions to give them a general idea as to some of the University's requirements for entering into a sponsored project agreement. The brochure is available at: www.usc.edu/dept/contracts/GEFP.html.

B. Customary Project Provisions

The following are some of the key concepts that generally are incorporated in agreements involving sponsored projects administered by the University:

1. Right to Publish.

The policy of the University regarding its participation in classified or proprietary research is that it will not accept or renew contracts, grants, or other agreements that restrict the rights of the faculty to free conduct or inquiry, or to free scholarly dissemination of results within a reasonable time.

The University may permit sponsor review and delay (normally not to exceed three months), but not denial of publication of results, for one of the following reasons:

- If a project involves use of privileged data from the sponsor;
- If a project is only one task or element of a larger program and the release of results must be coordinated with others; or
- If a project involves the development of a process or invention that may be patentable.

The complete policy statement is included in Section 3-11 of the Faculty Handbook at: <http://policies.usc.edu/>

2. Disclosure of Funding Sources.

The University requires open identification of actual sources of funding for all sponsored projects. DCG may periodically make public the sources of support for each project, which will include a project title, name of sponsor, name of Principal Investigator, period of agreement, and funding amount. No sponsor shall have control, directly or indirectly, over a program or project beyond mutually agreed upon terms and conditions, including requirements for financial accountability and reporting.

3. Sponsor Involvement in Faculty Appointments.

Any faculty appointment supported by a sponsored project shall be made in accordance with established University procedures. No part of this responsibility can be surrendered to or be shared with an external agency.

4. Use of University Name.

The University protects its name and marks from improper or misleading use. The University should not use the University's name to state or imply endorsement of programs, products or services not directly associated with or licensed in writing. All such approvals for use of the USC name and marks must be obtained from the Senior Vice President for Administration and the Provost. Contact the Office of Trademarks and Licensing at (213) 740-5222 for further information regarding the use of USC's name and trademarks or visit their website at: <http://www.usc.edu/bus-affairs/trademarks/>

5. Non-Discrimination.

The University will not participate in any agreements that place limitations on its policy of nondiscrimination.

6. Ownership of Intellectual Property.

All rights and title to any intellectual property created or developed from a sponsored project belong to the University. Principal Investigators are not authorized to make promises or guarantees to sponsors with respect to ownership or licensing of intellectual property developed under funding agreements that provide otherwise. The intellectual property terms of sponsored agreements must be in accordance with University policy. Any questions regarding ownership or licensing or rights to intellectual property should be directed to the Office of Technology Licensing at (213) 743-2282 or the Office of General Counsel at (213) 740-7922.

7. Agreements with International Sponsors.

International projects require special consideration, especially those not funded by a U.S. Government sponsor, such as the Agency for International Development (AID). U.S. Government sponsors will usually have their own rules and regulations that must be followed, which take into account the differences in conducting research outside the United States.

For non-U.S. Government sponsors, some items to be contemplated are:

Funding. The majority, if not all, of the funds to cover anticipated costs should be paid in advance. Regular expense statements can be part of the agreement in order to let the international sponsor know how the funds are being spent and to provide a way to monitor performance. Provision can be made in the agreement that if the project is terminated early or if funds remain unexpended at the completion of the project, any uncommitted funds will be returned to the sponsor.

Travel. Travel costs most likely will be significantly greater than for a similar domestic project. Careful attention needs to be paid to travel to and from the site (timing, combined trips, special

baggage needs, etc.) and any special difficulties to be encountered on and around the site. Provision for emergency travel (personal, international, etc.), visas, special permits, etc need to be considered.

Insurance. Special insurance for personnel, vehicles, equipment may need to be considered. Some type of emergency medical and/or evacuation insurance for participants is advisable.

Customs. Taking specialized equipment into and out of a country can have particular customs requirements. Contracting with an agent who specializes in supporting projects in particular country(ies) may be advisable, especially if there are unusual quantities or types of equipment being considered or much movement of equipment in and out of the country(ies).

Administrative Support. International projects will require administrative support both at the University and at the international site. The complexity of the project will determine the quantity and types of administrative personnel required. An important psychological aspect of these projects is that the on-site personnel not feel "cut off" from or forgotten by the home site. Regular communication is important. Thought needs to be given to the hiring of local personnel and any special taxes, etc. that must be considered. Again, contracting with an agent familiar with working in a particular country(ies) may make on-site administration less troublesome but usually more expensive.

International projects can be exciting and rewarding and yield valuable results. However, they also require specialized management. The above points are not all inclusive but are indicative of the types of special things to be considered. A reasonable rule-of-thumb is to carefully consider all the aspects of an international project - programmatic, administrative and financial - and then add at least 10% to the total cost for unexpected contingencies. International projects require constant attention to performance and finances. Please contact DCG if you have questions regarding international project sponsors.

8. Warranties or Representations.

USC generally does not make any representations or warranties regarding the research or other sponsored activity it conducts or the results of such research or activity.

9. Indemnification.

USC's standard research agreement requires the sponsor to indemnify the University for all costs arising out of USC's performance of the research (except in the case of gross negligence on the part of the University) and the sponsor's use of the results of the research. USC does not indemnify the sponsoring party. Unforeseen liability for accidents, personal injury, and property damage arising under an inappropriate or overly broad indemnification, or the inability to pursue the party at fault because a release is given, can be very costly, time consuming, and potentially embarrassing.

10. Termination.

Sponsored agreements are and should be for a definite stated term. USC normally retains the right to terminate the contract early for convenience or if the other party is in default of its obligations under the contract.

11. Confidentiality

The parties to an agreement may find it necessary to share confidential information in order to perform a project. The sponsored project agreement should have a confidentiality provision applicable to both parties. Alternatively, the parties may sign a non-disclosure agreement, which would describe the parties' obligations regarding use of the confidential information. Please contact DCG or the Office of Technology Licensing, at (213) 743-2282 for further information or for copies of USC's standard confidentiality agreements or material transfer agreements.

12. Arbitration.

The standard research agreement includes an arbitration provision, whereby the parties agree to binding arbitration as opposed to litigation in the event of a dispute.

C. Subcontracting

DCG is responsible for preparing and issuing sub-awards, which will include standard University terms as well as any required sponsor flow down conditions. The Principal Investigator or his/her designee must prepare a Purchase Requisition and forward it to the appropriate DCG administrator in order to begin the sub-award preparation process. Please contact the DCG or Financial Analysis for information regarding appropriate F&A (indirect) charges on subcontracts.

It is the ultimate responsibility of the University to monitor its subawardees to ensure compliance with applicable laws and regulations and university policies as well as the sponsor's terms and conditions. The sponsor will look to the University to ensure that appropriate monitoring and supervision is occurring.

IV. POST-AWARD ADMINISTRATION OF SPONSORED PROJECTS

There are many administrative requirements that are relevant to the University's obligations relating to the administration of sponsored projects. Basic regulations applicable to federal research appear in two circulars issued by the Office of Management and Budget:

- (1) OMB Circular A-21, "Cost Principles for Educational Institutions," and
- (2) OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations."

OMB Circular A-21 deals primarily with the accounting methods and rules to be used by universities to keep track of costs that are charged directly or indirectly to sponsored projects. The circular is incorporated in most federally sponsored projects.

Generally, a cost charged to a sponsored project must be (a) allowable under the principles set forth in OMB Circular A-21; (b) allocable based on the benefit to the specific project; (c) reasonable; (d) accounted for consistently with similar costs; and (e) not otherwise limited or prohibited by other regulations or the terms of the sponsored agreement.

OMB Circular A-110 relates primarily to administrative requirements, financial and otherwise, that apply to sponsored projects.

These circulars can be found at the following address:

www.whitehouse.gov/OMB/circulars/index.html. The University's application of these regulations is discussed in further detail below.

A. Establishment of Account Number

After the Principal Investigator approves the award and the University accepts it, DCG will establish an account number for the project. No charges may be made against any established account prior to the sponsored project effective date, unless authorized by the sponsor in writing. Likewise, no charges can be made against an account after the final date of performance of the project. An account number will not be established until the project has received the approval of the IRB and/or IACUC if human subjects or animal use is involved. For NIH sponsored projects, key personnel also must satisfy the education requirements relating to protection of human subjects. Please contact the Office of Compliance for more information regarding the NIH's educational mandate.

If an award is delayed, but the University is able to obtain a firm commitment from a sponsor as to the amount and start date of the award, the Principal Investigator may request DCG to establish an advance funding account so that work can begin. The appropriate dean must approve the request in writing and agree to cover any expenditure incurred under advance funding in the event that an award is not received. In that event, costs incurred for personnel or other commitments made by the Principal Investigator will be transferred to the account of that Principal Investigator's Dean. Costs may not be charged to a terminated sponsored project while waiting for funding.

B. Notification of Award

Since sponsors differ in their manner of notification of acceptance or rejection of proposals, it shall be the responsibility of the person who receives the award document to notify DCG, which will initiate preparation of the Notification of Award.

A Notification of Award (NOA) contains a summary of the sponsored agreement's terms and conditions for the award as well as the budget. Funds budgeted for line items such as salaries and wages, fringe benefits, supplies, equipment, travel and indirect costs are indicated in the NOA. DCG prepares the NOA and distributes it to the Principal Investigator, the appropriate Dean, Sponsored Projects Accounting, Equipment Management and Purchasing following receipt of the award. The NOA sets the budget parameters for the sponsored project. Other administrative units, such as SPA, will rely upon the NOA budget parameters when reviewing expenses against a particular project.

It is important for the Principal Investigator and the departmental administrator to maintain a readily accessible copy of the NOA as it contains relevant budget provisions and information relating to the sponsored project.

C. Direct Costs

OMB Circular A-21 describes direct costs as those that can be identified specifically with a particular sponsored project. Some examples of direct costs are: Salaries, Wages and Fringe Benefits of project personnel; Tuition Remission for Graduate Students; Materials and Supplies; Travel; Sub awards; Consulting Services; Equipment; Animal Care; and long distance telephone costs.

The Principal Investigator approves requisitions and salary appointments. (Please refer to the USC Expenditure Manual for guidance in incurring expenses on University accounts.) The Principal Investigator is responsible for ensuring that expenditures are initiated and completed within the award period. SPA is available to provide assistance concerning University fiscal procedures. Project account financial information is available through SPA and on the University's on-line financial system, ais-b2000.

The salaries of administrative and clerical staff should normally be treated as Facilities & Administration (indirect) costs (discussed in further detail in Section IV.L of this manual). Direct charging of these costs may be appropriate where a major project or activity explicitly budgets for administrative or clerical services and individual involved can be specifically identified with the project or activity. A "Major project" is defined as one that requires an extensive amount of administrative or clerical support, which is significantly greater than the routine level of such services provided by academic departments.

If an expense benefits two or more projects or activities in proportions that can be determined with reasonable accuracy and without undue effort, the expense should be allocated to the projects based on the proportional benefit. If an expense benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the cost may be allocated or transferred to benefited projects on some reasonable basis.

Costs allocated to a particular sponsored project may **not** be transferred to other sponsored projects in order to meet deficiencies caused by overruns or other funding considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience. **IT IS IMPERATIVE THAT INVESTIGATORS ALLOCATE COSTS ONLY TO THOSE PROJECTS THAT HAVE BENEFITTED DIRECTLY FROM THE EXPENSE.**

D. Purchasing

It is the policy of the University to obtain all supplies, equipment and services at the lowest cost consistent with quality and availability of the items at the time of purchase. In conforming to this policy, cost and required delivery time will be considered. Competitive bids will be solicited whenever practicable regardless of dollar amount although bids are required for purchases over \$5,000. Requisitioning departments will be contacted to authorize any substitution of materials, equipment, or supplies. Purchases of equipment must comply with the university's equipment policy.

All requests for outside purchases, regardless of the sources of funds, *must* be processed through Purchasing Services on a requisition form (standard paperless, forms processing, web-based paperless or pre-printed forms). Orders under \$1,500 should be placed by paperless requisitions with system generated purchase order numbers or on procurement cards. Purchase orders should be created prior to placing the order to avoid possible vendor or billing problems. A procurement card is a credit card issued to individuals to purchase goods and services under \$1,500. The Senior Business Officer for each unit designates who is eligible to have a procurement card. There are restrictions on the types of purchases allowed.

Check Requests are not to be used for the purchase of goods or services. Check Requests are to be used only for advances, establishment of petty cash funds, prepayment of registration fees, reimbursements for travel or other expenses, and subscriptions. The Director of Purchasing Services and buyers on the staff are the only authorized University representatives to make commitments to external vendors for \$1,500 or more.

Please consult the current version of the Purchasing Department's Policies and Procedures Manual at: www.usc.edu/bus-affairs/admin_serv/purchasing/ for specific information about purchases.

E. Equipment

Equipment is defined as an article of non-expandable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or greater with the following exceptions: Sponsor furnished property that is directly acquired by the government and made available to the University. Sponsor furnished equipment with a cost of less than \$5,000 must be inventoried if mandated by the sponsor. When acquiring equipment, the items should be listed on the requisition form individually, with a description and estimated cost, including tax. If funds for "general purpose" equipment, such as fax services or photocopiers, are requested, the justification should be particularly thorough. Because equipment is an expense that many sponsors are reluctant to fund, sponsored project guidelines should be reviewed and observed. The requested equipment must be allowable and authorized by the sponsor prior to purchase. When preparing a requisition for "general purpose" equipment (which many sponsors consider unallowable), such as fax machines or photocopiers, the award guidelines must be carefully reviewed and, if allowable, the justification should be particularly

thorough. Title to or ownership of equipment purchased with sponsored project funds vests in accordance with the provisions of the particular sponsored project or sponsor policy.

The Equipment Management Policies and Procedures Manual contains information regarding the purchase, use and disposition of equipment, and can be found at: www.usc.edu/dept/finserv/equipment_management.

F. Travel

Travel expenses charged to a sponsored project must be necessary and authorized for the work being performed. Government regulations require individuals using sponsored project funds for travel to obtain the lowest possible reasonable airfare and to travel on a U.S. carrier unless specifically approved in writing by the sponsor. The same procedures which are used for other types of University travel should be followed, subject to any additional specific restrictions imposed by the sponsor as indicated in the Notification of Award (see the "USC Expenditure Policies and Procedures" manual). For example, travel expenses may not be charged unless such expenses were incurred to further the objectives of the sponsored project. In addition, travel expenses will not be reimbursed unless such expenses are submitted with appropriate documentation. Non-sponsored project funds used to reimburse travel expenses must be identified on the request for travel reimbursement and deducted from the costs charged to the sponsored project. Researchers are strongly encouraged to use one of the University's designated travel agencies. Further information regarding the University's travel agencies can be found at: www.usc.edu/dept/Travel.

Please refer to the Expenditure Manual for guidance regarding travel expenses. The Expenditure Manual can be obtained from the Office of Disbursement Control, at (213) 740-9794.

G. Consultants

Use of consultants for sponsored projects must conform to the policies of the sponsor and the University. Consultants must sign the University's standard consultant agreement, which is located at: www.usc.edu/dept/contracts/nt_proc.htm. For further information regarding the University's policies concerning the use of consultants, please refer to the Expenditure Manual. All consultant agreements related to work on sponsored projects must be approved by DCG. The Expenditure Manual can be obtained from the Office of Disbursement Control, at (213) 740-9794.

H. University Policy on Salary Certification

OMB Circular A-21 establishes the principles for determining allowable costs of sponsored projects at educational institutions, and includes the requirements for time and effort reporting for personnel charged to sponsored projects.

Principal Investigators or other authorized signers with first hand knowledge of the percent of effort for the individuals on the project and technical understanding of the work are responsible for certifying an "after-the-fact" review of salaries and wages charged to specific sponsored projects to insure that the time charged is consistent with the actual distribution and performance of an individual's total work effort.

It is the responsibility of the Principal Investigator or someone with direct knowledge of the time and effort expended to review the salary certifications carefully to ensure that the percent of effort is an accurate estimate of the work performed. Errors or inaccuracies should be corrected in writing and returned to the Home Department Coordinator or Senior Business Officer for further processing. If in doubt, the employee whose time and effort is being reviewed also should be consulted. The Principal Investigator is held accountable to ensure that salary certifications are completed accurately and regularly. Please contact the Office of Financial Analysis or your Home Department Coordinator if you have further questions regarding salary certification.

Salary certifications must be completed on a regular basis (e.g., monthly or, when authorized by Financial Analysis, quarterly). Salary certifications should be maintained for at least three (3) years after final payment is received. Principal Investigators can call SPA to determine when final payment from the funding agency was received. Alternatively, a good rule of thumb is to maintain the salary certification records for at least five (5) years after termination of the project.

I. Payroll Considerations

Initiators of payroll authorizations are encouraged to give attention to the following points:

- Use the correct forms and fill them out completely.
- Do not penalize employees by failing to submit the proper pay notification on time.
- New payroll authorizations are required for rate changes, changes of account distribution, terminations, and leaves of absence without pay.
- All salaries and wages to be charged to a sponsored project must be earned during the period of the project.
- Renewals, continuations, and extensions of sponsored projects require new payroll distribution authorizations.

Salaries from sponsored projects are to be paid as they are earned, not accumulated or paid in advance of the work performed.

Contact University Payroll Services at (213) 740-8855 for further information.

J. Federally Imposed Salary Limitations

The National Institutes of Health and the Substance Abuse and Mental Health Services Administration ("NIH"), and from time to time other federal sponsors, impose limitations on salary that may be charged to the project. Currently for NIH, the amount of the salary limitation is linked to the Federal Executive Pay scale. "Specifically, the Department of Health and Human Services Appropriation Act for FY2000, Public Law, 106-113, restricts the amount of direct salary of any individual under an NIH grant . . . to Executive Level II of the Federal Executive Pay scale." Direct salary is exclusive of fringe benefits and Facilities and Administration (F&A) expenses and has the same meaning as "institutional base salary." Beginning January 1, 2000, an individual may not be paid from an NIH project at an annual rate above \$141,300. Any modifications to the salary limitations will be posted on the Contracts and Grants website at www.usc.edu/dept/contracts. The NIH prior to the award will adjust NIH proposals/applications that request direct salaries in excess of the applicable limitation rate automatically. For additional information, please review the NIH Guide

at <http://grants.nih.gov/grants/guide/index.html> or call the Department of Contracts and Grants.

K. Vacation

The annual leave policies set forth in the *Faculty Handbook* and in the *Staff Employment Policies and Procedures* apply to those persons employed on sponsored projects as employees of the University. An employee is expected to use any accrued annual leave prior to the termination or resignation date of his/her appointment. Accrued leave cannot be transferred to or from sponsored projects. In other words, it is not appropriate to use vacation time in connection with a sponsored project unless it has actually accrued while working on that project.

L. Sabbaticals and Other Leaves of Absence

Sponsors must be notified in advance if the Principal Investigator or other key personnel will be away from a project for any significant period of time. For typical grants, if an absence will be three months or more, arrangements for a substitute Principal Investigator must be proposed and approved in advance by the sponsor. Sabbatical salary generally may be charged to a project provided the salary is proportional to the service rendered, is paid according to USC policies, and does not, in combination with other compensation, exceed the individual's institutional base salary.

M. Facilities and Administration (F&A or Indirect) Costs and Fringe Benefits

F&A costs, or indirect costs, are those that are incurred for common or joint objectives and cannot be identified readily and specifically with a particular sponsored project. It is important to note that though they cannot be charged directly, these costs are real and necessary for successful operation of a project. Recovery of these costs is necessary in order to reimburse the University for providing such services.

The university recovers these costs by establishing a negotiated F&A rate between the university and its cognizant federal agency (DHHS).

The Federal government specifies in OMB Circular A-21 specific categories for F&A cost calculations at universities. Typical F&A costs include administrative expenses, departmental administration, depreciation and use allowance on buildings and equipment, operation and maintenance expenses for facilities, student services and the cost of administering sponsored research.

Annually or as required, the Office of the Assistant Vice President, Financial Analysis as directed by the Senior Vice President for Administration, prepares and submits an F&A cost proposal to the Department of Health and Human Services ("DHHS") in accordance with Federal requirements. A similar proposal also is submitted to DHHS for fringe benefits. The fringe benefit rate reflects the University's contribution to retirement systems, Social Security, health care plans, workers' compensation insurance, unemployment insurance, disability insurance, life insurance and other benefits. These proposals then undergo a detailed audit by the DHHS Audit Agency. After the audit is completed, annual F&A cost and fringe benefit rates are negotiated with the DHHS, Division of Cost Allocation.

F&A and fringe benefit rates should be applied to all sponsored projects. All proposal budgets must include F&A costs and fringe benefits using the University negotiated rates. In the event that a

project does not allow F&A costs at the negotiated rate, the Dean must approve acceptance of the project with the reduced F&A costs on a case-by-case basis. Contact the Office of Financial Analysis for further information at (213) 821-1937.

Current rates may be found on the DCG website at www.usc.edu/dept/contracts/rate.htm.

N. Cost Sharing

The University's cost sharing policy can be found at: <http://policies.usc.edu/>

Some programs specifically require that the University share in the total costs of the project. When a government sponsor requires cost sharing, the source of cost sharing must be non-federal unless the guidelines specifically provide otherwise.

As a general rule, care should be taken in making commitments for University cost sharing. Where no cost sharing is required, the University discourages commitments of voluntary cost sharing. The Federal government has assured that voluntary cost sharing does not affect the scientific merit decision on a proposal.

If a sponsored agreement does not include full recovery of the F&A costs, then the difference between the negotiated F&A rate and that which is recoverable is the preferable cost sharing contribution, if cost sharing is required. Lacking this mechanism, the principle method of cost sharing is the contribution of faculty or staff effort to the project in addition to the funded effort. The calculation of such contributions of faculty and staff time must include appropriate F&A and fringe benefit costs. Any departmentally financed tuition remission associated with a graduate Research Assistant appointment is also a common and easily-documented source of cost sharing.

When an award requires cost sharing, the Principal Investigator's department will be required to establish a cost-sharing account (or account for cost sharing by some other approved method) to ensure that the cost sharing is accurately tracked and reported. In addition, Principal Investigators must document proposed cost sharing on the PAR. A separate account does not need to be established when cost sharing is in the form of an F&A reduced rate or tuition for a Research Assistant. The cost sharing account will mirror the last eight digits of the sponsored account.

Contact the Department of Financial Analysis or DCG for further information about what expenditures can be cost shared.

O. Expenditure Transfers

When requesting a transfer of *non-salary* expenditures, the following conditions must be met:

- The request must be submitted to SPA on the SPA Cost Transfer form. The form must be signed by either the principal investigator or an authorized individual knowledgeable of the project, and must have an expenditure card imprint;
- A COPY OF THE ACCOUNT STATUS REPORT EXPENSE DETAIL SHOWING THE ORIGINAL EXPENDITURE MUST BE PROVIDED along with the Cost Transfer form. Additional documentation such as detailed phone bills, travel settlements, procurement card

