



**AUBURN UNIVERSITY
PRINCIPAL INVESTIGATOR
HANDBOOK**

May 2026

TABLE OF CONTENTS

Table of Contents

INTRODUCTION.....	6
Definition of a Sponsored Project.....	6
Gifts and Charitable Contributions.....	7
Definition of Principal Investigator (PI).....	7
PROPOSAL DEVELOPMENT.....	7
Identifying Sources of Funding.....	8
THE PROPOSAL.....	9
Types of Proposals.....	9
Proposal Preparation.....	12
The Components of a Proposal.....	13
PREAWARD ISSUES.....	17
Cost Sharing and Matching.....	17
Program Income.....	20
Conflict of Interest and Conflict of Commitment.....	20
International Relationships and Activities.....	20
Proposal Audits and Site Visits.....	21
Transferring an Award from another University.....	21
Budget Negotiation.....	21
REGULATORY REVIEW.....	22
Export Control.....	22
Hazardous Materials/Hazardous Chemicals/Biohazards.....	22
Animal Subjects.....	23
Human Subjects.....	23
Collaborative Institutional Training Initiative (CITI).....	23
Responsible and Ethical Conduct of Research (RCR).....	24
Research Security Training.....	24
SUBMITTING THE PROPOSAL.....	25
Submission of Proposals Through Endeavor.....	25

Electronic Submission of Proposals	27
Mailing the Proposal	27
Pre-Award Summary of Responsibilities for the Principal Investigator.....	27
Pre-Award Responsibilities of the Office of Sponsored Programs (and College-level Designees)	27
TYPES OF AGREEMENTS.....	28
Liability for Conducting Sponsored Projects without an Agreement	31
CONTRACT PROCESS	32
Drafting the Agreement.....	33
Negotiating the Agreement	34
Signing the Agreement.....	34
SETTING UP THE FUND.....	34
Advance Accounts (Funds).....	34
Pre-award Costs	35
SPENDING THE AWARD.....	35
Principles of Sponsored Project Support	35
Allowable Direct Costs	36
Proposal Costs.....	36
Rebudgeting	36
PERSONAL SERVICES	37
Effort Reporting	37
Fringe Benefits	38
OTHER OPERATING COSTS.....	39
Consultants and Speakers.....	39
Entertainment vs. Meeting Expenses	39
Administrative Costs	39
Research Participant Incentive Payments (Subject Pay).....	40
Participant Support Costs	41
Tuition Remission.....	42
Travel.....	42
Equipment.....	42
Subagreements	43
NIH Childcare Allowance.....	44

Facilities and Administrative (Indirect) Costs	44
FISCAL RESPONSIBILITIES	44
Recordkeeping	44
Account Management	45
Cost Transfers	46
Program Income.....	46
License Fees and Royalties.....	46
Over-expenditures	47
Carry-forward of Unobligated Balance to Continuation Year.....	47
Financial Status Reporting	47
Cash Management	47
Invoicing.....	47
Letter of Credit.....	48
Bad Debts	48
TECHNICAL RESPONSIBILITIES.....	48
Changes in the Project	50
PROPERTY ADMINISTRATION	51
University-titled Equipment.....	52
Federally-titled Equipment	53
Property Records for Equipment	53
Inventory.....	54
Maintenance	54
Replacement of Equipment	54
Deliverables to Sponsor	54
Transfer of Equipment from a Former Institution	55
Transfer of Equipment from Auburn University to a New Institution.....	55
Use of University Equipment for Non-university Purposes	55
Loss, Damage, or Theft of Equipment.....	56
THE END OF THE PROJECT	56
Allowable Expenditures Near the End of the Project	56
After Project End Date	56
Termination before the End Date	57

Transfer of the Project to another University..... 57
Contract Closeout Documents 58
Final Financial Report..... 58
Final Technical Report..... 58
Refunds to Sponsor 58
Remaining Balance on Fixed Price Accounts..... 59
AUDITS 59
QUICK CONTACT LIST 61

INTRODUCTION

The *Principal Investigator Handbook* is published by the Office of Proposal Services and Faculty Support (PSFS) to assist faculty and staff with the administrative aspects of sponsored projects.

Sponsors fund projects based on the professional expertise of the Principal Investigators submitting proposals; however, the formal award is made in the name of Auburn University. When the award is accepted, the Principal Investigator assumes the responsibility for conducting and completing the technical work and for administering the project according to state and federal regulations, and policies of the sponsor and the University. That is, the Principal Investigator is responsible and accountable for the sponsored project. The University provides the infrastructure within which the investigator conducts the project. **Thus, the Principal Investigator and the University have a mutual responsibility in carrying out the project for which the funds are awarded.**

The *Handbook* has three main goals:

- ✓ To provide guidance regarding the development and administration of sponsored projects.
- ✓ To inform Principal Investigators/Project Directors (PIs/PDs) of their roles and responsibilities in sponsored projects administration and compliance and to indicate the roles of staff in supporting the research effort.
- ✓ To collect and organize information pertinent to sponsored projects administration in a single document and make that information accessible to all interested parties.

Definition of a Sponsored Project

Most grants, contracts, and other agreements from outside sources are "sponsored projects" and are administered through the Office of Sponsored Programs. Generally, a project is considered a "sponsored project" if the receipt of funds includes, but is not limited to, the following:

- ✓includes agreement to return unused funds
- ✓requires cost sharing by the University
- ✓involves a verbal or written agreement specifying terms and conditions, a specific scope of work, and possibly reporting requirements
- ✓includes release of information restrictions, such as the delay in publishing research results, confidentiality, or approval to release information
- ✓involves an exchange transaction in which there is a reciprocal transfer of something of value. However, certain non-exchange grants may also contain conditions that would require monitoring as a sponsored project.

Gifts and Charitable Contributions

A gift is defined as any item of value given to Auburn University by a donor who expects nothing of significant value in return other than recognition and disposition of the gift in accordance with the donor's wishes. In general, a gift has no contractual requirements and no expectation of deliverables or rights in property or data. While there may be restrictions or minimal conditions associated with a gift, generally, there should be no specific period for incurring costs, and there should be no requirement to return unexpended funds. The University has designated the Auburn University Foundation as the official recipient of gifts to Auburn University. Gift deposits should be processed through the Auburn University Office of Advancement in accordance with the [Collections, Contributions, and Accounts Receivable Policy](#).

The [Auburn University and Affiliated Foundations Policy to Identify and Administer Gifts and Sponsored Projects](#) provides guidance in determining whether external funding should be classified as a gift or sponsored project. The policy document also includes an [Income Classification Checklist](#) that can be utilized to assist in classifying funds appropriately, as well as a frequently asked questions ([FAQs](#)) document intended to serve as a resource. If additional clarification is necessary, please contact the Office of Sponsored Programs (334-844-4438).

Definition of Principal Investigator (PI)

Serving in the role of Principal Investigator on a sponsored project is a privilege granted to certain individuals associated with Auburn University that carries with it important responsibilities. The Principal Investigator is the individual bearing primary responsibility for all essential aspects of the work being carried out, including technical aspects and completion of programmatic work, compliance with government, sponsor, and university policies and regulations, fiscal stewardship of sponsored funds, and all administrative requirements of the project. To fulfill these responsibilities, the Principal Investigator must therefore commit a reasonable amount of time consistent with the scope of work and with the proposal submitted to the sponsoring agency.

Please see the [AU Statement of Principal Investigator Eligibility](#) for additional information as to who may serve as a PI.

PROPOSAL DEVELOPMENT

The Office of Proposal Services and Faculty Support (PSFS) assists faculty and staff in the broad aspects of proposal development for their research, scholarly, and creative programs. The multifaceted mission of PSFS includes:

1. Sourcing targeted funding opportunities for faculty to promote research and creative scholarship across campus;
2. Supporting team science activities and events;

3. Faculty engagement so that we are better prepared to respond to the changing funding climate; and
4. Supporting AU's administrators and staff through the [COMPASS program](#) to better serve the research goals of Auburn University

Proposal Development Tools and Training Resources

In addition to myriad resources on the OSP and PSFS websites, additional tools include: data management plans templates; resources for biomedical researchers through the Center for Clinical and Translational Science (CCTS) at the University of Alabama at Birmingham; a mentoring plan guide; and the opportunity to utilize Hanover Research for grant development solutions including: Pre-proposal Support; Proposal Development; and Capacity Building. Hanover also offers on-demand grant development training modules that provide self-paced, interactive guidance, and templates. Details regarding these tools can be found [here](#).

Free Training Resources

Auburn University subscribes to several training modules via the CITI Program website that may be of interest to researchers and research administrators. The Essentials of Grant Proposal Development and Essentials of Research Administration courses are self-paced modules that the learner can access as they have the time and opportunity. Additional information and links to federal training, workshops, and presentations can be found [here](#).

Identifying Sources of Funding

The Pivot Funding Database

Auburn University faculty, staff, and students can use Pivot web-based products and services to promote their work, find funding, access experts, consult, and collaborate with colleagues. [Pivot](#) is the leading Internet site for the global R&D community bringing together the world's most prominent scientists and researchers at more than 1,600 universities, corporations, and government agencies worldwide. Pivot provides tools and services that enable these professionals to communicate, exchange information, and find the people and technologies that are important to their work.

Auburn University has purchased a subscription to Pivot, and you can access this service with your Auburn.edu Institutional Login credentials. For additional information regarding Pivot, questions regarding access, or help setting up your account and targeted funding searches, please contact Laura Cauthen in the Office of Proposal Services and Faculty Support (PSFS) at (334) 844-7910 or via e-mail at ldc0020@auburn.edu.

Funding Resources

Funding resources (including agency-specific resources) can be found on the [Find Funding](#) page of the PSFS website. An additional resource is the [Funding Focus Newsletter](#) which is distributed twice a month to provide funding opportunities and important updates for faculty and administrators (including the latest limited submission opportunities).

Grants.gov

Current program announcements for all federal financial assistance opportunities (grants/cooperative agreements) can be found on Grants.gov, the federal government's portal for Electronic Research Administration. Access [Home/Grants.gov](#) to search for federal funding opportunities. Auburn University is already registered as an institution and manages the Authorized Organizational Representative (AOR) role. Please note that for Grants.gov proposals, Auburn University utilizes the Endeavor electronic research administration (eRA) system to submit these proposals system to system (S2S).

SAM.gov

Federal Contracting opportunities are available within SAM.gov under the [Contract Opportunities](#) heading. Organizations within the federal government publish notices on proposed contract actions valued at more than \$25,000. These notices, or contract opportunities, cover announcements through official solicitations in the pre-award process. Anyone interested in doing business with the government can use this system to research active opportunities.

THE PROPOSAL

A proposal is a request for financial support for a project. Generally, a proposal consists of a technical section and a budget section and includes other components as required by a potential sponsor.

NOTE: A new [proposal process](#) under the Research Administration Modernization Project (RAMP) has been initiated as of May 1, 2026. Details regarding this process, including [Proposal Process Roles & Responsibilities](#) and [Frequently Asked Questions](#) can be found on the OSP [website](#).

Types of Proposals

Pre-proposals

A pre-proposal (sometimes called a white paper, letter proposal, preliminary proposal, pre-application, or concept paper) is a short (generally 2-5 pages) description of the proposed project, and it does not normally involve a commitment of Auburn University

resources. A pre-proposal may include a total cost estimate but does not generally include a budget, and it is not expected to result directly in an award. Usually, the purpose of a pre-proposal is to inform and heighten the interest of a potential sponsor so that the sponsor requests a more detailed formal proposal. If the sponsor does not require a detailed budget, signature of the institutional official, or the commitment of Auburn University resources at the pre-proposal stage (i.e., institutional cost share), then the investigator is not required to route the pre-proposal through the University proposal routing process. However, if a sponsor does require the signature of the institutional official on the pre-proposal or requires a detailed budget or the commitment of university resources at the pre-proposal stage (i.e., institutional cost share), then the investigator is required to route the pre-proposal through Endeavor prior to submission. In those cases where proposal submission is coordinated by the college, the Principal Investigator should confirm with the respective designee (OSP liaison) as to whether college-level approval is required at the pre-proposal stage. **NOTE:** In cases where a pre-proposal is submitted via an electronic system by an institutional official (e.g., Grants.gov, Research.gov), the pre-proposal **must** be processed through Endeavor. In addition, it is requested, in those cases where approval is not required at the pre-proposal stage, that a courtesy copy be forwarded to OSP or the appropriate college-level designee following submission. Tracking pre-proposals within the Endeavor system is highly recommended.

Solicited Proposals

Sponsors may solicit formal proposals by publishing a specific program announcement. Researchers responding to the program announcement write the proposal to meet the sponsor's program guidelines. Deadlines (e.g., receipt/postmark) may occur annually or several times a year.

These proposals are submitted for initial funding of a project. Most new proposals are submitted for competitive review by the sponsor through a peer review process in most cases and may be announced through an **RFP (Request for Proposal)**, **RFQ (Request for Quotation/Qualifications)**, **Program Announcement (PA)**, or **RFA (Request for Application)**. Proposals submitted in response to these specific work statements may contain specific terms and conditions and formatting requirements.

Renewal and Continuation Proposals

A competing renewal proposal (also called a competing continuation) is a request for continued funding of a project for which funding is about to terminate. Such proposals are similar to "new" proposals and must be routed and approved in the same manner.

Noncompeting continuation proposals, which request the next year's funding within a multi-year grant, generally consist of a progress report, budget, and other relevant materials such as research results, reprints, vitae for new personnel, etc. They sometimes include a financial status report indicating the unobligated balance for the current year. Read the appropriate guidelines carefully, as federal sponsors are eliminating some requirements in their efforts to reduce paperwork and streamline their processes.

In some cases, sponsors require the signature of the institutional official on the application page of noncompeting continuation proposals, and investigators are required to route noncompeting continuation proposals through Endeavor prior to submission, even if a budget is not required. This is to ensure that appropriate Auburn University officials are informed of the current status and any changes from the original proposal before the institutional endorsement is provided.

Supplemental Proposals

Supplemental proposals request additional support for a funded project. Examples of this type of funding include the National Science Foundation [Research Experience for Undergraduate](#) (REU) and [Research Experience for Teachers](#) (RET) programs.

Unsolicited Proposals

Unsolicited proposals are investigator-initiated projects submitted to a sponsor but not in response to a specific solicitation. The area of activity should be of interest to, and within the mission of, the sponsor.

Consortium/Joint Proposals and Subawards

This relates to projects that will involve investigators at more than one institution. In general, one institution will be designated as the lead at the time of proposal submission (however, in cases of certain collaborative proposals, such as those submitted to the [National Science Foundation](#), proposals may be linked electronically for submission, with separate awards being made to each institution). The lead institution accepts full funding and responsibility for the performance of the project from the sponsor. Subaward agreements are then issued to transfer part of the work and appropriate funds to the other participating institutions. Generally, all conditions imposed by the sponsor on the lead institution are also imposed on the subawardee(s). All subawards, both to and from Auburn University, are negotiated by the Office of Sponsored Programs. When Auburn University is the lead institution, OSP requires a completed [subrecipient commitment form](#) and associated documentation from each participating organization that includes a full budget and scope of work and is signed by an authorized institutional official. When Auburn University is the subawardee, the information (scope of work, budget, biographical sketch, current and pending [other] support, etc.) sent to the lead organization must be processed as a proposal through Endeavor prior to submission.

Limited-Submission Proposals

Increasingly, sponsors announce program funding that limits the number of proposals that may be submitted by each institution. The Office of Proposal Services and Faculty Support (PSFS) distributes information related to these programs via the [Funding Focus Newsletter](#) and [AU Competition Space](#). Information regarding these announcements and Auburn University's [Limited Submission Policy](#) and [Limited Submission Procedures](#) can be found on the PSFS and OSP websites. However, please be aware that PSFS may not identify every opportunity available. Anyone who wishes to apply to a limited

submission Request for Proposal that is not posted via the [AU Competition Space](#) should contact Laura Cauthen in PSFS immediately at (334) 844-7910 or via e-mail at ldc0020@auburn.edu.

All proposals must be routed through the appropriate Auburn University administrative channels for approval before submission of the proposal to the sponsor through Endeavor, which will be facilitated by OSP.

Revised Budgets

When a sponsor wants to fund a proposed project at an amount different from that originally proposed, the sponsor will ask the investigator to submit a "revised" budget supporting the amount to be funded. A revised budget should be submitted via Endeavor as a post-submission update. If the sponsor reduces the budget, the investigator must determine how the originally proposed scope and objectives of the project will be affected by the revision.

Initial Contact with the Sponsor

A key element of successful proposal writing is establishing a relationship with the potential sponsor early in the process. The purpose of this initial contact is to confirm the common areas of interest of the sponsor and the Principal Investigator. Having a contact at the funding agency or sponsor can greatly facilitate writing the full proposal as well as serve as a resource for answering questions. A Principal Investigator may initiate contact with a sponsor to confirm research interests through an email, telephone call, office visit, letter of intent, or a preliminary proposal. Prior approval or clearance is not needed when contacting a government agency for potential funding, but all approaches to foundations should be cleared by the Office of Corporate and Foundation Relations (Evan Havard; havard@auburn.edu) in conjunction with OSP, prior to contact. Because there are multiple opportunities for some foundations to be approached by Auburn University, a coordinated effort maximizes the university's ability to successfully compete for limited funding.

Proposal Preparation

The format or presentation of a particular proposal will depend on the requirements of the sponsor. Most sponsors have established policies and procedures for the submission of proposals and may require the use of specific application forms or electronic web-based systems. Many also have page limitations, particularly on the narrative portion. It is crucial to meet all formatting requirements. Applications not conforming to sponsor formatting requirements may jeopardize the proposal's success. All proposals must still be routed through Endeavor and receive all requisite approvals prior to submission. Principal Investigators should obtain the most recent version of the sponsor's application guidelines and should follow the required proposal format. Guidelines should be uploaded to Endeavor. Successful proposal development is a team effort that involves cooperation among Faculty and the administrative staff of Auburn University. The OSP team

(composed of sponsored programs officers and appropriate college-level designees) aid in proposal budget development and interpretation of agency-specific guidelines. The OSP team can also assist in drafting or editing portions of the proposal text related to required administrative or institutional information. In addition, the OSP team assists in obtaining the signature of the institutional authorized representative (as required). OSP reserves the right to reject or withdraw an application if the terms of the grantor do not meet Auburn University's standards, policies, or guidelines.

When you have identified an opportunity that you intend to pursue, it is important to start coordinating with the OSP Proposal Team or College-level designee as soon as possible as the proposal development process may take two to three months or longer. Revised applications and renewals usually take less time but are still a major effort and should not be left until the last minute. Note that OSP will not submit a proposal that does not adhere to the [AU Proposal Submission Deadline Process](#).

The Components of a Proposal

Regardless of sponsor, most proposals contain the following information:

- ✓ Transmittal Letter
- ✓ Title Page (or Application Page)
- ✓ Abstract
- ✓ Table of Contents
- ✓ Introduction or Background
- ✓ Technical Description
 - past work in the area
 - objectives of proposed research
 - methodology
 - significance
 - list of references cited
- ✓ Personnel
- ✓ Current and Pending/Other Support Information
- ✓ Facilities
- ✓ Budget
- ✓ Budget justification
- ✓ Vitae (Biographical Sketch)
- ✓ Data Management Plan
- ✓ Other appendices

The Title Page (or Application Page)

The Title Page includes the following information:

- Project title
- Identification of the sponsor's program (RFP or other identifying number)
- Name and address of sponsor
- Name and address of the university
- Proposed start date and end date
- Funding amount requested
- Signatures of the Principal Investigator and the Senior Vice President for Research and Economic Development, including dates, titles, offices, and phone numbers (See the OSP [website](#) for specific institutional information)

Abstract

The abstract is a condensed version of the proposal, written in non-technical language, usually less than 250 words. It should concisely state the significance of the project, what will be accomplished, how it will be accomplished, and the proposed period of performance. The abstract, which is normally the first section read by a reviewer, is vital in creating a favorable first impression. The abstract is often published publicly by the funder on their awarded grants webpage along with other limited details about awarded projects. You should avoid the inclusion of any enabling information in your abstract to maximize Auburn University's ability to protect any intellectual property represented in your proposal. You are encouraged to contact IPX at 334-844-4977 or ipx_innovations@auburn.edu to review your abstract and/or proposal if you believe it may contain information that could later be commercialized if developed further. Proposal writers often write the abstract last.

Introduction or Background

Some RFP's may request a [general description](#) of Auburn University. The Auburn University website provides a brief description and other relevant information.

Technical Description

The most important element in the proposal is the definition of the objectives and scope of the project. Consider the amount of requested support and define the objectives and scope accordingly. Defining the scope and objectives too broadly can risk the ability to complete the project at the estimated level of funding. If the scope and objectives are defined too narrowly, the investigator runs the risk of project activities being deemed "outside of the proposed scope."

Patentable ideas, trade secrets, privileged or confidential commercial or financial information, should be included in proposals **only** when such information is necessary to convey an understanding of the proposed project. You are encouraged to contact IPX at 334-844-4977 or ipx_innovations@auburn.edu for an initial conversation to address confidentiality concerns and any intellectual property protection activities that might be necessary. Such information must be clearly marked in the proposal and be appropriately labeled with a legend such as:

"The following is (proprietary or confidential) information that Auburn University requests not be released to persons outside the Government, except for purposes of review and evaluation."

In some cases (such as with the National Science Foundation), an agency will also have a specific "check box" or field that needs to be completed if proprietary or confidential information is included in a proposal.

Current and Pending Support

Most sponsors (especially federal agencies) are interested in an investigator's current and pending support (sometimes referred to as "other support") for related projects, as well as evidence of an investigator's current commitments. [Common Disclosure Forms](#) have been developed for both current and pending support documentation and biographical sketches. While many federal agencies have adopted the standard disclosure forms, the required submission format (SciENCv, etc.) may vary so be sure to review the agency-specific guidance when developing these documents. Additional information regarding disclosure requirements can be found in the [SVPRED Procedural Guidance: Disclosure Framework Pursuant to NSPM-33](#).

Facilities and Equipment

A description of the facilities available for use on the project should be included in the Facilities section. Major items of equipment should be described and special technical support facilities, such as computing equipment, and electronic/machine shops should be mentioned. This information will assist the evaluators in determining the ability of the organization to perform the scope of the project.

Budget

The proposed budget is the Principal Investigator's best estimate of the financial support needed to perform the technical goals and activities of the proposed project. Careful front-end preparation is important, as the proposal budget may become the award budget and be binding on the institution. Investigators must use vendor price quotes or some other reasonable cost basis as support for budgeted items such as equipment, supplies, etc. Unallowable costs, as defined by the guidelines applicable to the sponsor, must not be included in your proposed budget. Inflation factors (not to exceed 5%) may be used for the out-years of the project depending on sponsor guidelines.

The budget should reflect the methodology described within the proposal narrative. Reviewers should be able to determine if sufficient funds are being requested to successfully complete the project, and that those requests are reasonable given the scope of work. Accuracy and detail are essential in this section. Principal Investigators are encouraged to follow a sponsor's guidelines exactly and provide information in the format specified in the proposal guidelines. As appropriate, a College-level designee, departmental business office personnel, or OSP staff is available to assist investigators in developing budgets that are consistent with Auburn University policy and agency requirements.

Underestimated budgets are one of the primary causes of cost overruns. These become the responsibility of the Principal Investigator and department head.

A detailed budget or spreadsheet must accompany each proposal submitted to OSP or College-level designee for review and approval. This budget is used for internal planning and review purposes to verify that items have been categorized appropriately and that Facilities and Administrative (F&A) calculations are correct. A budget spreadsheet (which includes a tuition calculator and auto-populated journal voucher) can be found on the OSP website under "[Prepare and Submit Your Proposal](#) - forms" and should be uploaded to Endeavor when the proposal is initiated. In addition, if separate Funds are being requested for a specific project, the proposal package should also include an indirect cost (IDC) distribution form for each additional Fund being requested. A detailed budget will also need to be created within the Endeavor system.

The Budget Justification

Any details that help clarify the budget line items not appropriate for statement in the actual budget form should be included in this section.

Salary Cap

Federal awards from the Department of Health and Human Services (including NIH, CDC, FDA, ACF, CMS, HRSA, AHRQ and SAMHSA) impose restrictions on the amount of direct salary paid on their grants. This restriction is commonly known as the "[salary cap](#)," and is a legislative mandate imposed by Congress. Other sponsors also implement salary caps, and investigators should be cognizant of these requirements. In order to assist faculty in developing proposals with a salary cap, [guidance](#) has been developed. In addition, a [Salary Cap Calculator](#) is also available in order to determine the amount that can be charged to projects when a salary cap is in place

A Special Note Regarding NIH Modular Budgets

The National Institutes of Health (NIH) maintains [modular budgeting guidelines](#) for many of its applications. Under these guidelines for application under \$250,000 per year, no detailed budgets are provided to NIH, although details on personnel and subcontracts are

provided in a budget justification. Amounts requested per year cannot (currently) exceed \$250,000 in direct costs and funding must be requested in \$25,000 increments.

Please note that while NIH does not require submission of a detailed budget when submitting a modular budget, a detailed internal budget is required for institutional review purposes.

Data Management Plan

Federal agencies are increasingly requiring development and/or submission of a data management plan with submitted proposals. The Auburn University [Research Data Policy](#) provides specific guidance regarding the requirements and responsibilities essential to data management. Please also refer to the AU Libraries [Research Data Services](#) guide for additional information and guidance regarding project data management.

Other NSF specific requirements

NSF provides specific guidance related to fostering harassment-free environments at NSF-supported conferences, workshops, and symposia. A [guidance document](#) is available to assist investigators in complying with NSF's requirements to inform participants of Auburn University's commitment to this goal, as well as to provide access to the relevant AU policies and resources. The sample participant notice should be provided to **all** participants prior to and during NSF-supported conferences, symposia, and workshops.

NSF also requires that the applicant provide a certification upon proposal submission that any NSF proposal that includes off-campus/off-site research will have a plan in place for safe and inclusive research environments (PSI-FVAR). Details regarding these requirements are included in the [guidance document](#) referenced above as well as a link to the [required plan](#) that must be filed prior to submission of an NSF proposal which includes off-campus or off-site research (this includes field research and research activities on vessels and aircraft and is not limited to projects that are considered off-campus as on-campus projects may also include off-site research components).

PREAWARD ISSUES

Cost Sharing and Matching

Some sponsored projects require Auburn University to participate in funding the costs of a project. The university's participation in funding some costs of a project is referred to as "cost sharing." Cost sharing expressed as a ratio is sometimes referred to as matching. For federal grants, the terms 'cost sharing' and 'matching' are used interchangeably and are subject to the same federal regulations. *Reference: Code of Federal Regulations:*

Title 2: Part 200 – [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) (see Section 200.306). In accordance with the Uniform Requirements, announcements must state whether there is a required cost sharing, matching, or cost participation without which an application would be ineligible (if cost sharing is not required, the announcement must explicitly state this as well). Unless waived by the terms of the program, federal cost principles require that cost sharing contributions meet all the following criteria:

- ✓ are verifiable from the recipient's records
- ✓ are not included as contributions for any other federal award
- ✓ are necessary and reasonable for accomplishment of project or program objectives
- ✓ are allowable under Subpart E – Cost Principles of the Uniform Requirements
- ✓ are not paid by the federal government under another award
- ✓ are provided for in the approved budget when required by the federal awarding agency

The cost sharing requirement can be expressed as: (1) a percentage of the Principal Investigator's level of effort or; (2) the number of hours of the Principal Investigator's time; or (3) a percentage of total sponsor-funded costs; or (4) as an absolute dollar amount. Usually, the university meets its cost sharing requirement by contributing direct labor and associated fringe benefits, plus indirect costs. For projects awarded at less than the negotiated indirect cost rate, the university may include the difference between the negotiated and the awarded indirect cost rate as cost sharing with the prior approval of the federal awarding agency.

On proposal budgets, the promised contribution of level of effort must be consistent with the cost sharing amount. The budget period for most sponsored projects is 12 months. Unless otherwise indicated, the assumption is that the contributed percentage of level of effort applies to the 12-month budget period. If the contributed effort applies to the academic period only, the budget line item should be clearly stated as "academic period." Expenditures eligible for matching must be incurred during the same time period and under the same requirements for allowability as the expenditures on the sponsor-provided funds.

Proposals should include cost sharing only to the extent required by the program. Some investigators believe that they will improve the competitive advantage of their proposal if they promise generous amounts of cost sharing. The investigator must consider that, if an award is made on the basis of a proposal that includes excess cost sharing, the proposed cost sharing in excess of the required amount becomes a legal obligation. After the award, failure to deliver the promised cost sharing may cause a sponsor to demand a refund for the unmet cost sharing and may constitute a violation of the terms of the award so serious as to provide grounds for [debarment or suspension](#).

The cost of Auburn University equipment purchased before the start date of the project, yet made available for use on the project, may not be included as cost sharing. It is appropriate to describe university equipment available for use on the project in the Facilities section of the proposal. The value of loaned equipment must not exceed its fair rental value.

The source of funding for the proposed cost sharing should be identified before the proposal is routed. Auburn University's "[Cost Sharing Policy](#)" provides additional guidance in this regard. Please note that any cost sharing commitment must be approved by the department heads, deans or directors, and the appropriate vice presidents.

Types of Cost Share

Mandatory Cost Sharing

Funding, either required by the terms and conditions of the award or by federal statute, that requires an Auburn University contribution toward the project as a condition of receiving the award.

Voluntary Committed Cost Sharing

A cost associated with a sponsored project and supported with Auburn University and/or other non-sponsored funds, which was identified in the proposal, but was not required or funded by the sponsor. It is important to note that, under federal research proposals, voluntary committed cost share is **not** expected. When reflected, this form of cost share should also be captured in the cost share budget within Endeavor (same as mandatory cost share).

Voluntary Uncommitted Cost Sharing

A cost associated with a sponsored project that is not funded by the sponsor and was not committed in the proposal or in any other communication to the sponsor. This includes effort of faculty or senior researchers that is over and above that which is committed and budgeted for in a sponsored agreement.

In-kind/Matching

Some sponsors require that grant funds be matched in some proportion with funds from another party, either from the university or another sponsor. Matching may be in the form of actual cash expenditure of funds or may be an "in-kind" match, which is the value of non-cash contributions to the project. In-kind or matching contributions made by a party other than Auburn University require documentation from that third party that supports the use of the funds as in-kind/matching and may require a certification of fair market value from the party providing the match. When reflected, this form of cost share should also be captured in the cost share budget within Endeavor

Program Income

Some applications ask the investigator to describe and estimate expected program income. Program income refers to income generated by activities of a project, where part or all of the cost of the activity is either borne as a direct cost of the grant or counted as a direct cost towards meeting a cost sharing or matching requirement of a grant. Examples of program income include: collection of fees for services performed during the grant, proceeds from sale of property (e.g., instructional materials), usage or rental fees, and conference registrations. There are several options for the accounting treatment of program income addressed further in this handbook. The award document will identify which option applies to your project. [Section 200.307](#) of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards provides administrative guidance regarding program income. Auburn University's "[Program Income Policy](#)" provides further guidance regarding the management of program income.

Conflict of Interest and Conflict of Commitment

Auburn University supports and encourages its faculty and other employees to engage in a wide variety of relationships and external activities that are in the public interest and also of benefit to the university and the individuals concerned. On occasion, however, this may give rise to conflicts of interest, whether potential or actual, perceived or alleged. Applicable university personnel are required to recognize and disclose significant financial interests that might give rise to conflicts of interest or the perception of conflicts and to ensure that such conflicts are seen to be properly managed or avoided, with the goal of ensuring, to the extent possible, institutional responsibilities are free from bias and inappropriate influence. It is the intent of Auburn University to manage financial conflicts of interest of its employees as part of ongoing efforts to prevent outcomes that may be detrimental to sponsored activities, operation of regulatory compliance committees, technology transfer efforts, or the university at large. Therefore, employees responsible for the design, conduct, or reporting of sponsored research; engaging in technology commercialization; and/or related activities of the affected employees must report Significant Financial Interests and must work with the university to develop a plan to manage Financial Conflicts of Interest as necessary.

Each affected employee is required to complete an annual disclosure in Endeavor disclosing the affected employee's significant financial and other interests that reasonably relate to the affected employee's institutional responsibilities. Disclosures should be updated annually and within 30 days of discovering any new interest or relationship. Resources to help you recognize when a conflict might exist and how to manage it appropriately can be found on the [Research Integrity](#) webpage.

International Relationships and Activities

The U.S. Government has expressed serious growing concerns regarding inappropriate influence by foreign entities over federally funded research. One issue that has moved to the forefront is the failure of federally-funded researchers at U.S. institutions to disclose

their relationships and activities with foreign governments, institutions, and funding agencies. Several federal agencies have indicated that failure to disclose foreign relationships and activities may jeopardize eligibility for future funding.

Auburn University (AU) strongly encourages international collaborations, but it is important for our investigators to be transparent about their foreign relationships and activities (see the [International Collaborations](#) page on the Office of Research Security Compliance website for additional information and guidance).

Proposal Audits and Site Visits

Occasionally, a federal agency will audit a proposal before negotiating the contract. The auditor will verify the fringe benefit, indirect cost and labor rates, and will review quotes and other documentation supporting the proposed costs. The audit report will be sent to the appropriate federal contracting officer for purposes of negotiating the contract with the university. If a representative from the sponsoring agency contacts you to schedule a site visit, notify your department head and ask about the proper procedure for setting up the visit. Sometimes the sponsor will want to talk to an administrator about the financial capabilities of the institution. A representative from the [Office of Contracts and Grants](#) Accounting and/or the [Office of Sponsored Programs](#) is available to address these issues.

Transferring an Award from another University

When a faculty member transfers to Auburn University from another institution, the former institution will close out its agreement with the sponsoring agency. The sponsoring agency will then award a new agreement to Auburn University. The first step in transferring an agreement is for the relinquishing institution to notify the sponsor of the remaining balance and the new end date. The investigator should work with their former institution to determine the remaining balance associated with the agreement. The investigator will submit a proposal from Auburn University to the sponsoring agency in the amount of the remaining balance. Many federal agencies have special forms for both the relinquishing institution and the institution to which the award is being transferred.

Budget Negotiation

Frequently a sponsor needs additional information or wants to award a grant to Auburn University at an amount lower than proposed. The sponsor's grants office will contact the Principal Investigator or Sponsored Programs to revise the budget. Depending on the reduction, the investigator will need to determine how the originally proposed scope and objectives of the project will be affected under the revised budget. A Sponsored Programs Officer on the [proposal team](#) within the Office of Sponsored Programs should serve as the single point of contact, coordinating the communication between the sponsor, college, and Principal Investigator.

REGULATORY REVIEW

Export Control

Federal regulations and sanctions promulgated and enforced by various federal agencies including the **Department of Commerce** - Export Administration Regulations (**EAR**), the **Department of State** - International Traffic in Arms Regulations (**ITAR**), and the **Department of Treasury** - Office of Foreign Assets Control (**OFAC**) prohibit the unlicensed export of specific technologies and items and payments to certain entities and individuals for reasons of national security or protection of trade.

While most research conducted on U.S. college and university campuses is excluded from these regulations under the Fundamental Research Exclusion, if university research involves specified technologies, the EAR and/or ITAR may require Auburn University to obtain prior approval in the form of a license from the appropriate agency before allowing foreign nationals to participate in the research, partnering with a foreign company, and/or sharing research - verbally or in writing - with persons who are not United States citizens or permanent residents. The consequences of violating these regulations can be quite severe, ranging from loss of research contracts to monetary and criminal penalties for the individual and/or organization violating these regulations. Please note that export control regulations may also apply to projects that are non-research in nature.

Additional information concerning export controls can be found on the [Office of Research Security Compliance](#) website or by contacting Mikenna Babbs, Export Control Manager, at mlb0113@auburn.edu or 334-844-5058.

Hazardous Materials/Hazardous Chemicals/Biohazards

Hazardous materials are any chemical or biological agent that may cause a physical or health hazard to people exposed to them. Use and disposal of hazardous materials are governed by many federal, state, and local agencies. **Hazardous chemicals** are defined as any chemicals that exhibit a physical or health hazard. Examples of such chemicals are flammable liquids and solids, corrosives, oxidizers, and any chemicals that are considered toxic such as heavy metals. The term "**biohazards**" generally refers to carcinogens, mutagens, teratogens, all microbiological agents, and radiological hazards. Examples of materials that fall into the biohazard classification are viral, bacterial, and fungal agents, and chemical toxins. The [Office of Risk Management and Safety](#) website provides detailed information regarding these issues.

The [Institutional Biosafety Committee](#) must review and approve teaching, research, and related activities involving biohazardous materials. Biohazardous materials include materials of biological origin that could potentially cause harm to humans, animals, or plants. Examples include recombinant DNA; transgenic animals or plants; human, animal, or plant pathogens; biological toxins (such as aflatoxin); human blood and other potentially infectious materials (OPIM); and human or non-human primate cell cultures.

Animal Subjects

The [Institutional Animal Care and Use Committee](#) (IACUC) oversees campus-wide animal care and use (research, testing, or educational) to ensure adherence to humane and ethical principles, as outlined in the Animal Welfare Act, Institute for Laboratory Animal Research "Guide for Care and Use of Laboratory Animals," and all other applicable public laws and local policies. Investigators who plan to use animal subjects as part of their research should become familiar with these laws and policies, copies of which are available from the [Office of Research Integrity & Compliance](#). Federal laws and regulations define and prescribe rules for obtaining, maintaining, transporting, and using animals for research purposes. Failure to comply with these rules and regulations can result in significant monetary fines and penalties, including the loss of federal funding for Auburn University.

Investigators/Instructors using live vertebrate animals in such activities are required to submit an Animal Subjects Review Form (ASRF) or an Animal Production/Maintenance Facility Standard Operating Procedures Form (APMF) for IACUC review and approval prior to project initiation along with annual reports of protocol activities.

IACUC approval must be obtained through Endeavor before conducting an animal research project at Auburn University. Most granting agencies do not require IACUC approval for submission of proposals; however, approval is generally required prior to their funding of a project.

Human Subjects

Auburn University is required to safeguard the rights and welfare of human subjects involved in research. Any project originating at Auburn University that involves human subjects should be submitted for review to Auburn University's [Institutional Review Board](#) (IRB) in Endeavor prior to initiation of the project.

[Forms and instructions](#) for securing approval for research involving human subjects may be obtained from the Human Research Protection Program (HRPP) website. Please contact the HRPP at IRBADMIN@auburn.edu with questions.

IRB approval must be obtained before conducting a sponsored project including human subjects at Auburn University. Most granting agencies do not require IRB approval for submission of proposals; however, approval is generally required prior to their funding of a project.

Collaborative Institutional Training Initiative (CITI)

Auburn University has contracted with CITI to provide a number of web-based training modules including those for the Responsible Conduct of Research (RCR), Export Control, Financial Conflict of Interest (FCOI), and for individuals involved in activities involving the

use of human subjects. For information and FAQs regarding these training requirements, information is provided on the [Office of Research Integrity & Compliance's](#) website.

Responsible and Ethical Conduct of Research (RCR)

Auburn University requires all personnel conducting sponsored programs (faculty, staff, postdocs, students, and anyone who manages or administers such programs), regardless of funding source, to complete the CITI AU Basic RCR Training for ALL Faculty, Staff, Postdocs, and Students course every three years. This RCR training requirement applies to all personnel who conduct, manage, or facilitate sponsored programs, including staff (accountants, contracts & grants specialists, grant writers, research fellows, technicians, etc.), students (graduate and undergraduate), postdocs, and ALL faculty (including administrators). This RCR training requirement also applies to sponsored programs that are not funded. Details and links to the registration can be found on the [RCR webpage](#) of the [Office of Research Integrity & Compliance](#).

Research Security Training

As of October 1, 2025, Auburn University requires all research personnel conducting sponsored programs (faculty, staff, postdocs, students, and anyone who manages or administers such programs), regardless of funding source, to complete the CITI Research Security Training (Combined) course annually. This research security training requirement applies to all personnel who conduct, manage, or facilitate sponsored programs, including staff (accountants, contracts & grants specialists, grant writers, research fellows, technicians, etc.), students (graduate and undergraduate), postdocs, and ALL faculty (including administrators). The following steps will aid in accessing the required training:

1. **Research Security Training (Combined Course)** (anticipated completion time – 1 hour). To complete:
 1. Log on to the CITI Program <https://www.citiprogram.org/portal?site=964>. *Use your true auburn.edu email and not an alias email to ensure training credit.*
 2. Scroll to the bottom of the screen, **Learner Tools for Auburn University**.
 3. Click **Add a Course**.
 4. Select **I want to take Research Security** courses (last one).
 5. Click **Next**
 6. Select: **Research Security Training (Combined Course) A condensed and combined single-module course based on the NSF's Research Security Training** (last one).

SUBMITTING THE PROPOSAL

Submission of Proposals Through Endeavor

Auburn University facilitates proposal submission through Endeavor, an electronic research administration (eRA) system, which enhances a research administrator's ability to manage proposals and awards while simultaneously providing department administrators and faculty greater transparency into the proposal and award stages of projects. The systems provide electronic creation, submission, workflow, review, approval, and communication surrounding compliance with IRB, IBC, IACUC, and conflict of interest. Increased functionality and transparency allow for the continuous improvement of monitoring and management processes.

Implementation guidance, resources and training, FAQs, and technical assistance can be found on the Electronic Research Administration eRA unit's [webpage](#).

Principal Investigator and Co-Investigator

When submitting a proposal, the Principal Investigator and co-investigators certify that the information on the form and associated application is accurate and factual, and that, when the project is funded, they will assume accountability for carrying out the conditions of the award. Submission further certifies that neither the Principal Investigator nor anyone involved in this project is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency. The Principal Investigator will indicate whether the project does or does not involve an actual or potential conflict of interest or commitment, based on Auburn University policy.

The Principal Investigator is responsible for identifying the total costs of the project, sources of funding for cost sharing, and making arrangements for space and facilities. The investigator, by his/her submission of the application, is stating that he/she will meet the proposed level of effort if the project is funded. The Principal Investigator cannot begin research activity on the project until completion of the applicable administrative (congruency) reviews and approvals (e.g., biohazards, animal subjects, human subjects, and conflict of interest).

Department Head

By approving a proposal for submission through Endeavor, the department head or direct supervisor certifies that the Principal Investigator, to the best of the department head's knowledge, is competent and capable of carrying out the proposed project, and once funded, that the Principal Investigator's responsibilities within the department will be adjusted so that the investigator can commit the required effort to the project. The department head's approval also signifies that space and facilities are available for the

project if funded. The department head will determine whether the project is consistent with the mission of the department, the School/College, and the University.

All department heads involved in a proposed project must approve the proposal within Endeavor. Department heads may delegate signature authority to a designee.

Associate Dean for Research/Director

By approving a proposal for submission through Endeavor, the Associate Dean for Research (ADR) or director of the College or program certifies that the required resources will be available, applicable Facilities & Administrative (F&A) costs are included, and that the department is capable of carrying out the proposed project. The ADR or director will determine whether the project is consistent with the mission of the college and the University.

Senior Vice President for Research and Economic Development

The Senior Vice President for Research and Economic Development does not personally approve the proposal within Endeavor or applicable application pages; the authority to approve/sign on behalf of the Senior Vice President for Research and Economic Development has been delegated to the Office of Sponsored Programs.

Office of Sponsored Programs

Approval by the Office of Sponsored Programs on behalf of the Senior Vice President for Research and Economic Development indicates that, pending successful completion of negotiations between the University and the sponsor, the University will assume institutional responsibility for the project.

Routing the Proposal for Approval

Endeavor requires the certification of all Principal Investigators and approval from the applicable department heads and ADRs prior to submission by the Office of Sponsored Programs. Principal Investigators are encouraged to seek the assistance of their departmental administrators and College-level designees. These individuals are well-versed in university rules and sponsor regulations. They can help prepare documents, control routing and approvals (monitoring the progress of proposals within the system), and help Principal Investigators sidestep the common issues/pitfalls found in the many administrative processes of large institutions.

IMPORTANT NOTE: When Auburn University is proposing to serve as a subawardee or subcontractor on a proposal being submitted by another institution, routing of the University's portion of the proposal (including all requisite components required by a sponsor) and institutional approval is **required**. In many cases, the institution submitting the proposal will request a letter of intent/collaboration. This document should be signed

by the Office of Sponsored Programs on behalf of the Senior Vice President for Research and Economic Development (SVPRED). In some cases, it is requested that both the Principal Investigator **and** SVPRED sign the letter.

For those colleges/schools/units participating in the decentralized development and review of proposals, Principal Investigators are required to work with their College-level designee in finalizing proposals prior to OSP's submission to the sponsor.

Electronic Submission of Proposals

Please note that proposals submitted through a sponsor's electronic system must also be routed through Endeavor. OSP will not approve electronic proposals without first receiving an approved proposal through Endeavor.

It is highly recommended to allow extra time for unforeseen problems when submitting proposals electronically. Note that OSP will not submit proposals that do not adhere to the [AU Proposal Submission Deadline Process](#).

Mailing the Proposal

While a large majority of proposals are now submitted electronically, for those that require a hard copy submission, OSP will be responsible for mailing the proposal to the sponsor. Be sure to note whether the due date for your proposal is the *date of postmark or date received* at the sponsoring entity.

Pre-Award Summary of Responsibilities for the Principal Investigator

- ✓ keep track of current & pending support, as well as other sponsor disclosure requirements
- ✓ keep track of available and committed FTE
- ✓ propose budgets based on actual costs
- ✓ identify source of funding for matching or cost sharing (as required/applicable)
- ✓ disclose conflict of interest, if appropriate
- ✓ coordinate special approvals
 - Recombinant DNA, radiation safety, biohazards, hazardous waste, human subjects, animal subjects
- ✓ route proposal through Endeavor

Pre-Award Responsibilities of the Office of Sponsored Programs (and College-level Designees)

- ✓ assist in interpreting sponsor guidelines and fulfilling application requirements
- ✓ consult and assist in all phases of budget design and preparation
- ✓ review proposals for consistency with federal, institutional, and sponsor guidelines and requirements
- ✓ assist in preparation of small business subcontracting plans when required by the sponsoring agency

TYPES OF AGREEMENTS

Restricted Gift

Restricted gifts are donations of money or property that must be used for a specific purpose, such as faculty recruitment, equipment purchases, student financial assistance, or research (other than project research). The award document for a gift usually takes the form of a letter to the University written by the donor. Restricted gifts are administered by the Auburn University Foundation.

Grant

A grant is one of several mechanisms for supporting a specific activity, or project, under the direction of a Principal Investigator. Typically, sponsors award grants on a competitive basis to recipients responding to a sponsor's program announcement. A grant award instrument is used when the principal objective is to accomplish a public purpose. The scope of work and expected outcomes are less defined than a contract. Grants are associated with "assistance" type of funding, and contracts are associated with "procurement." The grant award agreement is generally a short, pro-forma document (often an email) referencing a standard set of regulations. A grant may require University signature.

The administrative process for a grant is simple. The sponsor will send the grant award document to the Office of Sponsored Programs (ospadmin@auburn.edu), at which time Sponsored Programs will review (and, as necessary, negotiate), ensure all applicable documents are included within Endeavor, and will then send the appropriate documentation to the Office of Contracts and Grants Accounting to establish a Fund (i.e., account).

Cooperative Agreement

A cooperative agreement is similar to a grant in that the principal purpose of the transaction is to accomplish a public purpose. A cooperative agreement is used if substantial involvement is expected between the sponsor and the University when carrying out the activity contemplated in the agreement. The cooperative agreement usually requires University signature.

Memorandum of Agreement

A memorandum of agreement (also referred to as a memorandum of understanding) is a written agreement used to identify the working relationships and guidelines between collaborating or partnering entities. It is generally non-binding, details common understandings, clarifies the type of support to be provided, and defines the rights and responsibilities of each party.

Contract

A contract is a mechanism for procurement of a product or service with specific obligations for both sponsor and recipient. Typically, a topic and the methods for conducting the project are specified in detail by the sponsor, although some sponsors award contracts in response to unsolicited proposals.

Sponsored Research Agreement

A sponsored research agreement is a type of contract used when a sponsor is supporting a research project with a defined scope of work and/or deliverables. Sponsored research agreements usually require negotiation between the University and the sponsor and always require the signature of an officially designated University signatory. The Office of Sponsored Programs conducts the negotiation on behalf of the University. Specific individuals within OSP have the authority to sign the contract. **Principal Investigators are not authorized to sign contracts on behalf of the University.** Standard fixed price and cost-reimbursable research agreements are available on the Office of Sponsored Programs [website](#).

Research Services Agreement

A research services agreement is a type of contract used by sponsors for services to be provided by the University for which the Sponsor provides a specific protocol to be followed and for which the Principal Investigator did not contribute creative/intellectual input. A standard research services agreement is available on the Office of Sponsored Programs [website](#).

Technical Assistance Agreement

A technical assistance agreement is a type of contract used by sponsors for services to be provided by the University that are not necessarily considered a “research” activity (wind tunnel testing, etc.). A standard technical assistance agreement is available on the Office of Sponsored Programs [website](#).

Cost-reimbursable Award

In a cost-reimbursable award, the sponsor agrees to pay for all allowable costs incurred by the University in the process of doing the work or research up to an agreed upon maximum. If the project costs less to complete than the original amount budgeted, the sponsor is obligated to reimburse the University only up to the allowable costs of the project.

Fixed-price Award

A fixed-price award commits the Principal Investigator(s) to a defined scope of work for a set sum; that is, the sponsor pays the University a fixed sum to complete a specific job,

regardless of actual cost. The Principal Investigator is obligated to perform the work specified in the award and to complete that work in accordance with the negotiated time schedule. The sponsor is obligated to pay the specified price, regardless of the actual costs of completing the project.

Accurate cost pricing is critical in preparing the proposal budget for a fixed-price award. If the project costs more to complete than the award price, the Principal Investigator must make special arrangements with the Department Head and Dean to cover the cost overrun. If the project costs less to complete than the award price, the funds remaining at project completion are handled in accordance with the "[Fixed Price Residual Balances Policy](#)", which defines the procedures for access to residual balances.

If a fixed-price award is audited, it is audited at the proposal stage, not after completion of the project.

Purchase Order

Companies use purchase orders as a mechanism for buying goods and services. In many cases, purchase orders contain terms and conditions that the University cannot accept. Usually, the company contact does not have the authority to negotiate these problematic terms, and the negotiation must make its way through company management and legal. It is better to provide a copy of the Auburn University standard Research Services Agreement to the company and involve the Office of Sponsored Programs as early in the process as possible.

Subcontracts or Subgrants (Subawards)

Subawards are contracts or grants issued under a larger agreement where a portion of the scope of work is delegated to Auburn University. Subawards are typically subject to the terms and conditions of the prime award.

Material Transfer Agreement (MTA)

A material transfer agreement is a legal agreement entered into by a research material provider and a recipient. Research material can include physical components, biological materials (e.g., plant and animal tissues, antibodies, cell lines, animal models), chemicals, and hazardous, toxic, or radioactive compounds. MTAs must be reviewed, negotiated, and signed by IPX before the transfer of research material has occurred.

Confidentiality Agreement (Non-disclosure Agreement)

A confidentiality agreement is a legal agreement between at least two parties that outlines confidential material that the parties wish to share with one another but wish to restrict access by third parties or even individuals within the receiving party.

Confidentiality agreements are reviewed, negotiated, and signed by IPX. Confidentiality agreements should indicate that Confidential information shared visually or orally be reduced to writing and marked "Confidential." These agreements should be for a specific and limited term and confidentiality obligations must not last in perpetuity. Typically, IPX attempts to limit Auburn University's obligations of confidentiality to no more than five years past the termination or expiration of the agreement.

Collaboration Agreements (Teaming Agreements)

Collaboration agreements between investigators employed by different organizations may develop informally at the beginning stages of proposal preparation, or they may be formally required by a funding agency as part of a proposal. If the collaboration is with an employee of a company, a collaboration agreement must be formalized with the University. Collaboration agreements must be reviewed by IPX (emailed to IPX.contracts@auburn.edu). It is of particular importance to highlight whether or not the counterparty to a Collaboration Agreement is requesting that it be an exclusive relationship. While a Collaboration Agreement may not be needed in a collaboration with a non-Auburn, non-company investigator, a letter of intent is still good practice. The letter of intent should include a statement agreeing to collaborate, the identification of the scientists responsible for the respective activities, and a sentence or two describing what each collaborator will contribute. This letter may be between the investigators only, unless the sponsor requires University signature.

NOTE: Agreements processed through IPX (including material transfer agreements, nondisclosure/confidentiality agreements, data use agreements, and teaming agreements) are to be initiated within Endeavor by the responsible investigator/faculty member.

Forms

Form templates for the Office of Sponsored Programs Agreements can be found at: [Managing Your Award | University Research](#)

Form templates for IPX Agreements can be found at: [Standard Agreements | University Research](#)

Liability for Conducting Sponsored Projects without an Agreement

Contracts or agreements for sponsored projects funded by the government, private foundations, or private industry and performed by Auburn University faculty or staff at the university or at facilities leased or owned by Auburn University must undergo review and approval by the Office of Sponsored Programs prior to project initiation. OSP, on behalf of the Senior Vice President for Research and Economic Development, is the designated office responsible for signing sponsored project agreements on behalf of Auburn University. As applicable, OSP will sign these agreements only after it has completed its formal review and approval process. Individual faculty or staff are not authorized to sign

on behalf of Auburn University. Please see the [Contract Signature Authority Policy](#) for more information. The following applies:

- If a faculty member or staff person conducts a sponsored research project outside the auspices of Auburn University's review, approval, and oversight, as outlined above, that faculty member or research staff person is acting in his/her own private capacity, and not as an employee or agent of Auburn University, with regard to liability insurance. Thus, such an individual is not covered by the liability insurance afforded by Auburn University to faculty or staff who are acting as university employees.
- Because the faculty member or staff person is acting outside the course and scope of his/her employment with Auburn University, the individual faculty member or staff person will be personally liable for any claims by either the sponsor or subjects of the project.
- A faculty member or staff person conducting a sponsored project for which there is not an approved agreement by Auburn University may not use the facilities, personnel, equipment, or the name of Auburn University for such activities. Any such activity is not an Auburn University sponsored or endorsed activity and specific arrangements must be made by the individual to reimburse Auburn University for any property or facilities being utilized in the conduct of that individual's private endeavors.
- If no agreement exists between Auburn University and the sponsor of the project, the individual faculty member or staff person is solely and personally liable for necessary accounting reports and for dealing with any audit requested or required by the sponsor, as well as reimbursing Auburn University for any resources used in connection with such reports or audits.
- If no agreement exists between Auburn University and the sponsor of the project, and thus, the faculty member or staff person is acting on his/her own behalf, the faculty member/staff person is not entitled to legal or administrative support from the University, should a dispute or problem arise as a result of the project.

CONTRACT PROCESS

Negotiations with the private sector can take longer than usual. Companies frequently include contract terms in their agreements that are problematic in terms of Auburn University policy and federal and state law. Reaching mutually satisfactory arrangements in our partnerships with industry can be challenging, given our different missions. Contentious issues can include publication constraints, confidentiality clauses, intellectual property rights, indemnification, liability and insurance issues, arbitration clauses, governing law, currency exchange (i.e., ensuring that contracts entered into with foreign entities are in U.S. dollars **only**) and requests for indirect cost reductions. Investigators should understand the University's position on these issues before they begin discussions with prospective sponsors. Clear communication at the initial stage makes the negotiation

process easier and is the most important factor in minimizing processing and turnaround time.

The contract review process can be complicated; as a result, Auburn University sign off on contracts is not available on a walk-through basis.

Drafting the Agreement

Provide prospective sponsors with Auburn University standard agreements, which clearly reflect our position on acceptable terms and conditions.

Principal Investigators may negotiate directly with the sponsors regarding the scope of work to be conducted. However, **Investigators may not negotiate any other terms.** Frequently, companies will not give up terms offered by investigators, even those terms that are not acceptable to Auburn University and prolonged negotiations result.

Indirect costs should not be discounted to heighten the acceptance of a proposal. Auburn University cannot subsidize the private sector. Auburn University's indirect cost rate is federally negotiated and reduced rates are allowed only as dictated by law or sponsor policy universally applied to all recipients. Reductions in indirect costs that do not meet these requirements must be approved in advance at the proposal stage by appropriate college-level leadership (i.e., Associate Dean for Research) and (in the case of private sector entities, the Office of the Senior Vice President for Research and Economic Development).

Principal Investigators should consider the risk of sponsor default when working with a new sponsor. If the Principal Investigator is aware of any information about the sponsor that is relevant to determining the risk of default of payment, it is the investigator's responsibility to report the information to the Office of Sponsored Programs prior to payment terms being negotiated.

All contracts should contain a **property title clause**, even if the proposed budget does not include equipment. This will prevent a problem should equipment be purchased during the life of the contract. The standard Auburn University property clause states, "Upon termination of the Agreement, any equipment, material, or supplies remaining in stock will become the property of the University."

The property title clause should be appropriately worded if equipment and supplies purchased for projects conducted off-site (e.g., host country, host university, cooperating U.S. agency, a host governmental agency, host country research foundation, museum, or relief or aid organization), are to remain at the off-site location after the termination of the contract.

Involve the Office of Sponsored Programs as early as possible so terms can be pre-negotiated. Investigators are encouraged to forward draft agreements, especially those with non-standard terms, to OSP at the earliest possible stage.

Negotiating the Agreement

The administrative process for awards begins in Sponsored Programs. The award document, or agreement, is matched to the appropriate proposal. If the award document does not require University signature (e.g., most federal grants), then the paperwork to establish a Fund is initiated and forwarded to the Office of Contracts and Grants Accounting (CGA) to create the Fund. CGA will send an email notification to both the Principal Investigator and departmental administrator with the Fund number once created.

If the award instrument requires Auburn University signature, or if specific terms or conditions are involved (e.g., contracts, some purchase orders), OSP will review and negotiate terms directly with the sponsor.

Signing the Agreement

Principal Investigators are not authorized to sign agreements on behalf of the University. [Auburn University's Contract Signature Authority Policy](#) provides additional details regarding university signature authority.

If the sponsor's signature is present on the agreement and if there are no changes to the agreement, OSP will sign for Auburn University, forwarding one original, fully-executed agreement to the sponsor, with a copy to the department. If changes to the contract are required, OSP will work directly with the sponsor to address the changes before signing the contract.

If the sponsor's signature is not present on the agreement and if there are no changes to the agreement, OSP will sign for Auburn University and return the original documents to the sponsor for signature. In many cases, and dependent upon sponsor requirements, signed agreements may be signed electronically and scanned/mailed between the parties to expedite the process. A copy of the fully-executed award will be available to all requisite parties (i.e., PI, department, college) within the Endeavor award package.

SETTING UP THE FUND

The University considers the tight technical schedule that a Principal Investigator is under once a project is awarded and does its best to minimize the amount of time it takes to set up a Fund to allow for expenditures. The Office of Contracts and Grants Accounting sets up a Fund in the Banner system after receiving the complete award package within Endeavor from the Office of Sponsored Programs.

Advance Accounts (Funds)

The University does not have formal authority to incur costs against a grant or contract until a fully-executed award document is in place. However, there are times when the award documents are late (but expected) and the Principal Investigator needs to begin spending before the award document is fully-executed. *Charging another sponsored*

project account for costs associated with a pending award is not allowed. Instead, when the award documents are late and the investigator knows that Auburn University will accept the terms of the award (e.g., standard federal grants) it is appropriate for the investigator to request that an Advance Account (Fund) be established through Endeavor. Establishing an Advance Account (Fund) is not appropriate if Auburn University and sponsor have not completed negotiation of potentially problematic terms of a contract. Another consideration is whether the dates of the agreement are somewhat “determined” or if the start date (and allowability of expenditures) will be based upon the execution of the agreement.

The Principal Investigator must first make arrangements with the department head in order to issue an advance request to the Office of Sponsored Programs. Establishing an Advance Account (Fund) is a guarantee that the department head will cover expenditures charged to the account in the event that the award does not come through (in some cases, this guarantee may actually be provided by the Dean). The request should include any pertinent information (such as any limitations on what is to be loaded during the advance status, etc.) and should include a statement that “should an award not be finalized, the department will be responsible for any costs incurred.” If the award does not come through, the Principal Investigator and department head must promptly transfer the costs incurred during the advance period to a discretionary source of funds (not a restricted sponsored project account). The Office of Sponsored Programs has a sample form that should be utilized when requesting establishment of an Advance Account (Fund) on the [“Manage Your Award”](#) webpage.

Pre-award Costs

Pre-award costs are those costs that a Principal Investigator may incur before the effective date of the project. Most sponsors require their approval before charging pre-award costs to the project. A provision for pre-award costs in the terms of the contract is the most acceptable documentation of sponsor approval. A letter from the contracting officer or grant officer approving pre-award costs is also acceptable.

Many federal grants are awarded under the terms of expanded authorities. Expanded authorities allow the University to incur project costs up to 90 days before the effective date of the project. The costs to be incurred must be necessary for the conduct of the project and must be allowable under the potential award. If pre-award costs are anticipated, please be sure to notify the appropriate Sponsored Programs Officer in the Office of Sponsored Programs. Contact the Office of Sponsored Programs if you are unsure whether or not your project will be awarded under expanded authorities.

SPENDING THE AWARD

Principles of Sponsored Project Support

The majority of externally sponsored funding at Auburn University is provided by the federal government. Cost accounting principles for higher education grantees are

established by the federal Office of Management and Budget (OMB). The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award ([2 CFR 200](#)) provides the basis for determining applicable direct and indirect costs (Subpart E), sets forth the maximum administrative requirements that institutions must adhere to (noting that individual federal agencies are required to implement these requirements as individual agency regulations, such as the NIH Grants Policy Statement or the NSF Grant Policy Manual (Subpart D), and establishes audit requirements and defines federal responsibilities for implementation and monitoring such requirements for institutions receiving federal awards (Subpart F). These requirements are applicable to state, local, and Indian tribal governments, institutions of higher education (IHE's), and non-profit organizations.

Allowable Direct Costs

The most important questions to ask in determining whether a cost is allowable are:

- ✓ *Can the cost be specifically identified with the project relatively easily with a high degree of accuracy?*
- ✓ *Is the cost reasonable?*
- ✓ *Is the cost given consistent treatment on all sponsored as well as non-sponsored funds?*
- ✓ *Does the cost conform to the terms of the award, University policy, state law, and federal law?*
- ✓ *Is the cost generally recognized as necessary for the performance of the sponsored agreement?*

Proposal Costs

Proposal costs are the costs of preparing bids or proposals on potential federal and non-federal sponsored agreements or projects, including the development of data necessary to support the institution's bids or proposals. Proposal costs may **not** be directly charged to a sponsored project Fund.

See Auburn University's "[Direct Cost Policy](#)" for additional information regarding consistent practices for defining, charging, and coding direct and indirect costs to university Funds.

Rebudgeting

The budget is an estimate of the spending plan for the project. The actual spending pattern may vary from the categorical budget breakout. The terms of your award will

dictate how much the actual project expenditures can vary from the cost categories of the award budget.

For grants awarded under the terms of Expanded Authorities, the investigator is not limited by the categorical breakout of the budget, unless the deviation from the budget represents a change in scope or objectives or if a significant part of the research is being transferred outside the University (usually in the form of a subcontract). As a rule-of-thumb, the NIH Agency-Specific Terms state that a deviation in a budget category of more than 25% of the total award may indicate a change in the scope or objectives of the project.

Sponsor Prior Approval

Requests for sponsor approval of budget deviations and requests for sponsor approval of specific items of cost should be addressed to the grants officer or contracts officer, with a copy to the program officer. All letters to sponsors requesting prior approval should include the countersignature of the official institutional representative. The Office of Sponsored Programs will sign on behalf of the authorized institutional representative. The federal [Prior Approval Matrix](#) reflects a breakdown for several agencies that waive prior approval for a number of financial assistance post award actions.

The document [Rebudgeting of Sponsored Projects](#) provides additional guidance on this topic.

PERSONAL SERVICES

Effort Reporting

Typically, two thirds of the direct cost budget for research grants and contracts consists of personal services. Due to sponsor regulations and the unstructured nature of research, accounting for the effort of personnel assigned to grants and contracts requires more attention than for other academic activities. Sanctions for noncompliance can be serious, including criminal charges, debarment, and suspension. The following information is intended to inform department heads and Principal Investigators of their responsibilities for ensuring compliance.

Federal cost principles allow the direct charging of personal services to project accounts, provided that the following requirements are met:

- (1) The employee's effort directly benefits the project.
- (2) The personal services costs are reasonable and necessary in order to reach project objectives.
- (3) The personal services costs are treated consistently, in accordance with established policies of the institution.

(4) The terms of the agreement or federal cost principles do not otherwise prohibit charging the personal services costs.

The important point is that the salaries and wages charged to a project must represent the proportionate share of effort that directly benefits the project. Auburn University's payroll and effort reporting systems comply with the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The University has chosen an "After-the-Fact Activity Record" method which provides reasonable assurance that the charges are accurate, allowable, and properly allocated. Our payroll and effort reporting systems cover only Auburn University compensated effort.

Auburn University utilizes an electronic effort certification system (e-Certs). Information regarding the system, tutorials, frequently asked questions, and training can be found on the CGA Effort Certification webpage at the following link:

<https://research.auburn.edu/research-administration/cga/effort-certification/index.php>

Fringe Benefits

Fringe benefits (employee-related expenses) are charged to the project Fund at a fixed rate, depending on the classification of the employee, in accordance with the University's DHHS-approved Rate Agreement. Actual charges for FICA, retirement, insurance, and other benefits are not charged to the project Fund but are charged to a Fringe Benefit Pool Fund. This method of charging fringe benefits by a federally-approved fixed rate simplifies budgeting and accounting for personal services on sponsored agreements. See the OSP [website](#) for current rates.

Special Consideration for Compensation in NSF Proposals: As a general policy, NSF limits the salary compensation requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year. (See Exhibit II-3 of the [Proposal & Award Policies & Procedures Guide](#) for the definitions of Senior Personnel.) It is the organization's responsibility to define and consistently apply the term "year," and to specify this definition in the budget justification. This limit includes salary compensation received from all NSF-funded grants. This effort must be documented in accordance with 2 CFR § 200, Subpart E, including 2 CFR § 200.430(i). If anticipated, any compensation for such personnel in excess of two months must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award notice budget.

For AU's purposes, the following will be the statement to include in all NSF budget justifications: "Auburn University defines the term "year" as its fiscal year: October 1 – September 30."

OTHER OPERATING COSTS

Consultants and Speakers

It is important to differentiate an "employee" from an "independent contractor" before engaging a consultant or speaker via a Professional Service Contract (PSC). An Independent Contractor (IC) Form ([Form IC 99-01](#)) should be completed to assist with this determination. Once a determination is made, the Professional Services Contract can be completed and routed through the appropriate offices for approval (this process is now facilitated through Self-Service Banner). Be aware of possible sponsor limitations in the daily or hourly rates.

Entertainment vs. Meeting Expenses

Entertainment costs on sponsored projects are *unallowable*. The distinction between unallowable entertainment charges and legitimate project-related meeting expenses is not clearly defined by the regulations; however, auditors and agency regulations apply a conservative interpretation of the cost principles. Therefore, the University requires that meeting and conference expenses directly charged to sponsored projects must be supported by documentation that the activity is directly-related to the project charged, and that the primary purpose of the activity is the dissemination of technical information. Examples of acceptable documentation include: a line item in the approved project budget for the meeting or conference, narrative in the proposal referring to the meeting or conference, a published agenda, and correspondence with the sponsor. Sponsored funds are not to be spent for meals or coffee breaks for intramural meetings of the institution or any of its components, including, but not limited to, laboratories, departments, and centers.

Administrative Costs

Subpart E (Cost Principles) of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards provides guidance on the treatment of certain administrative costs.

The salaries of **administrative and clerical staff** should normally be treated as indirect (F&A) costs. Inclusion of such costs on a proposal budget may be appropriate only if **all** of the following conditions are met:

- (1) Administrative or clerical services are **integral** to a project or activity;
- (2) Individuals involved can be **specifically identified** with the project or activity;
- (3) Such costs are **explicitly included** in the approved budget or have the prior written approval of the sponsor; and
- (4) The costs are not also recovered as indirect costs.

Computing devices under \$5,000/unit may be direct charged to a project or activity

under the following circumstances:

- (1) The computing devices are **essential*** and **allocable** to the project in that they are necessary to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.
- (2) The project does not have reasonable access to other devices or equipment that can achieve the same purpose; devices may not be purchased for reasons of convenience or preference.
- (3) Items costing more than \$5,000 per unit are considered equipment and follow federal equipment rules for when they can be direct charged. (SEE 200.33, 200.48, 200.89, and 200.439 of the Uniform Guidance.)

*Note that Investigators are responsible for determining whether or not the device is “essential” and to what extent the cost of the device is allocable to the sponsored project. Investigators and departments should maintain documentation that describes how the proposed computing device meets the above requirements.

Research Participant Incentive Payments (Subject Pay)

Budgets for research projects involving human subjects may provide for payments to the subjects for participating in the research. Payments to human subjects/research participants must be approved by the Institutional Review Board (IRB), which is responsible for the approval of human subjects research. The IRB's written approval letter must be presented to PBS with any request for funds to pay those subjects.

Generally, subject/participant payments are processed on a multiple vendor voucher and made by check. In rare cases the IRB may determine that an alternate form of payment (cash, gift card) is required. Additionally, there may be cases where payment to a small percentage of participants through a random drawing can be justified. Such drawing incentives must be randomly designed with responsibility for oversight resting with the Principal Investigator. In either case, a request for exception, including the IRB approval of such, must be forwarded to [Procurement and Business Services](#) (PBS) for review and approval before the study begins.

If the subject/participant will receive \$200 or less, they do not have to register through the [AU Supplier Portal](#), but the PI will have to obtain and attach a completed W-9 form to the voucher for payment. The W-9 requirement will be waived if the payment is \$50 or less. If the subject/participant will receive more than \$200, they must register via the AU Vendor Center. (See the [AU Spending Policies and Procedures](#).)

Note: When mailing surveys, contact Mail Services to determine if mailings are eligible for reduce rate nonprofit/bulk mail.

Participant Support Costs

Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (**but not employees**) in connection with conferences or training projects. Participant support costs are excluded from AU's Modified Total Direct Costs (MTDC) base. The Principal Investigator should confirm that participants are eligible participants prior to payment of stipends. For example, if the award includes graduate student fellowships, undergraduate students' tuition should not be paid from that award. In addition, if housing will be provided as an expense (such as part of a summer REU program), follow applicable policies for [Summer Camps](#).

Participant support costs are often tracked separately from other funds (a separate FOP is established) and generally carry separate sponsor regulations from other direct costs. Depending on sponsor policy, prior approval may be required for budget reallocations from participant support costs to other items of expense.

Participant support costs are **not** Research Participant Incentive Payments (subject pay).

Payment of Participant Support Costs

In most cases, payments to participants should not be made via TES or AU payroll; rather, payments to participants should be made through Student Financial Services (SFS) or Procurement and Business Services (PBS). (If you have questions about the requirements of a specific program contact OSP or CGA for guidance.)

Payments to AU Students

1. Contact Christy Hines (chines@auburn.edu) in SFS.
2. In a memo, letter, or email provide the student's AU ID number, amount of the stipend, and frequency of the stipend. The stipend may not be paid more often than monthly.
3. If you have more than one AU student to be paid, each student will have to be paid on the same schedule, but they do not have to be paid the same amount.
4. If there is a notification letter from the program in which the student is participating, it should also be provided.
5. Provide the FOP from which to pay the students. A detail code is assigned in the Banner Student system so that the student account is credited, and then there will be a feed to Banner Finance to debit the sponsored FOP. These detail codes and associated FOPs are maintained in a database by SFS.

Payments to non-AU participants

1. The participant must register as a vendor through the [AU Supplier Portal](#).
2. A vendor voucher must be prepared and sent to PBS each time the participant is to receive a payment. The voucher must include a description of the program in which the non-AU person is participating. If a notification letter from the program is available it should also be provided.

3. Account code 70515 should be used for participant support cost stipend payments.

A former AU employee may receive participant support cost payments. Their employee record must not be active in Banner. If the record is still active, an ePAF will have to be submitted by the department before the stipend payment can be made through PBS.

Tuition Remission

In accordance with the August 16, 2024 [Policy for Tuition in Externally Funded Contracts and Grants](#), the budgets for all proposals that include stipend support for graduate assistants must include tuition support for those graduate assistants pursuant to the requirements of the policy. A [tuition calculator](#) and [FAQ document](#) are available on the OSP [website](#).

Travel

It is expected that travel charges to a project will be consistent with the [University's Travel Policy](#). Please note that federally funded air transportation is generally required by the "[Fly America Act](#)" to use U.S. flag air carriers.

Equipment

Sponsor guidelines and terms of the award dictate the restrictions on the purchase of capital equipment. Before purchasing equipment on a sponsored account, the Principal Investigator must determine that the University does not have the equipment in the inventory available for use on the project. The departmental approval on the purchase request stands for assurance that existing equipment is not available. The University definition of equipment is: an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more. The amount to be charged as "capital" is the cost of the asset, including the cost to put it in place. Capital expenditure for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Ancillary charges, such as sales tax, shipping and installation costs are included as part of the capital expenditure.

Distinguishing between Capital and Repair/Maintenance

If an expenditure restores the asset to its original condition, it should be classified as a repair and maintenance expenditure and charged to operations. For example, a new roof on a building generally maintains the original condition of the building or restores the building to a fit condition. A new roof does not usually make the building more useful for its intended purpose or add to the estimated useful life of the building as a structure. Expenditures for parts or improvements to existing capital are considered capital if the

improvement adds to the (original) estimated useful life of the capital or if the improvement increases the (original) purpose of the capital.

Where the purchase of equipment or other capital items is specifically authorized under a sponsored agreement, the amounts thus authorized for such purchases are assignable to the sponsored agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.

Additional information regarding the purchase of equipment on sponsored projects can be found on the [Equipment](#) page of the OSP web site.

Subagreements

Most sponsors require prior approval before the University can transfer substantive programmatic work to a third party, by contracting or any other means. Generally, an award based on a proposal budget with a line item for the named subrecipient constitutes documentation of sponsor approval. In some cases, this approval must be sought after an award has already been issued. In these cases, the Principal Investigator should work with the Office of Sponsored Programs to ensure that all documentation is complete and submitted in accordance with sponsor requirements (e.g., NSF requires that the request be submitted through the Notifications/Requests module in the Research.gov system).

- Subaward:
 - Used to procure substantive programmatic work under a grant or contract.
- Subrecipients:
 - are responsible for programmatic decision making and measurable performance requirements as defined in their work statement
 - must adhere to federal regulations (as appropriate)

During the life of a subagreement, the Principal Investigator will review and approve the subcontractor's invoices (which are routed through the Office of Sponsored Programs) before Procurement and Business Services pays the invoices. The Principal Investigator is responsible for monitoring the technical progress of the subcontractor and for ensuring that all technical requirements have been met.

Detailed information, including the subagreement process, vendor registration information, templates (for both subagreements and invoices), invoicing procedures, definitions, and close-out documents can be found on the [Subagreements](#) page of the OSP web site.

NIH Childcare Allowance

Specific to NIH Fellowships and Institutional Grants only, NIH has made a childcare allowance available on its NRSA fellowship and institutional training grant awards. The maximum amount of the allowance is \$3,000 per budget year per fellow/trainee (not per child).

The allowance is excluded from indirect costs per NIH policy. Additional information can be found on the OSP website as follows:

[NIH Childcare Allowance Guidance](#)

[NIH Childcare Allowance Reimbursement/Attestation Form](#)

Facilities and Administrative (Indirect) Costs

Facilities and Administrative (F&A) costs are those that are incurred for common or joint objectives, and therefore, cannot be identified readily and specifically with a particular sponsored project, instructional activity, or other institutional activity. Examples of F&A costs include general office supplies and expenses, administrative and clerical expenses, and expenses related to the management of the institution (President's Office, Provost, Office of Sponsored Programs, Business Office, Library, etc.).

AU's DHHS federally-approved F&A [rate agreement](#) reflects the current rates in place for both on- and off-campus research, instruction, and other sponsored activities. AU's F&A rate is based on Modified Total Direct Costs (MTDC) which consists of all salaries, wages, fringe benefits, materials, supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs excludes equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships and fellowships, participant support cost, and the portion of each subgrant and subcontract in excess of \$25,000.

For a project to be considered off-campus, more than 50% of the project must be performed off-campus (exclusive of subgrant or subcontract costs).

FISCAL RESPONSIBILITIES

Recordkeeping

In general (and primarily related to federal awards), a sponsor requires record retention for three years from the date of submission of a final expenditure report. However, some sponsors require a longer retention period. In addition, as a state instrumentality, Auburn University adheres to additional State of Alabama record retention requirements. The Government Records Division (GRD) of the Alabama Department of Archives and History

(ADAH) is responsible for administering and coordinating all functions associated with records management for state agencies, public colleges and universities. Information related to these special requirements and Auburn University's Record's Disposition Authority (RDA) can be found at [ADAH's](#) web site.

Account Management

Each Fund in Banner is assigned to a responsible person. For sponsored projects Funds, this person is the Principal Investigator. The Principal Investigator may delegate some of the duties associated with financial management of the Fund to a business manager or other subordinate. However, the Principal Investigator assumes full responsibility for all activity on the Fund.

The Principal Investigator is responsible for ensuring that all disbursements from the Fund are:

- for the bona fide purpose of the account;
- allowable per the terms of the award;
- authorized in accordance with University policies and state and federal laws and regulations;
- charged to the appropriate account code; and
- fall within the available funding for the Fund.

The Principal Investigator is responsible for ensuring that:

- the Fund is reconciled on a timely basis, (i.e., within 30 days of receiving the month-end report);
- immediate action is taken to resolve the errors or discrepancies noted during the report reconciliation and to follow up to ensure that errors are corrected; the Fund is updated for changes in authorized signers and other Fund information; file copies of supporting documentation for all activity processed on the Fund is maintained for at least three years after the final closeout of the project (unless required to maintain for a longer period of time based on sponsor requirements).

In order to assist Investigators with the management of their sponsored projects, an interactive dashboard that provides administration, faculty, and staff with real-time financial data on external contracts, grants, and cooperative agreements is available through [AU Access](#). This resource, **My Funding**, is a tab within the Self-Service Banner Application. The application, which is based on user ID, includes links to research administration resources, provides live and historical financial data for an individual's external support, facilities and administrative cost recovery details, advanced search functions, and the ability to download relevant financial information as needed.

Cost Transfers

It is extremely important that all expenditures be initially charged to the appropriate Fund and Principal Investigators and others involved in administering an award should seek to ensure that expenditures are recorded correctly. If it does become necessary to transfer expenditures from one Fund to another, if either of the Funds is a contract or grant Fund, the process reflected in either the [Non Salary Cost Transfers](#) or [Salary Wage Cost Transfers](#) policies will need to be followed (as applicable).

Program Income

Income earned that is directly generated by the sponsored project or earned in whole or in part as a result of the award is called program income (examples include fees for services performed, the sale of commodities or items fabricated under an award, conference registrations, etc.). Program income is subject to federal regulations and must be separately accounted for. The project director must deposit and account for the program income through a separately established Fund. The Office of Contracts and Grants Accounting will set up this Fund for the program income and all associated costs will be charged to the Fund. Auburn University's ["Program Income Policy"](#) provides further guidance regarding the management of program income.

There are three ways that program income can be used as illustrated in the table below.

Matching Alternative	Used to satisfy all or part of the required grantee share of the project or program.
Additive Alternative	Added to funds committed to the project or program and used to further eligible project or program objectives.
Deductive Alternative	Deducted from the total allowable costs of the project or program to determine the net allowable costs on which the federal share of costs will be based.

Unless federal awarding agency regulations or the terms and conditions of the award provide otherwise, the University has no obligation to the federal government regarding program income earned after the end of the project period.

License Fees and Royalties

Unless federal awarding agency regulations or the terms and conditions of the award provide otherwise, there is no obligation to the federal government or non-federal sponsor with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an

award. However, 35 U.S.C. 18 applies to inventions made under an experimental, developmental, or research award.

Over-expenditures

Responsibility for clearing over-expenditures on sponsored projects accounts belongs to the Principal Investigator and department head. For grants awarded under Expanded Authorities, over-expenditures from one budget period may be absorbed by the award of the continuing non-competitive renewal. The over-expenditures, or "pre-award costs," associated with the continuation award must be necessary for the conduct of the project and must be allowable under the potential award. The "[Unreimbursed and Unallowable Sponsored Projects Expenditures Policy](#)" addresses the treatment of both unreimbursed and unallowable contract/grant costs and explains the difference between the two types of costs.

Carry-forward of Unobligated Balance to Continuation Year

Refer to the terms of the award and sponsor guidelines to determine whether you are authorized to carry-over an unobligated balance to the continuation year.

For grants awarded under Expanded Authorities, funds remaining at the end of one budget period (except the final budget period) are automatically carried over to the next. Since the carry-over of unobligated balances is automatic, no separate or specific awarding agency prior approval is required to authorize use of the funds. Refer to the Notice of Grant Award for any exceptions. The awarding agency may ask the investigator for an explanation of excessive carryover balances (generally, in excess of 25% of total funding for the budget period).

Financial Status Reporting

The Office of Contracts and Grants Accounting prepares financial status reports for sponsors, according to the terms of the award.

Cash Management

It is important to note that loading budget into a Fund and loading payment terms are two separate issues. The budget is set up (loaded) at the beginning of the budget period; cash is received throughout the budget period in accordance with the payment terms established within an award document and dependent upon the agreement type (cost reimbursable or fixed price).

Invoicing

The Office of Contracts and Grants Accounting is responsible for preparing and sending invoices to sponsoring agencies. For a description of the applicable responsibilities for

ensuring compliance with sponsoring agency requirements, the [“Final Billing and Reporting for Contracts and Grants Policy”](#) provides additional guidance.

Letter of Credit

Most federal grants and contracts are under the letter of credit method of payment. The federal sponsoring agencies, e.g., DHHS, NSF, authorize a line of credit for the University to draw funds to meet the aggregate expenditure activity of the agency.

Bad Debts

Loading budget for sponsors in unstable financial condition or sponsors with an unknown or questionable credit history should be limited to cash as it is received. If the Principal Investigator is aware of any information about a sponsor that is relevant to determining the risk of default of payment, whether for a proposed project or for a currently awarded project, it is the Principal Investigator’s responsibility to report the information to the Office of Sponsored Programs.

The Office of Contracts and Grants Accounting will apprise the Principal Investigator, department head, and dean of all outstanding invoices over 45 days past due. It is the responsibility of the Principal Investigator and department head to cover unreimbursed costs in the event of default of payment.

TECHNICAL RESPONSIBILITIES

Data Ownership

The policy of the funding agency, as stated in the award document, governs ownership of data. It is the responsibility of the Principal Investigator to read the conditions of his/her grant or contract. Note that the [Research Data Policy](#) applies to all Auburn University faculty, staff, postdoctoral appointees, students, and any others involved in conducting research using Auburn University facilities and resources, regardless of funding source.

Access to and Retention of Scientific Research Protocols and Data

Both faculty and Auburn University have responsibilities and, hence, rights concerning access to, use of, and maintenance of original research data. Consistent with the precepts of academic freedom and intellectual integrity, the scholar has the primary authority to make judgments involving the use and dissemination of the data. Any disputes regarding access to data should be settled at the lowest possible level, if circumstances permit. Otherwise, each dispute should go before the appropriate University reconciliation committee.

Faculty are ultimately responsible for the maintenance and proper retention of research records. These records should include sufficient detail to permit examination for the purposes of replicating the research, responding to questions that may result from

unintentional error or misinterpretation, establishing their authenticity, and confirming the validity of the conclusions.

Faculty should maintain a research manual that describes all major procedures. Correspondence with institutional review committees and records of the use of controlled substances and radioactive materials should be maintained as part of the research record in accordance with governmental, regulatory, and University policies.

A system of data organization should be adopted and should be communicated to all members of a research group and to the appropriate administrative person.

Where feasible, all original primary data are to be retained by the faculty member or by his or her designee. Accepted practices for retaining data vary among disciplines and depend on the perishability, nature, and logistics of retaining each type of data. Each investigator should treat data properly to ensure authenticity, reproducibility, and validity and to meet the requirements of relevant grants and other agreements concerning the retention of data. Primary data should be reserved for a reasonable duration to ensure that any questions raised by the researcher, colleagues, or readers of any published results can be answered.

The Auburn University [Research Data Policy](#) provides specific guidance regarding the requirements and responsibilities essential to data management. Please also refer to the AU Libraries [Research Data Services](#) guide for additional information and guidance regarding project data management.

Authorship

Investigators should understand and properly fulfill their responsibilities with respect to authorship consistent with the Auburn University Copyright Policy. See Chapter 6, Section 6.3.1 of the [Auburn University Faculty Handbook](#). Additional resources on authorship can be found on the AU Libraries [website](#).

Persistent Digital Identification -- ORCID

Federal agencies have begun requiring that investigators use persistent digital identifiers (PDIs) that distinguish you and your work from that of your peers. Specifically, NIH requires that investigators create and maintain an account in Open Researcher and Contributor ID ([ORCID](#)). Other agencies such as NSF are encouraging the use of PDIs and may require their use in the near future. Users can create free ORCID accounts that can be linked to other accounts such as SciENCv. Additional resources and assistance in creating your ORCID account are available on the AU Libraries [website](#). NOTE, pursuant to the September 3, 2025 [memo](#) from the SVPRED, all key personnel (PIs, Co-PIs, etc.) are required to register for an ORCID ID. In order for this ID to be tracked within Endeavor, an individual will need to add the ID (once created) to the ORCID “card” within AU Access (this will only be required once).

Science Experts Network Curriculum Vitae (SciENCv)

Federal agencies have begun requiring that investigators create and utilize accounts in the Science Experts Network Curriculum Vitae ([SciENCv](#)) electronic system. Users can create a free account that enables them to create biosketches, current and pending/other support documents, and more. Additional information and links to creating an account are available under the [SciENCv](#) section on the PSFS development tools webpage.

Research Misconduct

The University believes that the academic community must do everything within its power to ensure integrity in scholarship and research, and as part of that responsibility has in place detailed procedures for dealing with allegations of misconduct in a timely and fair manner. See the [Policy on Research Misconduct](#).

Changes in the Project

Change in Key Personnel

Whenever there is to be a significant change in the level of participation in the approved project by the project director, program director, or Principal Investigator, the University must notify the awarding agency as soon as such information is known. Significant change in level of effort is defined as relinquishing active direction of the project either permanently or for a continuous period of more than three months or a 25% reduction in time devoted to the project. Since approval of a project has, to some extent, been based on the participation and/or qualifications of the named key personnel, the awarding agency requires notification and the option to approve or disapprove alternate plans for conducting the activity.

Change in Scope or Objectives

Approval from the awarding agency is required for a proposed change in the phenomenon or phenomena under study or the specific aims of the project stated in the proposal or agreed modifications. When in doubt, it is best to err on the side of over-communicating with your agency program officer.

Changes in Timeframe

Approval of the sponsoring agency is required for changes in the effective date, termination date, and due date for deliverables or technical reports.

Change in the Effective Date

Pre-award costs are those costs that are incurred before the effective date of the project. Most sponsors require their approval before an investigator may charge pre-award costs

to the project. A provision for pre-award costs in the terms of the contract is the most acceptable documentation of sponsor approval. A letter from the contracting officer or grant officer approving pre-award costs is also acceptable.

Many federal grants are awarded under the terms of Expanded Authorities. Contact the Office of Sponsored Programs if you are unsure whether or not your project is awarded under Expanded Authorities. The terms of Expanded Authorities allow the University to incur costs up to 90 days before the effective date of the project. The costs to be incurred must be necessary for the conduct of the project and must be allowable under the potential award. The Principal Investigator (and department) assumes responsibility for covering the obligations and expenditures in the event that the award does not come through.

No-cost Extension

Extending the termination date of the project or the due date for deliverables or technical reports requires sponsor approval.

For most grants awarded under Expanded Authorities, the University has the authority to extend the termination date one time, for a period up to one year beyond the original termination date. Please note that using up the remaining balance of the grant is not an acceptable justification for extending the termination date.

No cost extensions to projects do not increase the amount of the University's original fiscal obligation (e.g., cost sharing). The no cost extension does, however, extend the time period during which the University may perform the work.

Procedure for Requesting Sponsor Approval

All requests for changes in the project must be countersigned by an institutional representative before the investigator sends the letter to the sponsor. The Senior Vice President for Research and Economic Development has delegated authority to Sponsored Programs to sign on behalf of the institution. In addition, requests for award changes must be routed through Endeavor through an award modification request.

PROPERTY ADMINISTRATION

The property clause of the sponsored agreement or the applicable agency guidelines will specify the title-holder of equipment purchased with sponsored funds or equipment received from the sponsoring agency. When federal funds are used to acquire equipment, it is important that the Principal Investigator understand the approved use and accountability differences between federally-titled equipment and University-titled equipment purchased with federal funds. The Principal Investigator can contact the [Property Administrator](#) in the Office of Sponsored Programs for title information.

University-titled Equipment

There are important distinctions in treatment between property purchased under an award in which title is vested in Auburn University and title vesting in the Government, in terms of the Government rights to that property and the reporting requirements. For example, Auburn University must report annually on federally-owned equipment or equipment furnished by the Government. For equipment in which the title is vested in Auburn University, a listing of equipment acquired under the award need be provided only at closeout. The property management standards require that Auburn University maintain records, available for Government review, concerning property acquired with Government funds. OSP has a Property Administrator who monitors compliance with requirements for federally-owned property, where applicable.

Restrictions on Use of University-titled Equipment Acquired with Federal Funds

The University must use the equipment on the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by federal funds and shall not encumber the property without approval of the federal awarding agency. "Program" is defined in broad terms as the *research program* in which the investigator is engaged over a long period of time. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority: (i) activities sponsored by the federal awarding agency which funded the original project, then (ii) activities sponsored by other federal awarding agencies.

During the period of time equipment is used on the project or program for which it was acquired, the Principal Investigator and department head shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other federal awarding agencies.

Disposition of University-titled Equipment Acquired with Federal Funds

When Auburn University no longer needs the equipment for the project or program, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5,000 or more, the University may retain the equipment for other uses provided that compensation is made to the original federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of federal participation in the cost of the original project or program to the current fair market value of the equipment. If the University has no need for items of equipment with a current per unit fair market value of \$5,000 or more, the Principal Investigator should contact the [Property Administrator](#) in the Office of Sponsored Programs to begin the process of requesting disposition instructions from the federal awarding agency.

Federally-titled Equipment

Title to federally-owned property remains vested in the federal government. Federally owned property can be used only on an open award(s) to which the equipment has been assigned by the awarding federal agency. Any use of equipment other than for the authorized project requires that Auburn University request "disposition instructions" from the awarding agency. It is imperative to contact the Office of Sponsored Programs Property Administrator as soon as the equipment is no longer used on the authorized award.

Auburn University is required to annually submit a listing of federally-owned property under the custody of the University to the awarding federal agency. The Property Administrator in Sponsored Programs is responsible for submitting these inventory reports.

Federally-owned property is acquired by either charging the cost of equipment directly to a federal grant or contract with applicable federal-title property clauses or by acquiring excess government equipment from a site outside the university. Federally-titled equipment transferred to the university from excess government property is referred to as "Government-Furnished Equipment (GFE)." Federally-titled equipment acquired on one University award and transferred to another is also treated as Government-Furnished Equipment.

Government-Furnished Equipment must be included in the university's property record system. The Principal Investigator is responsible for notifying the Sponsored Programs Property Administrator of the receipt of Government-Furnished Equipment and requesting University property tags for each item from Property Services.

Upon completion of the award or when the property is no longer needed for the project, the Sponsored Programs Property Administrator reports the property to the federal awarding agency, requesting disposition instructions. The federal awarding agency has the option of (i) approving use on another project, (ii) approving transfer of title to the university, (iii) requesting return of the equipment to the agency or a third party, or (iv) authorizing sale of the equipment and reimbursement to the federal awarding agency.

Property Records for Equipment

Equipment records shall be maintained accurately and shall include the following information:

1. A description of the equipment
2. Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number
3. Funding source of the equipment, including the sponsor award number
4. Whether title vests in the University or the federal government or other sponsor

5. Acquisition date (or date received if the equipment was furnished by the federal government) and cost
6. Split funding information, if more than one source of funding
7. Location and condition of the equipment and the date the information was reported
8. Unit acquisition cost
9. Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates for the federal awarding agency for the federal share

Inventory

A physical inventory of all equipment is taken every two years. The department head or designee will investigate and determine the cause for any discrepancies between information determined by the physical inspection and that shown in the property records. The location, condition, current utilization, and continued need for the equipment will be verified as part of the physical inventory.

Maintenance

Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

Replacement of Equipment

When acquiring replacement equipment, the investigator may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment, subject to the approval of the federal awarding agency. The Principal Investigator needs to inform the Property Administrator in Sponsored Programs when an item of federally-titled equipment is approved by the federal sponsor for trade-in or sale. The Property Administrator will issue instructions for the removal of the item from the University's equipment records and retain a copy for the project's property audit file.

Deliverables to Sponsor

When a contract provides for the acquisition, assembly, or fabrication of equipment for delivery to the sponsor, the Principal Investigator must furnish the Property Administrator in Sponsored Programs copies of shipping documents as proof of the delivery of the equipment to the sponsor. The Property Administrator will issue instructions for the removal of the item from the University's equipment records and retain a copy for the project's property audit file.

Transfer of Equipment from a Former Institution

A Principal Investigator transferring to Auburn University from another institution is required to register equipment from the former institution in the university property system. This provides insurance coverage for these items. The Principal Investigator needs to provide his/her departmental administrator a list of these items, including the description, serial number, model number, and title holder. Any documents of loan, title holder, or approval of transfer from the former institution need to be attached to the list of inventory items. The departmental administrator will forward the list of inventory and supporting documents to the Sponsored Programs Property Administrator.

Transfer of Equipment from Auburn University to a New Institution

Equipment purchased with sponsored funds for use on a specific project normally remains available for use for the duration of the project. Principal Investigators who are in the midst of projects that included funding for equipment and who will continue the project at a new institution with sponsor support may arrange to have the equipment transferred with them. However, if the transfer is to an entity outside the U.S., an export license may need to be obtained from the U.S. Government. Approval of the department head, dean, Sponsored Programs Property Administrator, and the Senior Vice President for Research and Economic Development is needed before the equipment may be transferred.

Equipment purchased on grants and contracts may still be titled to the sponsoring agency. When this is the case, Auburn University must obtain sponsor approval for transferring it to another institution.

- Only the Senior Vice President for Research and Economic Development is legally authorized to give approval for transferring grant/contract-related equipment to another institution.
- Transfers of equipment and technology outside the U.S. may require prior U.S. Government approval (contact Auburn's Research Security Compliance Office).
- It is important to begin the approval process early, since it may take time to move the request through the university process and obtain the appropriate government approvals, if required.

Use of University Equipment for Non-university Purposes

Equipment acquired with sponsored funds may not be used to provide services to non-federal outside organizations for a fee that is less than private companies charge for equivalent services. The fee revenue is treated as program income. If the equipment is owned by the federal government, use on other activities not sponsored by the federal government is permissible only if authorized by the federal awarding agency.

Loss, Damage, or Theft of Equipment

Any loss, damage, or theft of equipment shall be investigated, fully documented, and reported immediately to the Office of Risk Management. A delay in reporting loss, damage, or theft may jeopardize insurance recovery. If the equipment is owned by the federal government, the Principal Investigator must promptly notify the Sponsored Programs Property Administrator and the federal awarding agency. Property inventory records must be updated.

THE END OF THE PROJECT

Allowable Expenditures Near the End of the Project

Where a funding period is specified in the award document, the investigator may charge the project for only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the awarding agency. Investigators must consider the lead time required in ordering goods; items must be delivered and used for the benefit of the project. Auditors will review expenditure activity at the end of the project period. A large amount of orders placed at the end of a project may give the appearance of spending up the available budget balance for goods to be used for future research. This is called "stockpiling" and is not allowable.

After Project End Date

Valid post-termination expenditures are those charges that post to the account after the end date (within the closeout period specified by the sponsor) but actually occurred before the end of the project. Some examples are:

- Payroll for hours worked prior to the end date but paid and posted after the end date.
- Long-distance telephone charges (which usually lag one month) for services provided within the performance period.
- Liquidation of valid purchase orders that were encumbered in the University system prior to the end date.
- Expense transfers and corrections of errors (Departmental Error Corrections or Salary and Wage Transfers) that either move expenditures, or transfers allowable expenditures to the account.

The Office of Contracts & Grants Accounting will review all post-term expenses for validity. Detailed backup documentation may need to accompany post-term expenses in order to evaluate and determine the direct benefit to the project.

Termination before the End Date

A project may be terminated by the sponsor, the University, or by mutual agreement of both the sponsor and the University. The award agreement and/or agency regulations specify the process for terminating a project before the end date. If you receive a notice of project termination, please contact your Sponsored Programs Officer in the Office of Sponsored Programs as soon as possible.

Transfer of the Project to another University

When the Principal Investigator on a research project transfers from Auburn University to another institution, the project, under the same Principal Investigator, may be supported at the new institution. The first step is for Auburn University to "relinquish" its interests and rights in the grant. Some agencies, e.g., NSF and NIH, have forms for this purpose. The investigator will be asked to estimate the amount of unobligated funds remaining on the project. This figure will be verified by the Office of Sponsored Programs, in collaboration with the Office of Contracts and Grants Accounting. Department head concurrence for the transfer (letter or email) will also be requested. After receiving the relinquishing statement from the University, the sponsor will terminate the grant with Auburn University and establish a grant with the new institution for the remainder of the project.

The process is the same for non-federal sponsors. Auburn University will "relinquish" its interest in the grant and return unexpended funds to the non-federal sponsor. The sponsor will then establish an agreement with the new institution.

When the amount of time and funds remaining in a project are modest, and if both the University and the new institution are in agreement, the University may issue a subaward to the new organization for completion of the project. Sponsor approval and the approval/assignment of a replacement Principal Investigator are required before a subaward may be issued. In no event will funds be transferred from Auburn University to the new institution without sponsor approval and a subcontract.

Gift funds and funds remaining at the end of a fixed-price contract are considered University funds and are not available for transfer to the new institution.

Equipment purchased with sponsored funds for use on a specific project normally remains available for use for the duration of the project. Principal Investigators who are in the midst of projects that included funding for equipment and who will continue the project at a new institution with sponsor support may arrange to have the equipment transferred with them. Approval of the Department Head, Associate Dean for Research, and the Sponsored Programs Property Administrator is required before the equipment may be transferred.

A [PI Grant Transfer Checklist](#) is available on the Office of Sponsored Programs website to assist with facilitating a transfer from AU to another institution.

Contract Closeout Documents

Document	Signatory	Purpose of Document
Contractor's Release of Claims	Senior Vice President for Research and Economic Development (coordinated through Contracts & Grants Accounting)	Frees government of all liabilities, obligations, claims, and demands
Contractor's Assignment of Refunds, Rebates, and Credits	Senior Vice President for Research and Economic Development (coordinated through Contracts & Grants Accounting)	Agreement to reimburse the contractor for any refunds, rebates, credit, or interest
Cumulative Claim and Reconciliation Statement	Assistant VP, Research Accounting & Financial Compliance	Reconciles allowable expenditures and actual receipts
Final Report of Inventions and Subcontracts	Principal Investigator and Office of Sponsored Programs in collaboration with IPX	Reports inventions first conceived and/or reduced to practice under the contract
Final Government Property Report	Property Administrator, Office of Sponsored Programs	Listing of government-titled property

Final Financial Report

A final financial report is required for most cost-reimbursement contracts and grants. The Office of Contracts and Grants Accounting prepares the financial report and submits the report to the sponsor. Most sponsors require the final financial report within 90 days of the termination date of the project. In the case of projects with the State of Alabama and subagreements (for which Auburn University is not the prime recipient of funds), the date for the submission of the final financial report varies but is normally between 30 to 45 days following the termination date of the project.

Final Technical Report

The Principal Investigator is responsible for preparing and submitting the final technical report to the sponsor. The Principal Investigator does not need to send Sponsored Programs a copy of the final report. If the final technical report is late, the sponsor will contact Sponsored Programs and, for some sponsors, there may be repercussions related to future funding or submission of new proposals by the investigator. In some cases, these repercussions can have an adverse effect on the University, thus submission of timely reports is critical.

Refunds to Sponsor

At the end of a cost-reimbursement project, the Office of Contracts and Grants Accounting will refund to the sponsor cash received in excess of expenditures (if any).

Remaining Balance on Fixed Price Accounts

If the project costs less to complete than the contract price, the funds remaining at project completion are discretionary and the residual balance is handled in accordance with the [“Fixed Price Residual Balances Policy.”](#)

AUDITS

Sponsored grants and contracts are subject to audit by Auburn University internal audit staff, the State of Alabama, the Department of Health and Human Services (our cognizant audit agency), Single-audit (previously A-133) auditors, and individual sponsors. The Controller of the University is the official contact for all audits; the Office of Contracts and Grants Accounting, in collaboration with the Office of Sponsored Programs, assists in coordinating these audits. If an auditor contacts you directly, refer them to the Assistant Vice President, Accounting & Financial or the Controller.

Audit Letter

The audit agency notifies the University of an audit by letter. The letter should clearly define the scope of the audit and the date. Sufficient lead time is necessary in order to pull appropriate documents and schedule office space for the auditor.

Role of the Auditor

Auditors are not "The Bad Guys." Auditors provide the important function of keeping the system in balance and protecting the public. Auditors provide valuable feedback and advice to management for making improvements to the process and internal controls.

Role of Central Administration

Central administrators from Contracts and Grants Accounting and Financial Reporting serve in the role of host. They should be the single point of contact between the auditors and institutional staff, coordinating interviews, monitoring the flow of information, and ensuring that the auditors have appropriate space and equipment.

The central administrators monitor the audit to ensure that the audit is conducted within the rules of accepted audit practice and to ensure that the audit is conducted within the originally-defined scope. The Controller (in collaboration with the Senior Vice President for Research and Economic Development) shall have the final say in responding to the audit on behalf of the University.

The Audit Process

The auditor may conduct an "Entrance Conference" with the Principal Investigator, departmental administrator, and representatives from Contracts and Grants Accounting

and/or Financial Reporting. The purpose of the Entrance Conference is to define the scope of the audit and lay the ground rules for the audit.

The auditor will assess the competence and attitude of the University central administrators as well as the Principal Investigator and departmental business personnel. The auditor will also look at our internal control system (i.e., policies and procedures, and monitoring mechanisms). Based on this assessment, the auditor will determine to what extent he or she can rely on the University systems and the relative risk associated with the audit. In other words, if the University makes a good impression, the auditor will develop an audit plan, selecting transactions on a sample basis to verify that the system is working. If the University makes a bad impression, the auditor will have no choice but to "look at everything."

Auditors will discuss their "findings" with the central administrators. It is the job of central administration to know the regulations and defend the University if we are operating within the rules (and to concede if we are not).

Depending on the type of audit, the University may or may not have the opportunity to respond to the findings and may or may not receive a copy of the final audit report.

Audit Tips

- Do not make the auditors do your work; pull the records for the auditors.
- Do tell the truth and answer questions honestly and directly.
- Do not do the auditors' work for them; limit your response to the question being asked.
- Call a central administrator if you ever feel uncomfortable about the way an audit is being conducted.
- Do not tamper with or manufacture records. If you have no records, say so. This is not the time to create records.
- Be alert. Auditors may not know the regulations applicable to your project as well as you do.
- Auditors are people too. Kindness and respect go a long way.

QUICK CONTACT LIST

[Office of the Senior Vice President for Research and Economic Development \(OSVPRED\)](#)

[Electronic Research Administration](#)

[Office of Sponsored Programs \(OSP\)](#)

[Office of Research Integrity & Compliance \(ORIC\)](#)

[IPX](#)

[Office of Contracts and Grants Accounting \(CGA\)](#)

[Office of Research Security Compliance](#)

[Office of Proposal Services and Faculty Support](#)