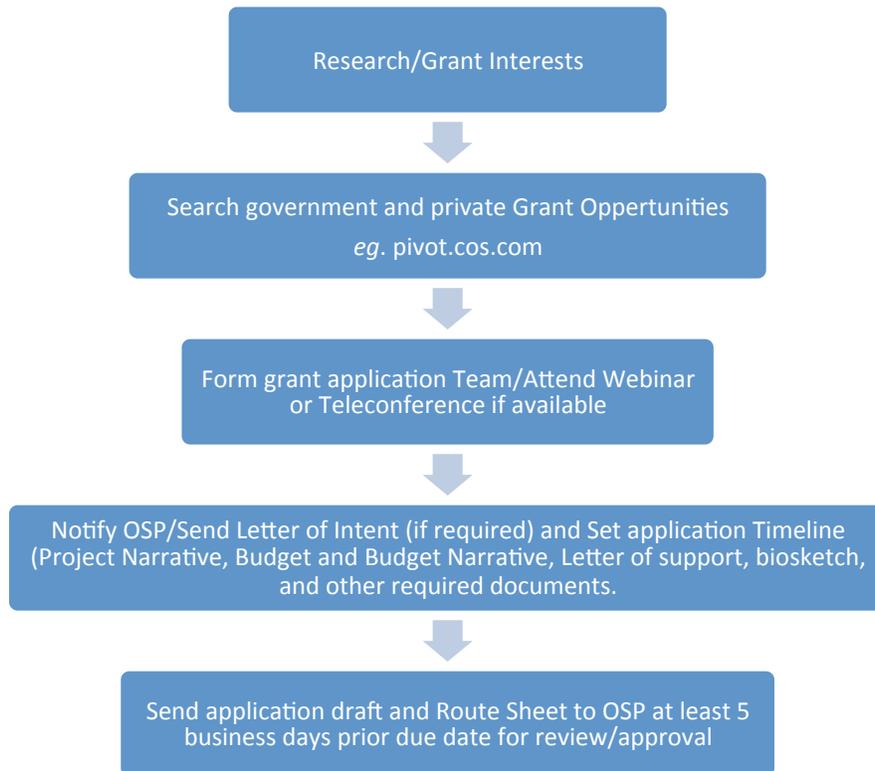


# Grant Application Flow Chart



Things we can help with:

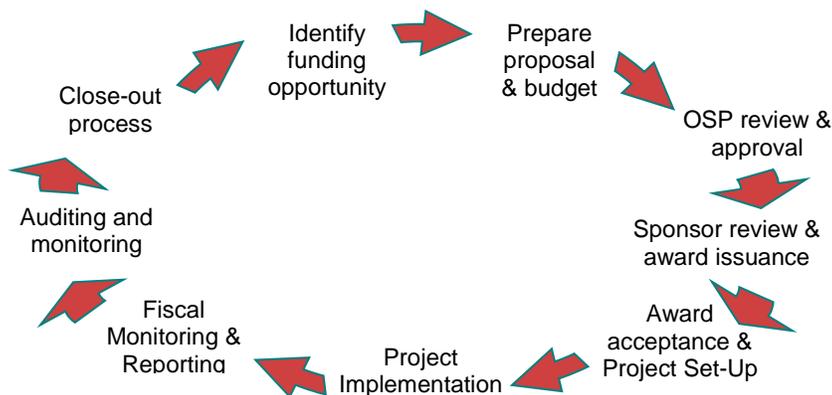
- Searching for grant opportunities;
- Searching the literatures for the background/literature review part of the project narrative;
- Preparing the budget and budget justification;
- Consulting for the statistical components as needed
- Preparing the draft letter of support;
- Formatting your final project narrative and filling the forms.

The Project Director/Project Investigator needs to:

- Set up the research Team;
- Preparing the technical part of the project narrative;
- Provide the biosketch, personal statement;
- Get the IRB approval as needed, if awarded.

## A BRIEF GUIDE TO THE GRANT PROCESS AT TTUHSC

The following components of the grant process will be explained as they relate to TTUHSC grants and communication with the Office of Sponsored Programs (OSP).



### **Identify Funding Opportunity**

OSP provides assistance in identifying possible funding sources for research projects and other programs. The OSP website at [www.ttuhscc.edu/sponsoredprograms](http://www.ttuhscc.edu/sponsoredprograms) serves as a good starting point for your funding search and includes:

- Calendar of deadlines for major funding opportunities along with links to the applications;
- Links to funding source websites used most often;
- Links to searchable databases of funding opportunities.

### **Funded Projects in your Field**

A particularly useful method for identifying possible funding opportunities is by researching recently funded projects in your scientific area of expertise. Most major funding sources provide public access to funded projects through their websites. For example, through the CRISP database, users can search for projects funded by the National Institutes of Health (NIH) by using key scientific words. Users can also search by other parameters, such as institution, Principal Investigator (PI) name, research area, and date range. The NIH database of funded grants and other reports is at <http://report.nih.gov/>.

### **Proposal Preparation**

Once a potential funding source is identified, the Principal Investigator or Project Director begins development of the grant proposal. The National Institutes of Health provides helpful grant writing tips on their website at: [http://grants.nih.gov/grants/grant\\_tips.htm](http://grants.nih.gov/grants/grant_tips.htm).

Please notify OSP of your intent to submit a grant early in the process to help facilitate the review and approval of your application. OSP can provide a higher level of support and assistance if notice is provided well in advance. A complete and final version of the application is due to OSP at least 5 business days prior to the sponsor's deadline (TTUHSC OP 73.13).

The following institutional information is often needed for completion of grant application forms.

***QUICK FACTS***  
**TO ASSIST IN PREPARING A GRANT APPLICATION**

Institution / Applicant Organization	Texas Tech University Health Sciences Center 3601 4 <sup>th</sup> Street MS 6271 Lubbock, TX 79430
Authorized Signatory / Institutional official (*Verify signature availability with OSP) / Official to be notified in the event of an Award	Erin Woods Managing Director, Sponsored Programs 3601 4 <sup>th</sup> Street, MS 6271 Lubbock, TX 79430 806-743-4569 <a href="mailto:sponsoredprograms@ttuhsc.edu">sponsoredprograms@ttuhsc.edu</a>
Financial/Fiscal Officer	Penny Harkey, Vice President & Chief Financial Officer 3601 4 <sup>th</sup> Street, Lubbock, TX 79430, 806-743-3080
OSP e-mail address / OSP Website	<a href="mailto:sponsoredprograms@ttuhsc.edu">sponsoredprograms@ttuhsc.edu</a> <a href="https://www.ttuhsc.edu/research/divisions/sponsored-programs/default.aspx">https://www.ttuhsc.edu/research/divisions/sponsored-programs/default.aspx</a>
Entity Identification Number (EIN) / IRS Tax-Exempt Number	75-2668014 ( <i>TTUHSC does NOT have a 501(c)3 IRS tax designation</i> )
DUNS Number (Dun and Bradstreet)	609980727
Congressional Districts	Lubbock & Abilene: TX-019, Amarillo: TX-013, El Paso: TX-016, Odessa: TX-011
Human research assurance number (DHHS)	00006767
Animal welfare assurance number	A3056-1
Tax exempt status letter can be found at	<a href="https://www.fiscal.ttuhsc.edu/accounting/forms/taxrelatedforms.aspx">https://www.fiscal.ttuhsc.edu/accounting/forms/taxrelatedforms.aspx</a>
Fringe benefits – use the on-line calculator at	<a href="http://www.ttuhsc.edu/sponsoredPrograms/benefitCalc.aspx">http://www.ttuhsc.edu/sponsoredPrograms/benefitCalc.aspx</a>
Cognizant Agency for indirect costs (F&A) and contact information	DHHS, Theodore Foster, 214-767-3261
DHHS indirect cost rate agreement date	December 18, 2014 (see approved rates below)
DHHS indirect cost rates (For grant start dates beginning 9/1/2012)	53 % On-campus rate for organized <b>research</b> 35 % On-campus rate for <b>instruction</b> 26 % On-campus rate for <b>other sponsored programs</b> 26 % <b>Off-campus</b> rate for all programs
Annual Report on Misconduct in Science	Filed in January of each year (call OSP if last submission date needed)
Payments should be made to Accounting Services for grants on all campuses	Texas Tech University Health Sciences Center Accounting Services, P.O. Box 5868, STOP 6274, Lubbock, TX 79408-5868
State Vendor ID	37397397391007

### Preparing a Grant Budget

A grant budget is the Principal Investigator/Project Director's best estimate of the expenses that will be incurred during the course of the project. The budget should be an accurate reflection of the work proposed in the narrative. OSP must review the final budget because it is considered a firm offer on the part of the institution. Adherence to the sponsor's instructions and formatting requirements is crucial. The major categories of the budget are described below.

### Salaries and Wages

Anticipate the percentage of time that each faculty and staff member will spend working directly on the proposed grant project. This is known as the percent of *effort*. Be aware that if the grant is awarded, the percent effort will have to be

certified by participants on a routine basis (through the use of TTUHSC ecr system). Use either the current salary or the anticipated amount for the time of award. Generally, a 3% increase is applied in subsequent grant years.

### *Calendar Months*

The level of effort on many federal grant budgets is specified in terms of *calendar months*. The calculation is based on the term of appointment and the percent effort on the project. For example, below is the calculation of calendar months for a professor on a 12 month appoint who will devote 50% of his time to the grant project:

$$50\% \times 12 = 6 \text{ calendar months}$$

### **Fringe Benefits**

TTUHSC does not have a flat fringe benefit rate. The rate varies by faculty/staff member. Please use the fringe benefit calculator at [www.ttuhsu.edu/sponsoredprograms/benefitcalc.aspx](http://www.ttuhsu.edu/sponsoredprograms/benefitcalc.aspx). Fringe benefits consist of FICA, retirement, worker's compensation, life insurance, unemployment insurance, health insurance, and lump sum vacation.

### **Travel**

Follow the sponsor guidelines for allowable travel expenses. Current travel and per diem rates can be found at [www.fiscal.ttuhsu.edu/busserv/travel](http://www.fiscal.ttuhsu.edu/busserv/travel). In general, registration fees are usually allowable. Be sure to check the guidelines before budgeting international travel.

### **Equipment**

Equipment is defined as nonexpendable, tangible property having a useful life of more than 1 year and a cost of at least \$5,000. Estimates for equipment should be based on recent catalogue prices or a vendor quote. Pay attention to sponsor guidelines regarding ownership of equipment after the grant period ends.

### **Supplies**

Supplies include items such as expendable equipment, lab supplies, and instructional materials. These items must be used during the course of the project. Office supplies are generally not charged directly to federal grants because these expenses are included in the institution's indirect cost rate (also known as facilities and administration or F&A rate).

### **Subrecipients and Consultants**

As opposed to a consultant, a subrecipient is an institution that agrees to be responsible for conducting a substantive portion of the proposed research project. A consultant provides a specific service but does not participate in the design or decision making of the project. Grant applications with subrecipients should include the name of the institution, a statement of the work to be done by the subrecipient, and a subrecipient budget with budget justification. Consultants should be listed by name, and specify the payment rate along with other expenses.

As the prime recipient of grant funds, TTUHSC is required to monitor subrecipients in accordance with the Uniform Guidance. The Principal Investigator/Project Director must validate all expenses for approval prior to payment of a subrecipient.

### **Other Direct Costs**

Other direct costs can include anticipated expenditures such as copy charges, long-distance telephone charges, and books/reference materials. Refer to the grant application for specific costs that are not allowable. Refer to TTUHSC Operating Policy (OP) 65.04 for a description of allowable costs that can be charged to a federal grant.

### **Indirect Cost/Facilities & Administrative (F&A) rates**

Facilities and administrative costs (also known as indirect costs) are institutional expenses that support the mission of the organization but that cannot be directly attributed to a particular activity or project (unlike the direct costs of a project). F&A costs are calculated by multiplying the project's direct costs by the appropriate institutional F&A rate.

For federal grants, TTUHSC has negotiated the following F&A rates with the U.S. Department of Health and Human Services (DHHS), which is the institution's "cognizant agency".

The current DHHS rate agreement is effective *December 18, 2014*. The following rates are valid through 8/31/2018:

- 53 % On-campus rate for organized *research*
- 35 % On-campus rate for *instruction*
- 26 % On-campus rate for *other sponsored programs*
- 26 % *Off-campus* rate for all programs

**All proposed budgets must include the full F&A rate or the maximum rate allowed by the sponsor.**

F&A costs for applications submitted to private foundations and industry sponsors are requested at a rate of 25%. State government proposals include F&A costs at a rate of 15% or the maximum allowable by the particular state agency.

Before multiplying the direct costs of a project by the appropriate F&A rate, the costs described in the right-hand column below should be deducted. The costs in the left-hand column are known as the project's *modified total direct costs* (MTDC).

*Modified Total Direct Costs (MTDC) include:*

*MTDC does NOT include:*

Salaries, wages, and fringe benefits	Equipment (item costing \$5000 or more with a useful life of one or more years)
Materials and supplies	Capital expenditures
Services	Patient care
Travel	Tuition remission, scholarships, fellowships
The first \$25,000 for each sub-grant or sub-contract	The portion of each sub-grant or sub-contract over \$25,000
	Rental costs for off-site facilities

## Cost Sharing

Cost sharing is a commitment made by the institution to fund a portion of the total cost of a sponsored project. *Mandatory cost sharing* is required by the sponsor as a condition of award. *Voluntary cost sharing* represents resources offered by TTUHSC but not required by the sponsor as a condition of award. In either case, when an award is received in which cost sharing (mandatory or voluntary) was proposed, the cost sharing becomes a binding commitment that must be fulfilled and documented. Cost sharing commitments made within grant applications (in the budget or narrative) are subject to institutional approval.

The most common, and arguably, the most appropriate form of cost sharing is a commitment of salary based on a percentage of a person's work time spent on the project. Other forms of cost sharing are employee benefits, equipment, supplies, travel and in-kind contributions (for example volunteer time or property donated by non-federal third parties).

Once a grant that includes cost sharing is awarded, the institution is obligated to document and track the cost sharing commitment. This is done through accurate reporting of personnel time spent working on grant project(s) through a process known as *Effort Reporting*. TTUHSC uses the Effort Certification and Reporting Technology (ecrt) as documentation of time spent working on a grant project, including time paid by the institution through a cost sharing commitment.

## Alternatives to Cost Sharing

In general, cost sharing is discouraged unless mandated by the sponsor. Indicators of institutional commitment and support can be conveyed strongly in ways that do not create future financial obligations.

Here are some examples of language that can be used as an alternative to making a cost sharing commitment:

- Professor X will provide scientific direction and supervision for the project, including...
- Professor X will have significant involvement throughout the project. She will be providing expert advice and consultation on all aspects of the research.
- Dr. Y is Principal Investigator and requests 30% salary support from the grant. He will provide additional support as needed.
- The equipment is available for the performance of the sponsored agreement at no direct cost to the sponsor.

## OSP Review and Approval

OSP is responsible for reviewing and securing institutional approval for external funding proposals and grant applications. A completed and signed OSP Route Sheet must accompany the proposal. Advance notice of your intent to submit a proposal is greatly appreciated.

The *final version* of the proposal is due to OSP at least **5 business days** prior to the sponsor's deadline (TTUHSC OP 73.13). Adherence to this deadline has become even more critical because many sponsors are now requiring electronic submission through OSP. Submission several days prior to the deadline is essential simply to ensure that the application successfully navigates through the electronic process before the deadline.

OSP can provide a higher level of support and assistance during the application process if notice is provided *well in advance* of the deadline. Additional support includes assistance with application forms and budget requests. This level of additional support is dependent upon OSP workload and the amount of advance notice provided.

### ***Sponsor Review and Issuance of Award***

Once a proposal is submitted to the sponsor there is little for the PI and the institution to do except respond to the occasional request for additional information and wait for the sponsor's decision. While the review process varies greatly by sponsor, most agencies review applications from both a scientific/programmatic aspect as well as from a grants management aspect, where considerations such as audit history and organizational capability are reviewed.

Upon decision to issue an award, the sponsor will usually contact the authorized institutional official through OSP. Prior to issuing an award, many sponsors require further information and/or verification of institutional approvals including but not limited to:

- Human research – review and approval by the Institutional Review Board (IRB); certification of human subjects education;
- Animal research – review and approval by Institutional Animal Care and Use Committee (IACUC);
- Other support information.

### ***Award Acceptance and Project Set-up***

The negotiation and acceptance of grant awards is performed by OSP on behalf of the institution. Part of OSP's role is to determine whether the terms and conditions of the award are appropriate and do not conflict with internal policies. Most sponsors issue a notice of award that specifies the amount of funding, the project start and end dates, terms and conditions, reporting requirements, and sponsor contact information. When an award is accepted, the institution is agreeing to abide by the terms and conditions of the award.

Once the award is accepted and before the project begins, the following will need to be accomplished:

- Obtain relevant research committee approvals:
  - Human research – [Institutional Review Board \(IRB\)](#)
  - Research using Animals – [Institutional Animal Care and Use Committee \(IACUC\)](#)
  - Biohazardous agents – [Institutional Biosafety Committee \(IBC\)](#)
  - Recombinant DNA – [Recombinant DNA Biosafety Committee \(RDBC\)](#)
  - Radioactive material – [Radiation Safety](#)
- For all research personnel involved in the project, provide updated [Financial Disclosure for Research Personnel](#) form(s) if new information is available or if it has been over 1 year since a form was completed. For more information, see TTUHSC [OP 73.09 Conflict of Interest in Research](#).
- Create a new TTUHSC Fund to be used solely for revenue received from the grant and expenditures directly related to the project. For federal and state grants, the same fund number will be used for the entire project period. For private agency grants, a new fund number is needed for each year of funding. Grant periods do not typically coincide with the institution's fiscal year. The new fund will be requested through the New Fund System (see HSC OP 65.03).
- Equipment purchased using federal funds is routed through the electronic purchasing system (SciQuest) to OSP for approval.
- If the project involves a collaborative relationship through subcontract to another institution, a Subcontract Agreement will need to be negotiated with the other institution. OSP will negotiate the terms of the agreement and obtain institutional approval.

### ***Project Implementation***

<b>The Principal Investigator/Project Director is ultimately responsible for the proper conduct of the funded project.</b>
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## Terms and Conditions of Award

Be sure to carefully read the terms and conditions of the award. References made to specific regulations should be heeded. OSP can assist in interpreting the conditions of award when needed. The award notice will also include important information as the grant period, award amount, reporting requirements, and close-out procedures.

Most award letters and/or contracts reference the grant proposal itself. It is critical to remember that the sponsor provided the funds specifically for the project that was proposed in the application. In other words, the sponsor expects the project to be completed as described in the application in exchange for the funds being awarded. Unlike a donation, this is a reciprocal arrangement.

## Federal Regulations

In addition to the terms and conditions of award specified by the sponsor, the institution must adhere to a myriad of federal regulations with respect to federal grants and contracts. The range of federal regulations will not be discussed in detail here, but includes such vast topics as conflict of interest, export controls, data access, patient confidentiality, select agents, protection of human subjects, use of animals in research, research misconduct, and debarment/suspension. The institution has adopted policies/procedures to adhere to these and other federal regulations.

The regulatory framework for the financial management of grant awards is specified in:

- Administrative Requirements for Grants and Agreements, Cost Principles, and Audit requirements for Federal Awards – [Uniform Guidance](#) (2 CFR 200)
- [Federal Acquisition Regulation](#) (FAR): Federal contracting requirements

## Sponsor Notification of Changes

Sponsors typically require advanced notice and pre-approval of significant changes to the funded project, such as:

- Change in scope of project
- Change in key personnel
- Significant rebudgeting (i.e. NIH: rebudgeting that exceeds 25% of total budget)
- Capital expenditures (construction, land, or building acquisition)
- Carryover of unobligated balances from one year to the next
- No-cost extension of the grant period to complete the project

## Fiscal Management of the Grant

The PI, with the support of his/her department, is responsible for the proper fiscal management of grants/contracts. Routine review of expenses charged to sponsored projects helps ensure compliance with sponsor guidelines, the federal cost principles outlined immediately below, and institutional policy.

## Understanding the 4 Cost Principles: Reasonable, Allocable, Consistent, Allowable

1. Is the cost reasonable?
  - Necessary for the performance of the project
  - The price is what a prudent person would pay for the same item
2. Is the cost allocable to the project?
  - Must directly benefit the project
3. Are like expenses consistently charged across the institution?
  - Similar costs should be treated consistently
4. Is the cost allowable by the sponsor, regulations, and institutional policy?

## Allowable and Unallowable Costs

When determining whether a particular cost can be charged to a sponsored project, the terms and conditions of award take precedence over federal guidelines when there are specific prohibitions on expenditures. Also refer to TTUHSC OP 65.04 regarding allowable and unallowable costs. The following list only serves as a brief summary of common allowable and unallowable costs.

<b>Common Allowable Costs</b>	<b>Common Unallowable Costs</b>
Salaries, wages, and fringe benefits*	Office supplies for general use
Materials and supplies	Entertainment and food costs
Animal care	Alcoholic beverages
Printing and duplicating	Losses from uncollectible accounts
Professional services	Severance pay
Laboratory services	Memberships: technical/professional organizations vital to the project
Consultant fees	Subscriptions: technical/professional journals vital to the project and not available elsewhere
Subcontract costs	Criminal and civil defense or prosecution costs
Telephone long distance	Fines and penalties
Off-campus rental space	Capital expenditures for general purposes
Participant costs	Goods or services for personal use
Travel	Housing and personal living expenses
Advertising for recruitment of project personnel	Advertising solely to promote the institution
Equipment/capital expenditures per award	Interest, fund raising, and investment costs
Maintenance and repair costs	Lobbying costs
Patents necessary for performance of the agreement	Losses on other sponsored projects
Scholarships, fellowships, student aid per award	Civic, community, social organization costs
Shipping expenses for goods and services	Costs of selling and marketing products or services

\*Salaries, wages, and fringe benefits of administrative and clerical staff should normally be treated as indirect costs (F&A). Direct charging of these costs may be allowed if approved by the sponsor in circumstances where a major project or activity explicitly budgets for administrative or clerical support and individuals involved can be specifically identified with the project or activity.

## ***Reporting Requirements***

Most sponsors, especially governmental agencies, require routine reporting in terms of both programmatic performance and expenditures covered by grant funds. The Principal Investigator/Project Director is responsible for programmatic reporting requirements. Financial reporting for federal grants is completed by Accounting Services. Financial reporting for non-federal grants is done at the departmental level.

## ***Auditing and Monitoring***

### **Internal monitoring**

The TTUHSC Research Integrity Office conducts routine monitoring and for-cause audits of grant projects to determine compliance with sponsor guidelines, federal regulations, and institutional policy. The primary goal is to provide one-on-one training and guidance to faculty and staff specifically related to their grant project. This kind of practical guidance is often more helpful than general training sessions.

### **External audits**

Some sponsors conduct on-site audits or desk reviews of grant projects. If a sponsor contacts you in advance regarding an audit, please contact OSP. It may be wise to request an internal review of your grant project prior to the external audit so that any potential issues can be identified and addressed in advance.

## ***Close-out Process***

Once the project has been completed and the grant period has ended, the grant needs to be closed-out to tie up any loose ends. To properly close-out a grant, the following must be addressed:

- All programmatic reports, including a final report, must be submitted as required by the sponsor
  - For federal awards such as NIH, this includes a disclosure of inventions
  - Provide a copy to OSP
- Final departmental financial review
- Accounting Services will reconcile account and determine if there are any remaining funds
- Any remaining funds will be returned to the sponsor by Accounting Services