Morgan State University Principal Investigator Handbook Part 5: Policies and Guidelines

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OFFICE OF RESEARCH ADMINISTRATION | morgan.edu/ora
DIVISION OF RESEARCH AND ECONOMIC DEVELOPMENT | MORGAN STATE UNIVERSITY

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This PI Handbook is for training and informational purposes only, and its content does not supersede any University policies or terms and conditions that govern the administration of the sponsored awards.

Please send any suggestions to ask.ora@morgan.edu.

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CONFLICTS OF INTEREST IN RESEARCH AND DEVELOPMENT

References: Replacement for Morgan State University Board of Regents Policy on Conflict of Interest for Faculty Interest in Sponsored Research and Economic Development *University of Maryland Procedures on Conflict of Interest and Conflict of Commitment, 11- 3.10(8); Maryland Annotated Code, Maryland Public Ethics Law, General Provisions Article §5-101 et seq., and Maryland Public-Private Partnership Act, §5-525 (Institutions of higher education.*

I. Introduction

Maryland law encourages public senior higher education institutions to promote economic development in the State and to increase their financial resources through arrangements with the private sector, including collaborative research and development, commercial application of institution-owned intellectual property, and provision of technical assistance. To facilitate these purposes, the Maryland Public Ethics Law allows for the exemption of Morgan State University ("University") personnel from some of that law's conflict of interest provisions. This policy establishes the essential elements of the procedures, to be adopted by the University, for obtaining such exemptions.
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II. Policy

A. A present or former official or employee of a unit of the University may have a relationship (as defined herein) with an entity engaged in research or development, or an entity having a direct interest in the outcome of research or development, which relationship would otherwise be prohibited by the conflict of interest provisions of the Ethics Law, if such relationship is disclosed and approved by the President in accordance with the University's faculty conflict of interest procedures developed pursuant to this Policy.

B. The President, or a Vice President or one holding a similar such position may have such a relationship only if the Board of Regents makes the following findings:

1) that participation by, and the financial interest or employment of, the official is necessary to the success of the research or development activity; and

2) that any conflict of interest can be managed consistent with the purposes of relevant provisions of the Public Ethics Law.

The Board shall promptly notify the State Ethics Commission in writing of any approval given under this paragraph. In the event that the Commission disagrees with any approval and provides notice to the Board within 30 days of the Commission's receipt of notice of the approval, the Board shall reexamine the matter. The Board shall adopt procedures for handling request for approval under this paragraph.

C. If the above conditions are not met, this Policy does not exempt a former or present official or employee from any of the provisions of the State Ethics Law.

D. Nothing in this Policy allows an exemption on the part of any official or employee of Morgan

State University from the provisions of §5-505 ("Gifts or honoraria") of the General Provisions Article. Further, an official or employee of the University may not (1) represent a party for contingent compensation in any matter before the Board of Regents or before the State's Board of Public Works, or (2) intentionally misuse his or her position with the University for personal gain or for the gain of another person.

E. The approval of a relationship under this policy does not relieve the official or employee from the obligation to comply with other University policies, including the University Policy on Professional Commitment of Faculty.

F. The President is encouraged to consult periodically with the Maryland Department of Commerce and with Federal agencies that regulate federally-funded research concerning the implementation of this policy.

III. Procedures

A. The University shall develop procedures based on the above policy and the purposes of the Maryland Public Ethics Law as stated at Section 5-102 of the General Provisions Article of the Maryland Annotated Code. The procedures shall be approved by the Office of the Attorney General and approved as to conformity with the Maryland Public-Private Partnership Act by the State Ethics Commission. The approved procedures shall be filed with the Office of the President and the Board of Regents.

B. Procedures shall:

1) Require timely disclosure of any relationship. The disclosure shall be filed with the State Ethics Commission, and maintained as a public record at the University.

2) Subject to paragraph (5), require review of all disclosed relationships by a designated official who shall determine what further information must be disclosed and what restrictions shall be imposed in order to manage, reduce, or eliminate any actual or potential conflict of interest. The designated official shall also determine whether or not the disclosed relationship represents a harmful interest, as defined herein. If so, approval shall not be granted.

3) Include guidelines to ensure that relationships do not improperly give an advantage to entities with which the relationships exist, lead to misuse of University students or employees for the benefit of such entities, or otherwise interfere with the duties and responsibilities of the official or employee maintaining the relationship.

4) Subject to paragraph (5), require that each relationship be approved or disapproved by the President, with such determination to be the final decision.

5) Require that any relationship maintained by the President or a Vice President, and by one holding any other position designated by the Board of Regents be approved by the Board of Regents.

IV. Reporting

Divisions shall submit to the President in a format determined by the President a quarterly report which shall include all approvals granted under this Policy. The Board of Regents shall report to the Governor, the Legislative Policy Committee of the General Assembly, and the State Ethics Commission, the number of approvals granted under this Policy and how this Policy and the procedures adopted pursuant to it have been implemented in the preceding year.

V. Definitions

A. "Harmful interest" means an interest which is found to be so influential as to impair impartiality in the conduct of the research, the interpretation of the results of the research, and/or the determination of research or other professional and employment priorities.

B. "Unit" as used in this policy means any constituent unit of the University (e.g. departments, schools, etc.), centers and institutes and any other unit of the University that the President shall designate.

C. “Relationship" means any interest, service, employment, gift, or other benefit or relationship with an entity that would be prohibited by Title 5, Subtitle 5 of the State's Public Ethics Law if not disclosed and approved pursuant to this Policy and procedures adopted pursuant to it. "Relationship" includes any relationship of the spouse or other relative of an officer or employee if such relationship creates restrictions on the officer or employee under the conflict of interest provisions of the Ethics Law.

D. "Research or development" means basic or applied research or development, and includes the development or marketing of university-owned technology, the acquisition of services of an official or employee by an entity for research and development purposes, or participation in State economic development programs.

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MISCONDUCT IN ACADEMIC RESEARCH

1.0 INTRODUCTION

Scholarly integrity is the responsibility of the entire academic community. All members of the university community – students, staff, faculty and administrators – share responsibility for developing and maintaining standards to promote honesty, accuracy, and objectivity in scholarly work and for reporting abuse of these standards. Misconduct in carrying out academic activities undermines the integrity of the educational system and scholarly enterprise, and erodes the public trust in the university community. The responsibility to prevent and report misconduct, however, should not create an atmosphere that discourages the openness and creativity that are vital to scholarship.

Institutions that apply for or receive federal funds for research are required by law to share responsibility for the integrity of the research process (e.g., Public Health Service Policies on Research Misconduct, 42 CFR Part 93). Morgan State University ("Morgan" or "University") voluntarily applies the common federal standards for integrity in research to all University scholarship regardless of funding source. Both the University and its personnel have a duty to ensure the integrity of research and research training by assuming primary responsibility for responding to allegations of Scholarly Misconduct.

2.0 STATEMENT OF POLICY

It is the policy of Morgan State University to:

a. Maintain high standards of honesty, accuracy and objectivity in science and other scholarly and creative works, to prevent research misconduct where possible, and to evaluate and to resolve promptly and fairly instances of alleged or apparent Research Misconduct.

b. Take appropriate remedial and disciplinary action in response to findings of Research Misconduct.

2.1. Applicability.

This policy applies to scholarly work, which includes research and other creative activity, research training, applications and proposals, and related activity containing a research component, performed at the University by any person, including, faculty, staff, students, visitors and others; or performed with the use of University resources; or performed elsewhere, by a person acting under the auspices of the University.

This policy does not apply to various types of professional and/or instructional misconduct, including misconduct related to the individual's role as an instructor or administrator, or misrepresentations for personal or professional advancement. These types of misconduct may be addressed in separate University processes or policy.

Allegations of Scholarly Misconduct, whether the scholarly work is sponsored or not, will be reviewed using this policy, subject to the limitations below:

A. This policy does not supersede other University policies and procedures, such as those addressing authorship disputes, suspected fiscal irregularity, conflict of interest, and unethical conduct of research involving human or animal subjects. Should violations of other University policies be found during the review of a Scholarly Misconduct Allegation, the Research Integrity

Officer (RIO) will make referrals to the appropriate office or officer and work to coordinate any concurrent or successive investigations.

B. If an Allegation of Scholarly Misconduct involves a student, the RIO, in consultation with the Vice President of Student Affairs will determine whether this policy, the *Code of Student Conduct* will apply. Allegations of misconduct by students in academic exercises, such as examinations and course requirements, are generally handled pursuant to the University's *Code of Student Conduct*.

C. All other instances of research misconduct, whether the research is sponsored or not, will follow this policy.

2.2. Limitation of Actions.

An Allegation may be reviewed by the University under this policy no matter where or when the Scholarly Misconduct allegedly occurred.

2.3. Definitions.

"Abuse of Confidentiality/Misappropriation of Ideas" means the improper use or appropriation of information obtained from scholarly exchanges and other types of confidential access, such as from review of grant applications or manuscripts; service on peer review panels, editorial boards, or University committees; and information obtained from publishers, foundations, and organizations that run conferences or engage in other scholarly activities.

"Allegation" means a disclosure of possible Scholarly Misconduct by a Respondent to the RIO by any means of communication. An Allegation should include sufficient detail, and supporting evidence, if available, to permit a Preliminary Assessment by the RIO under this policy.

"Bad Faith" means a material and demonstrable failure to meet the standards for Good Faith set forth herein as a Complainant, a witness, an Inquiry Committee member, an Investigation Committee member, the Responsible Administrator, the Designated Officer, or the RIO. The context in which actions have occurred is a relevant and important factor to be taken into account in determining whether an individual has acted in Bad Faith.

"Complainant" means a person who makes an Allegation. A Complainant need not be affiliated with the University.

"Complaint" means a formal, written communication to the RIO that contains an Allegation of Scholarly Misconduct.

"Conflict of Interest" means any personal, professional, or financial relationship that influences or reasonably would be perceived to influence the impartial performance of a duty assigned under this policy or as may be defined by any applicable University Policy or as defined under Maryland state law, including but not limited to, Annotated Code of Maryland, General Provisions Article, Title 5.

"Counsel" means lay or legal counsel secured by a Complainant or Respondent to serve as an advisor during the Misconduct Proceedings, at the party's own initiation and expense. Counsel may provide advice and consultation to the party. If necessary, a party may request a recess during the proceedings in order to speak privately with Counsel. Counsel may not be an active participant; Counsel may not

speak for the parties in person or in writing, serve as a witness, provide information or documentation in the case, cause delay, communicate on behalf of the party, or otherwise interfere with the process.

"Creative Activities" means the preparation or creation of computer programs, websites, motion pictures, sound recordings, projects for competitions, and literary, pictorial, musical, dramatic, audiovisual, choreographic, sculptural, architectural, and graphic works of any kind by (1) a faculty member or other employee of the University as part of their non-instructional scholarly activities, or (2) a student in fulfillment of any independent study requirement at the University whose product is intended to be an original scholarly or creative work of potentially publishable quality (including, but not limited to, a master's or doctoral thesis).

"Deliberate Material Failure to Comply with Federal, State, or University Requirements Affecting Research" means violations involving the use of funds or resources; data management; care of animals; human subjects; investigational drugs; recombinant products; new devices; radioactive, biologic or chemical materials; or the health and safety of individuals or the environment.

"Deliberate Misrepresentation of Qualifications" means misrepresentation of experience or research accomplishments to advance a research program or to obtain external funding.

"Evidence" means any document, tangible item, or testimony that is received, or that may be offered, during a Misconduct Proceeding to prove or disprove the existence of a fact relevant to the Allegation at issue in that Misconduct Proceeding. Depending on the Allegation, Evidence could include, but is not limited to:

- proposals, grant applications, and comments thereon;
- relevant Research data and related records;
- laboratory notebooks and computer files;
- telephone logs and memos of calls;
- correspondence and electronic communications; and
- manuscripts, posters, publications, and recordings of oral presentations and interviews.

"Fabrication" means intentionally generating Research data or results that are fictitious in some regard, and recording or reporting these data or results as being genuine.

"Falsification" means manipulating Research materials, equipment, or processes, or changing or omitting Research data or results in a way that deviates from common practice in the field, such that Research purposely is not accurately represented in the Research Record.

"Good Faith" means having a belief in the truth of one's Allegation or testimony that a reasonable person in the individual's position could have based on the information known to the individual at the time. An Allegation or cooperation with a Misconduct Proceeding is not in Good Faith if made or done with a knowing or reckless disregard for information that would negate the Allegation or testimony.

"Improprieties of Authorship" means the improper assignment of credit that is not in accordance with accepted standards in the relevant discipline, such as inclusion of individuals as authors who have not made a substantial contribution to the published work, exclusion of individuals as authors who have made a substantial contribution to the published work, or submission of multi-authored publications without the concurrence of all authors.

"Inquiry" means preliminary information gathering and initial fact-finding to determine whether an

Allegation warrants an Investigation.

"Inquiry Committee" means a group of at least three (3) persons appointed by the RIO to conduct an Inquiry.

"Investigation" means the formal, thorough examination and evaluation of all facts relevant to an Allegation to determine if Scholarly Misconduct occurred and to assess its extent, gravity, and actual and potential consequences.

"Investigation Committee" means a group of at least five (5) persons appointed by the RIO to conduct an Investigation.

"Misappropriation of Funds or Resources" means the misuse of funds or resources intended to support research activities identified in the context of a Scholarly Misconduct investigation.

"Misconduct Proceeding" means any proceeding under this policy related to the review of an Allegation of Scholarly Misconduct, including Preliminary Assessments, Inquiries, Investigations, and internal appeals.

"Misconduct Proceeding Records" means: (1) evidence secured for any Misconduct Proceeding; (2) a record of the RIO's review of other documents, tangible items, and testimony received or secured by the RIO in connection with that Misconduct Proceeding but determined by the RIO to be irrelevant to the Allegation at issue in the Misconduct Proceeding or to duplicate Evidence that has been retained; (3) the Preliminary Assessment report or referral and final (not draft) documents produced in the course of preparing that report or referral, including any other documentation of a decision that an Inquiry is not warranted; (4) the Inquiry report and final (not draft) documents produced in the course of preparing that report, including any other documentation of a decision that an Investigation is not warranted; (5) the Investigation report and all records (other than drafts of the Investigation report) in support of that report, including the transcripts of each interview or hearing conducted during an Investigation; and (6) the complete record of an internal appeal (see Section IX below) from a finding of Scholarly Misconduct.

"Plagiarism" means the representation of another person's ideas, processes, results, words, images, or other creative works as one's own without giving appropriate credit.

"Preliminary Assessment" means initial information gathering to determine whether there is sufficient credible Evidence to support further review of an Allegation and whether the Respondent's alleged conduct could constitute Scholarly Misconduct or Unacceptable Research Practices.

"Preponderance of the Evidence" means that based on the totality of the Evidence, it is more likely than not that a violation of this policy occurred.

"Questionable Research Practices" means practices that do not constitute Scholarly Misconduct or Unacceptable Research Practices but that require attention because they may erode confidence in the integrity of the Research or Creative Activities.

"Research" means formal investigation conducted for the purpose of producing or contributing to generalizable knowledge, and the reporting thereof, by (1) a faculty member or other employee of the University as part of their non-instructional scholarly activities, or (2) a student in fulfillment of any independent study requirement at the University whose product is intended to be an original scholarly or creative work of potentially publishable quality (including, but not limited to, a master's or doctoral thesis).

"Research Record" means the record of data or results from scholarly inquiry, including, but not limited to, research proposals, laboratory records (in any format), progress reports, abstracts, theses, oral

presentations, internal reports, journal articles, books, other publications of any kind in any media, and any material in any media necessary to support the content of any such document, presentation, or publication.

"Respondent" means a person who is the subject of an Allegation. A Respondent must be an employee of the University or a student at the University, or must have been an employee or a student at the time the Scholarly Misconduct allegedly occurred.

"Responsible Administrator" means the unit administrator who has most immediate responsibility for the Respondent and who is not disqualified from serving as Responsible Administrator by a Conflict of Interest. The RIO shall identify the Responsible Administrator. If the Responsible Administrator is a dean or other higher-level administrator, the Responsible Administrator may designate a subordinate to act as Responsible Administrator. If the Respondent is a student, the Responsible Administrator shall be the chairperson or appropriate unit head of the department or program with which the student is affiliated. If an Allegation involves multiple Respondents, the RIO shall identify an appropriate individual or individuals to serve as the Responsible Administrator or Administrators.

"Retaliation" means an adverse action taken against an individual who has, in Good Faith, participated in a Misconduct Proceeding (as Complainant, witness, Inquiry Committee member, Investigation Committee member, Counsel, Responsible Administrator, Designated Officer, or RIO) or otherwise cooperated in the review of an Allegation under this policy, where there is a clear causal link between the participation or cooperation and the adverse action. The context in which an adverse action has occurred, including its materiality, is a relevant and important factor to be taken into account in determining whether it constitutes Retaliation.

"RIO" means the University's Research Integrity Officer. The Designated Officer will appoint the RIO.

"Scholarly Misconduct" means Fabrication, Falsification, Plagiarism, or any other practice that seriously deviates from practices commonly accepted in the discipline or in the academic and research communities. Scholarly Misconduct may take many forms, including, but not limited to, Improprieties of Authorship; Abuse of Confidentiality/Misappropriation of Ideas; Deliberate Misrepresentation of Qualifications; Deliberate Material Failure to Comply with Federal, State, or University Requirements Affecting Research; and Violation of Generally Accepted Research Practices. Other common terms such as research fraud, scientific misconduct, or research misconduct are subsumed within Scholarly Misconduct for the purposes of this policy. Scholarly Misconduct does not include appropriative practices in the Creative Arts insofar as they accord with accepted standards in the relevant discipline. Scholarly Misconduct does not include unintentional error or differences in the interpretation or judgment of Research data or results that can be reasonably substantiated by the data or results.

"Self-Plagiarism" means the representation of the same materials as original in more than one publication. Self-Plagiarism can include reuse of one's own words, images, data, or other products of Research without appropriate attribution and/or, in the case in which copyright is held by another person or organization, without receiving appropriate permission. When not in accordance with accepted standards in the relevant discipline, Self-Plagiarism may constitute Scholarly Misconduct.

"Unacceptable Research Practices" means practices that do not constitute Scholarly Misconduct but that violate applicable laws, regulations, or other governmental requirements, or University rules or policies, of which the Respondent had received notice or of which the Respondent reasonably should have been aware, for proposing, performing, reviewing, or reporting Research or Creative Activities.

"Vice President for the Division of Research and Economic Development" or "VPRED" means the University official responsible for implementing and overseeing this policy consistent with applicable laws.

3.0 GENERAL

3.1 Anonymous Allegations.

The University shall review anonymous Allegations under this policy.

3.2 Confidentiality.

A. Limited Disclosure of Allegation/Misconduct Proceedings. To the extent possible consistent with a fair and thorough review of an Allegation, disclosure of an Allegation and the resulting Misconduct Proceedings should be limited to those who need to know about them. In amplification, and not in limitation, of the foregoing:

(i) except as otherwise permitted or required by this policy, or as required by law, members of Inquiry Committees and Investigation Committees, the Responsible Administrator, the VPRED, the RIO, and University administrators involved in the review of an Allegation under this policy shall make diligent efforts to preserve the confidentiality of the Allegation and resulting Misconduct Proceedings out of respect for the privacy of those involved, especially the Respondent; and

(ii) if an Allegation results in an Investigation, the RIO may confidentially advise any person or entity that has plans to publish or disseminate the results of the Research or Creative Activities to which the Allegation relates of the pending Investigation.

B. Complainant Identity. The University shall make diligent efforts to honor the request of any Complainant that their identity be kept confidential during the University's review of the Allegation under this policy.

C. Breaches of Confidentiality. The RIO shall be informed immediately of breaches of confidentiality. The RIO will investigate the breach of confidentiality and refer the matter to the appropriate unit administrator for review and such further action, if any, as the unit administrator may deem appropriate.

3.3 Role of Counsel.

The Complainant or Respondent may be accompanied by Counsel of their choice when interviewed in the course of any Misconduct Proceedings. Complainant's and Respondent's counsel may provide advice during a Misconduct Proceeding, but may not speak for the parties in person or in writing, serve as a witness, provide information or documentation in the case, cause delay, communicate on behalf of the party, or otherwise interfere with the process.

The University including the RIO, the Responsible Administrators, the VPRED, or others acting on the University's behalf in the investigatory process may consult with the University's Office of the General Counsel on procedural matters at any stage of the proceedings. The Office of General Counsel, when so requested, shall provide legal advice regarding the implementation of this policy and other aspects of the University's review of an Allegation under this policy.

3.4 Notice.

Any notice or other document issued pursuant to this policy shall be in writing and shall include an explanation of any decision or opinion stated therein. The RIO shall provide the Respondent copies of all such documents in a timely manner.

3.5 Interpretation.

A. **Time Periods**. Unless otherwise specified in this policy:

(1) the failure to exercise any right granted under this policy within the stated time period shall constitute a waiver of that right;

(2) references to days in this policy shall mean calendar days unless stated otherwise; and

(3) the VPRED may extend timelines and deadlines specified in the policy for good cause, through written notice to all parties.

B. **Plural Usage**. The text of this policy generally assumes a single Complainant, Respondent, witness, and Allegation. Where there are multiple Complainants, Respondents, witnesses, or Allegations, this policy shall be construed accordingly.

3.6 Objections.

A. Both the Respondent and the Complainant may challenge the RIO's appointment of an Inquiry Committee member or an Investigation Committee member, but only on the basis of asserted Conflict of Interest on the part of the Inquiry Committee member or Investigation Committee member.

A Respondent or Complainant who wishes to file a challenge must do so in writing to the RIO, with accompanying rationale, within five (5) days of receiving notice of the membership of the committee. The RIO is expected to respond to the challenge in writing within five (5) days, either accepting it and taking appropriate action, or rejecting it for stated cause.

B. **Other Objections and Complaints**. If the Complainant or Respondent objects to any decision, procedural or substantive, made during the current or any previous Misconduct Proceeding in the review of the Allegation, they may raise that objection:

(1) with the RIO during the Preliminary Assessment;

(2) with the Inquiry Committee during the Inquiry;

(3) with the Investigation Committee during the Investigation; and

(4) with the Provost during an internal appeal under Section 10.0 below.

3.7 Limitations. Final procedural and substantive determinations made under this policy by the RIO, the VPRED, a Responsible Administrator, an Inquiry Committee, an Investigation Committee, or the Provost cannot be challenged or overturned under any other University policy or procedure.

4.0 RESPONSIBILITIES

4.1 The Research Integrity Officer. The RIO will have primary responsibility for coordinating implementation of this policy and shall be responsible for its fair and impartial administration. The RIO is responsible for assessing Allegations, determining when such Allegations warrant Inquiries, and for overseeing Inquiries and Investigations. The RIO shall serve as an advisor to the Inquiry and Investigation Committees, if requested provide logistical support, recruit expert witnesses, and will assist members of the University community in complying with this policy; and when the Allegation involves Research or Creative Activities supported by a federal funding source, the RIO shall see that the University meets all legal requirements to apprise it of the status of an Inquiry or an Investigation into the Allegation. The RIO will ensure that all reporting requirements are met. The RIO is responsible for maintaining files of all documents and Evidence and for the confidentiality and security of the files. The responsibilities assigned to the RIO shall be deemed to constitute rights of the Respondent or Complainant.

If, at any stage of this policy, the RIO obtains reasonable information about

(1) a possible criminal violation;

(2) an immediate health hazard or other imminent risk of danger to public health or safety or to experimental subjects;

(3) the need to take immediate action to protect the funds or equipment of any governmental or other sponsor of Research or Creative Activities, or to assure compliance with the terms of a contract sponsoring Research or Creative Activities;

(4) the need to take immediate action to protect any Complainant, Respondent, witness, member of an Inquiry Committee or an Investigation Committee, or other person involved in any Misconduct Proceeding;

(5) the need to take immediate action to prevent the loss, destruction, or adulteration of any Evidence;

(6) the need to take immediate action to prevent or stop an imminent or continuing violation of an applicable law, regulation, or other governmental requirement or of a University rule or policy; or

(7) the probable public disclosure of an Allegation or any Misconduct Proceeding;

then the following shall occur:

The RIO shall immediately notify the VPRED, the Office of General Counsel, and, if appropriate, the pertinent government official or sponsor of the Research or Creative Activities, and, following consultation with the Office of General Counsel, the RIO shall promptly make recommendations to the VPRED as to responsive actions.

Notwithstanding any other provision of this policy, appropriate University administrators shall have authority to take any actions they deem necessary or appropriate to safeguard University personnel, other participants in any Misconduct Proceeding, public health or safety, experimental subjects, sponsors' funds or equipment, Evidence, or the integrity of the research environment. That any such action is taken shall not be deemed to predetermine any finding or conclusion from the University's review of an Allegation under this policy, but any information arising from any such action may constitute Evidence.

4.2 Other Participants In The Process.

All members of the University community shall cooperate in the review of Allegations under this policy (for example, by providing documents, materials, and testimony, if requested to do so by the RIO).

4.3 Other Internal or External Proceedings.

The conduct which forms the basis for an Allegation may also involve possible violation of other University policies or the policies of other institutions, and of external laws and regulations, and may occasion other internal or external adjudicatory proceedings. The following shall govern the handling and sequencing of such proceedings:

A. Other Institution's Review. Another educational or research institution may have the right to review the same Allegation (or a related Allegation) against the same Respondent. In such an event, the RIO shall consult with their counterpart at the other institution to determine whether the University or the other institution is best able to review the Allegation. If the RIO determines that the other institution is best able to review the Allegation, the RIO shall so advise the VPRED, who has authority to stay or terminate the University's review of the Allegation based on the review conducted at the other institution, as set forth in Section 4.3(F) and Section 5.4 below. The University and the other institution may also agree to conduct a joint review of the Allegation.

B. Research Collaborator. In the event of an Allegation involving Research or Creative Activities undertaken by a Respondent in collaboration with a colleague at another educational or research institution, the RIO shall advise their counterpart at the other institution confidentially of the Allegation, and ascertain if a similar allegation has been made against the collaborator. If it has, the University, through the RIO, may attempt to cooperate and share information confidentially with the other institution in their respective reviews of the Allegation and of the related allegation involving the collaborator. The University and the other institution may also agree to conduct a joint review of the Allegation and the related Allegation involving the collaborator.

C. Government Investigation. Certain federal funding sources have the option, at any stage in this policy, to initiate an independent investigation of an Allegation involving Research or Creative Activities supported by the funding source. In the event a federal funding source initiates such an investigation, the RIO shall consult the federal funding source regarding its investigation and shall advise the VPRED whether the University should suspend its review of the Allegation during the federal funding source's investigation, which the VPRED shall have authority to do, as set forth in Section 4.3(F) below.

D. Criminal Process. In general, University review of an Allegation under this policy may occur in parallel with criminal processes. If an Allegation is also the subject of a criminal investigation or proceeding and the pertinent governmental authority advises the University that the University's review of the Allegation under this policy may prejudice or interfere with that investigation or proceeding, the VPRED shall have authority to stay any Misconduct Proceeding until the criminal investigation or proceeding is complete.

E. Civil Litigation. The existence of civil litigation involving the University may necessitate staying a Misconduct Proceeding. The VPRED shall make such decisions on a case-by-case basis and promptly report them to the RIO.

F. VPRED Stay of Proceedings. The VPRED shall have authority to stay any Misconduct Proceeding if, following consultation with the Office of General Counsel and the RIO, the VPRED determines that other University procedures mandated by law must be completed prior to the University's further review of an Allegation under this policy. Such governmentally mandated procedures may involve various forms of regulatory action (for example, the removal or clean-up of radioactive or other hazardous materials).

G. Sequencing of Proceedings. Subject to Section 4.3(F) above and to the University's right to take interim action under any University policy or contract, review of an Allegation under this policy may proceed simultaneously with other internal University proceedings against a Respondent that relate to or arise out of the alleged Scholarly Misconduct.

5.0 PROCEDURES FOR CONDUCT OF MISCONDUCT PROCEEDINGS – GENERAL

5.1 Determination of Procedures.

Those charged with conducting a Misconduct Proceeding shall determine the procedures that will be followed, provided that:

(A) the procedures they adopt shall be those they deem best suited to achieve a fair and equitable review of the Allegation;

(B) the procedures they adopt shall reflect a spirit of mutual respect and collegiality, and may, therefore, be as informal as they deem appropriate under the circumstances;

(C) in Preliminary Assessments and Inquiries, testimony shall be obtained from witnesses through private interviews rather than through a hearing;

(D) in Investigations, the Investigation Committee may choose to obtain testimony from witnesses through a series of private interviews with witnesses, or at a hearing at which the Complainant and the Respondent shall be invited to be present, provided that the Respondent may, within five (5) days of receiving a notice that the Investigation Committee has decided to conduct private interviews, deliver a notice to the RIO requiring that a hearing be conducted instead of such interviews;

(E) at a hearing, the Respondent and the Complainant shall have the opportunity to raise questions for the Investigation Committee to pose to each witness about the testimony of that witness and the Allegation;

(F) may proceed even when a Complainant declines to appear to give testimony, if the Investigation Committee determines there is credible Evidence of possible Scholarly Misconduct by the Respondent to justify proceeding with the hearing apart from the Complainant's Allegation;

(G) the Respondent shall have the right to be advised by Counsel in all Misconduct Proceedings;

(H) the Complainant shall have the right to be advised by Counsel in all Misconduct Proceedings;

(I) in all Preliminary Assessments, Inquiries, and Investigations, the Respondent shall have the right to present Evidence and to identify persons who might have Evidence about the Allegation;

(J) formal rules of evidence shall not apply;

(K) the Complainant and the Respondent shall have the right to review documents, reports, and other Evidence submitted in support of their testimony, and the Complainant and the Respondent may provide or be asked to provide corrections of misrepresentations and errors, along with supporting documentation, and may supply additional documentation in response to the Evidence;

(L) each Misconduct Proceeding shall be conducted confidentially and in private except that, in the event of a hearing, the Investigation Committee may decide that it will be open if requested by the Respondent and if permissible under applicable regulations; and

(M) to the extent that a published regulation of a federal funding source requires a specific procedural element in the review and adjudication of an Allegation concerning a proposal to or an award from that federal funding source, that procedural element shall be included in the procedures adopted.

At the start of each Misconduct Proceeding, the RIO shall notify the Complainant and the Respondent of the procedures that will be followed during that Misconduct Proceeding.

5.2 General Counsel Advice. The Office of General Counsel shall, when so requested, provide legal advice regarding the implementation of this policy and other aspects of the University's review of an Allegation under this policy to the RIO, the VPRED, the Responsible Administrator, the Inquiry Committee, the Investigation Committee, the individual hearing an appeal, and the Provost.

5.3 Respondent Questions. The RIO shall contact the Respondent at the start of each Misconduct Proceeding and attempt to answer any questions about that Misconduct Proceeding.

5.4 Admission of Scholarly Misconduct. The VPRED shall have authority to terminate the University's review of any Allegation under the Procedures upon the admission by the Respondent that Scholarly Misconduct occurred and that the Respondent was responsible for it. The VPRED should consider whether the termination of the review of the Allegation would prejudice the University's review of another Allegation against that Respondent or against a different Respondent or the University's ability

to assess the extent and consequences of the Scholarly Misconduct and what action should be taken in response to it.

5.5 Records to Agency. When the alleged Scholarly Misconduct involves Research or Creative Activity supported by a federal funding source, the RIO shall make available to its authorized personnel any Misconduct Proceeding Records that such personnel request.

5.6 Additional Respondents. If, during the course of any Misconduct Proceeding, additional Respondents are identified, they shall be

(A) Notified immediately;

(B) Provided an opportunity to respond in writing to the notification within fourteen (14) days of receiving notice; and

(C) Incorporated into the ongoing investigation from the point of notification, unless the RIO otherwise determines that a separate investigation is warranted.

6.0 Allegations Of Scholarly Misconduct And Preliminary Assessments

6.1 Allegation of Scholarly Misconduct. Any member of the University community or other person who wishes to make an Allegation shall contact the RIO. All Allegations must be in writing and should state the nature of the suspected misconduct and present the evidence that leads the reporting individual to believe that an incident of Scholarly Misconduct has occurred, and shall be made to the RIO in one of the following ways:

i. Sealed envelope, marked confidential; or
ii. Electronically via DropBox.

6.2 Preliminary Assessment. Upon receiving an Allegation of Scholarly Misconduct, the RIO will assess the allegation to determine whether it is sufficiently credible and specific so that potential evidence of Scholarly Misconduct may be identified, whether external sponsors are involved, and whether the Allegation falls under the definitions of Scholarly Misconduct contained in this policy. The RIO shall endeavor to complete the Preliminary Assessment within fifteen (15) days of receiving an Allegation. The RIO shall notify the VPRED and the Office of General Counsel of receipt of the Allegation and the determination of the Preliminary Assessment.

6.3 Purpose and Nature of Preliminary Assessment. The Preliminary Assessment is a preliminary process whose purpose is to call out a clearly erroneous, unsubstantiated, or Bad Faith Allegation before the Respondent is subjected to an Inquiry or an Investigation. Hence, in conducting the Preliminary Assessment, the RIO is not obligated to conduct any interviews on the Allegation or to engage in an exhaustive review of all Evidence relevant to such an Allegation.

If the RIO determines that the Allegation does not raise questions of Scholarly Misconduct, does not warrant further action, is frivolous, or is more appropriately resolved by other deliberative procedures, the Complainant will be so notified. If the RIO determines that the matter is more appropriately resolved

by other deliberative procedures, the RIO should refer it to the appropriate person or process. If the Allegation is determined to be non-frivolous or is not more appropriately resolved by other deliberative procedures, an Inquiry shall be initiated. The RIO shall identify clearly and in writing the Allegation and any related issues that should be evaluated in the Inquiry.

6.4 Determination of Preliminary Assessment. The RIO shall determine if the Allegation rises to the level of a potential violation of the policy.

(A) **Standard for Determination**. The RIO shall determine that an Inquiry is warranted if, in their judgment, (1) the Respondent's alleged conduct could constitute Scholarly Misconduct or Unacceptable Research Practices, and (2) there is credible Evidence to support further review of the Allegation.

(B) If the RIO determines that an Inquiry is warranted, the RIO shall prepare a Preliminary Assessment referral, which explains the basis for the determination. The RIO shall transmit copies of the Preliminary Assessment referral to the Respondent and the VPRED, and concurrently in a separate transmittal, a copy of the Preliminary Assessment shall be provided to the Office of General Counsel. The RIO shall also notify the Complainant of the outcome of the Preliminary Assessment and provide the Complainant with a brief summary of the Preliminary Assessment referral.

The RIO shall provide the Respondent with an opportunity to respond to the Allegation in writing. The Respondent shall have fourteen (14) days from receipt of the Preliminary Assessment referral to submit a written response. The RIO will include the written response in the record for review by the Inquiry Committee.

After completing the Preliminary Assessment referral, the RIO shall immediately initiate an Inquiry.

(C) If the RIO determines that an Inquiry is not warranted, the RIO shall prepare a Preliminary Assessment report that states the basis and rationale for their determination. The RIO shall provide a copy of the Preliminary Assessment report to the Respondent, the Complainant, and the VPRED, and concurrently in a separate transmittal, a copy of the Preliminary Assessment shall be provided to the Office of General Counsel.

The RIO's determination that an Inquiry is not warranted shall normally conclude the University's review of that Allegation.

6.5 VPRED Overrule. If after reviewing the Preliminary Report, the VPRED determines that an Inquiry is warranted, the VPRED may issue a decision to the RIO and the Respondent, with a copy provided to the Office of General Counsel concurrently and in a separate transmittal, overruling the RIO's determination for stated cause and instructing the RIO to initiate an Inquiry immediately. Upon receiving the decision of the VPRED, the RIO shall initiate an Inquiry.

6.6 Bad Faith. If the RIO concludes that the Complainant acted in Bad Faith in making the Allegation, or that the Complainant or any witness acted in Bad Faith during the Preliminary Assessment, the RIO shall refer the matter for administrative review and appropriate action as set forth in Section 13(A)(1) below.

7.0 THE INQUIRY

The Inquiry is a preliminary process with the purpose of determining whether there is sufficient credible evidence of possible Scholarly Misconduct to warrant conducting an Investigation. Although it is expected that the Inquiry will be more comprehensive than the Preliminary Assessment, the Inquiry Committee, like the RIO, is not obligated to conduct any interviews or hearings on the Allegation or to engage in an exhaustive review of all Evidence relevant to the Allegation. When a majority of the members of the Inquiry Committee conclude that an Allegation warrants an Investigation, the Inquiry Committee shall proceed to draft the Inquiry report.

A. Appointment of Inquiry Committee. The Inquiry shall be carried out by a committee of no fewer than 3 (three) persons appointed by the VPRED, with input of the RIO. The VPRED shall promptly and normally within thirty (30) working days of the determination that an Inquiry should be initiated, appoint an Inquiry Committee. Prior to the appointment of the Inquiry Committee, each party shall be given an opportunity to challenge potential members, as outlined in Section 3.6. Members of the Inquiry Committee shall have no Conflicts of Interest with the Respondent or any individuals involved with the Inquiry, shall be unbiased, and shall, together, possess sufficient expertise to enable the Committee to conduct the Inquiry and to evaluate the evidence and issues related to the Allegations. Appointees are expected to notify the RIO of any known Conflicts of Interest or of an inability to render unbiased judgement. While Inquiry Committees will usually be composed of University faculty, they may also include persons other than University faculty when the VPRED determines that such persons have experience or expertise useful to the Inquiry. The Inquiry Committee shall select one of its members to act as its chairperson.

B. Charge to the Inquiry Committee. The RIO shall convene the first meeting of the Inquiry Committee, review the Allegations, and describe appropriate procedures for conducting an Inquiry. The Inquiry Committee may consult with the RIO as necessary during the course of the Inquiry. The RIO shall not participate in the deliberations of the Inquiry Committee or vote on whether an Investigation is warranted, and the Inquiry Committee shall not seek the RIO's opinion on whether an Investigation is warranted.

If issues of Scholarly Misconduct that fall outside of the charge of the Inquiry Committee arise during the course of the Inquiry, the Inquiry Committee shall so inform the RIO, including in its communication the evidence on which its concerns are based. The RIO, in consultation with the Responsible Administrator, will consider the issues raised and, if warranted, amend the Allegations accordingly. The Respondent and Complainant shall receive appropriate notification of any such amendments.

D. Standard for Determination. The Inquiry Committee shall conduct the Inquiry to determine whether an Investigation is warranted. The Inquiry Committee shall determine that an Investigation is warranted if, in its judgment, an Investigation Committee could reasonably conclude that Scholarly Misconduct occurred. To so determine, the Inquiry Committee must find that the Respondent's alleged conduct could constitute Scholarly Misconduct and that there is credible Evidence to support further review of the Allegation, but must also find that there is sufficient credible Evidence and credible Evidence of such merit that an Investigation Committee could reasonably conclude, in accordance with the criteria in Section 8.1(D) below, that Scholarly Misconduct occurred.

E. Provision of Documents and Assistance. The Inquiry Committee shall have the authority to

require submission to it of any documents or materials it deems necessary to the conduct of the Inquiry. The RIO shall secure for the Inquiry Committee such special scientific or technical assistance as it requests to evaluate an Allegation.

F. Timing. Every effort shall be made to complete the Inquiry within sixty (60) days of its inception unless circumstances warrant a longer period. Extensions of time must be approved by the VPRED and the reason for the extensions must be documented in the Inquiry report. The Respondent shall be notified of any extensions of time. Commencement of the Inquiry is defined as the first meeting of the Inquiry Committee convened by the RIO.

G. The Inquiry Report. The Inquiry Committee shall document its findings in a report. Where it finds that an Investigation is not warranted, the report shall be comprehensive and shall include a detailed summary of why the Respondent's alleged conduct would not, under the definitions in this policy, constitute Scholarly Misconduct, or why the available Evidence is insufficient, or lacks sufficient credibility or merit, to warrant an Investigation.

If the report recommends that an Investigation be conducted, the report may be summary in nature, provided the Inquiry Committee sets forth the Evidence that supports its determination in sufficient detail for the Respondent and an Investigation Committee to understand the basis for the Inquiry Committee's decision.

The draft Inquiry report shall be distributed to the Respondent, the RIO, and the VPRED. The RIO may establish reasonable conditions for review to protect the confidentiality of the draft report. The Respondent may submit written comments regarding the facts and findings to the RIO within seven (7) days of receipt of the draft Inquiry report. If the Respondent submits comments on the draft Inquiry report within the timeframe set forth, the Inquiry Committee may consider such comments and make any changes in the Inquiry report it deems appropriate in light of such comments. The Respondent's comments will be attached as an appendix to the final Inquiry report. After making any changes it deems appropriate in the draft Inquiry report in light of the Respondent's comments, the Inquiry Committee shall prepare a final Inquiry Report.

H. Disposition of the Case Following an Inquiry.

(1) **Initiation of Investigation.** If the Inquiry Committee determines that an Allegation warrants an Investigation, the RIO shall initiate an Investigation.

(2) **VPRED Overrule - Initiation of Investigation.** If the Inquiry Committee determines that an Investigation is not warranted, the VPRED may, within fourteen (14) days of receiving the final Inquiry report, issue a decision to the RIO and the Respondent overruling the Inquiry Committee for stated cause and instructing the RIO to initiate an Investigation immediately. Upon receiving the decision of the VPRED, the RIO shall initiate an Investigation.

(3) **No Investigation.** If the Inquiry Committee determines that an Investigation is not warranted and the VPRED does not overrule the determination of the Inquiry Committee, the determination of the Inquiry Committee will conclude the University's review of that Allegation, except as provided in Section 12.0 below.

(4) **Dissent.** Any member of the Inquiry Committee who does not agree with the determination of the majority of the Inquiry Committee may file a dissent to the Inquiry report.

(5) **Bad Faith.** If the Inquiry Committee concludes that the Complainant acted in Bad Faith in making the Allegation, or that the Complainant or any witness acted in Bad Faith during the Inquiry, the Inquiry Committee shall refer the matter for administrative review and appropriate action, as set forth in Section 13(A)(1) below.

I. Notification. Promptly after completion of the Inquiry, the RIO shall notify the Complainant of its outcome and provide the Complainant with a brief summary of the Inquiry report and the opinion of the VPRED, if one was issued.

8.0 THE INVESTIGATION

The purpose of an Investigation is to determine whether the alleged Scholarly Misconduct occurred and, if so, to recommend appropriate actions.

8.1

A. Appointment of Investigation Committee. The Investigation shall be conducted by an Investigation Committee of no fewer than five (5) persons appointed by the VPRED in consultation with input of the RIO. The VPRED shall make every effort to appoint the Investigation Committee within thirty (30) working days of the Inquiry Committee's determination or the VPRED's decision that an Investigation is warranted. Members of the Investigation Committee shall have no Conflicts of Interest with the Respondent or anyone involved with the Investigation, shall be unbiased, and shall have the necessary expertise to enable them to evaluate authoritatively the relevant evidence of the alleged Scholarly Misconduct and to conduct the Investigation. Investigation Committee members must not have been involved in the prior processes and must have no intimate knowledge of the case. Appointees are expected to notify the VPRED of any known Conflict of Interest or of an inability to render unbiased judgement. Prior to the appointment of the Investigation Committee, each party shall be given an opportunity to challenge potential members, as outlined in Section 3.6. While the Investigation Committee will usually be composed of University faculty, they may also include persons other than University faculty when the VPRED determines that such persons have experience or expertise useful to the Investigation. The Investigation Committee shall select one of its members to act as its chairperson.

B. Notification of Initiation of Investigation. The RIO will notify the VPRED and the Office of General Counsel that an Investigation has been initiated. The RIO also will notify the Respondent and the Complainant in writing that an Investigation will take place and remind them of their obligation to cooperate in the conduct of the Investigation. When the alleged Scholarly Misconduct involves Research or Creative Activities supported by an external (non-University) funding source, the RIO will notify the source of the funding of the Investigation before the start of the Investigation. Such notification shall include the name of the Respondent, the general nature of the Allegation, and the relevant grant application, grant number, or other identification, if applicable. The RIO shall immediately secure any additional pertinent Research Records or materials that were not previously sequestered during the Inquiry.

C. Charge to Investigation Committee. The RIO shall draft a Charge to the Investigation Committee

based on the Inquiry report and the opinion of the VPRED, if one was issued. The RIO shall submit a copy of that Charge, the Preliminary Assessment referral, the Inquiry report, and the overruling decision of the VPRED, if one was issued, to the Investigation Committee and the Respondent at the beginning of the Investigation.

D. Standard for Determination. The Investigation Committee shall determine if Scholarly Misconduct occurred, if the Respondent was responsible for it, and the extent, gravity, and actual and potential consequences of the Scholarly Misconduct. To conclude that Scholarly Misconduct occurred, a majority of the members of the Investigation Committee must find:

(1) that there was a significant departure from accepted practices of the relevant research community; and

(2) that the Scholarly Misconduct was committed intentionally, knowingly, or recklessly; and

(3) that the Allegation was proven by a Preponderance of the Evidence.

E. Timing. The Investigation Committee shall use its best efforts to complete the Investigation within one hundred and twenty (120) calendar days of its inception.

(1) Extensions of time must be approved by the VPRED and the reason for the extensions must be documented in the Investigation report. The Respondent shall be notified of any extensions of time.

(2) If the Investigation is stayed and the alleged Scholarly Misconduct involves Research or Creative Activities supported by a federal funding source, the RIO shall promptly inform it of the date and expected duration of the stay, and of the reason for staying the Investigation.

F. Investigation Process. In accordance with Section 5.1(D) of this policy, the Investigation may be conducted through private interviews or, at the option of either the Investigation Committee or the Respondent, at a hearing with the Complainant, Respondent, and other persons, if any, who have material information regarding the Allegation.

If the Investigation Committee decides that it needs special scientific or technical expertise to evaluate an Allegation, it shall so advise the RIO, who shall secure for the Investigation Committee the assistance that it requests.

The RIO shall not participate in the deliberations of the Investigation Committee or vote on whether Scholarly Misconduct occurred. The Investigation Committee may request the assistance of the RIO during its deliberations and in the preparation of the Investigation report, but shall not seek the RIO's opinion as to whether Scholarly Misconduct occurred.

1. Evidence Review. The Investigation Committee shall examine all Evidence that it deems pertinent to the Allegation. At its discretion, the Investigation Committee may also inspect laboratories and examine laboratory specimens, materials, procedures, and methods. The Respondent will be provided copies of, or supervised access to, all Evidence made available to

the Investigation Committee.

2. Record of Interviews; Transcripts. The RIO shall arrange for the preparation of a transcript of each witness's interview or hearing testimony, and a copy of each interviewee's transcript shall be provided to the interviewee for his or her review to identify any errors in transcription. The witness shall have seven (7) days after receipt of the transcript to deliver comments on, and corrections of any errors in, the transcript to the RIO. Chair shall be notified by the RIO of any changes within five (5) days. The transcript and changes requested by the interviewee shall be made a part of the Misconduct Proceeding Records. The original record shall be kept on file in the Office of the VPRED.

3. Contents of Notification to Respondent in Case of Hearing. The Investigation Committee chair shall notify the Respondent concerning the following regarding hearings:

a. The date, time, and place of an Investigation hearing, which shall not be earlier than fifteen (15) working days after the date of notice.
b. That the hearing will be closed to the public.
c. That the Respondent may attend the presentation of Evidence at the hearing, but not the Investigation Committee's deliberations.

4. Investigation Committee's Report. The Investigation Committee shall prepare a written Investigation Report. The Investigation Committee's report shall specify the Allegations, summarize the Evidence reviewed and relevant information provided by persons interviewed by the Investigation Committee, and an analysis of each Allegation pursuant to the standards set forth in Section 8.1(D) of this policy, and state the conclusions reached and the evidence on which it reached those conclusions. It should make explicit findings of fact with respect to each Allegation and list the evidence relevant to that finding.

5. Review of Investigation Committee's Report. Upon its completion, the Committee's draft Investigation report shall be forwarded to the Respondent for review and comment. The RIO may establish reasonable conditions for review to protect the confidentiality of the report. The Respondent may submit written comments regarding the facts and findings to the Investigation Committee chair within fifteen (15) working days of receipt of the draft Investigation Report. If the Respondent comments on the draft Investigation report, the Investigation Committee shall consider such comments and make any changes in the Investigation report it deems appropriate in light of such comments. The Respondent's comments shall be included as an appendix to the final Investigation report.

After making any changes it deems appropriate in the draft Investigation report in light of the Respondent's comments, the Investigation Committee shall prepare a final Inquiry Report.

6. Disposition of the Case Following an Inquiry.

A. **Scholarly Misconduct Finding**. If the Investigation Committee finds that Scholarly Misconduct occurred, the Investigation report must include:

(1) the Investigation Committee's determination that:

(a) there was a significant departure from accepted practices of the relevant research community; and

(b) the Scholarly Misconduct was committed intentionally, knowingly, or recklessly; and

(c) the Allegation was proven by a Preponderance of the Evidence**.**

(2) a determination whether any part of the Research Record needs correction or retraction as a result of the finding of Scholarly Misconduct, and, if so, an explanation of that correction or retraction.

B. **No Scholarly Misconduct Foun**d. If the Investigation Committee does not find that Scholarly Misconduct occurred, it shall explain the reasons for its decision in the Investigation report, with specific reference to the pertinent criteria set forth in Section 8.1(D) above.

C. **Dissent.** Any member of the Investigation Committee who does not agree with the determination of the majority of the Investigation Committee may file a dissent to the Investigation report.

D. **Bad Faith.** If the Investigation Committee concludes that the Complainant acted in Bad Faith in making the Allegation, or that the Complainant or any witness acted in Bad Faith during any Misconduct Proceeding, the Investigation Committee shall refer the matter for administrative review and appropriate action as set forth in Section 13(A)(1) below.

9.0 FINAL REPORT, VPRED OVERRULE

The Investigation Committee shall send the VPRED a copy of the final Investigation report.

9.1 Overrule; New Investigation.

If the VPRED believes the Investigation Committee's determination is incorrect, the VPRED may, within fifteen (15) days of receiving the final Investigation report, issue a written decision to the Investigation Committee and the RIO overruling the Investigation Committee for stated cause and instructing the RIO to impanel another Investigation Committee immediately.

9.2 Second Investigation Committee.

If a second Investigation Committee is impaneled, it shall conduct a new Investigation. Subject to the Respondent's right to appeal pursuant to Section 10 below, the second Investigation Committee's determination shall be binding.

9.3 Distribution of Final Report; Comments.

The RIO shall send a copy of the final Investigation report to the Respondent after the VPRED has had an opportunity to review and overrule the Final Report as appropriate. The Respondent may deliver comments on the Investigation report to the RIO within fourteen (14) days of the delivery of the final Investigation report to the Respondent. The RIO shall include any such comments in the Misconduct Proceeding Records.

9.4 Notifications.

A. Complainant. Promptly after completion of the Investigation, the RIO shall notify the Complainant of its outcome and provide the Complainant with a brief summary of the Investigation report, including those portions of the Investigation report that address the Complainant's role and testimony, if any, in the Investigation.

B. Federal Support. When the alleged Scholarly Misconduct involves Research or Creative Activities supported by a federal funding source, the RIO shall submit the Investigation report to it. It may accept the Investigation report, ask for clarification or additional information, which shall be provided by the RIO, or commence its own independent investigation.

10.0 APPEALS

A. Appeal Rights. All Respondents who are found to have committed Scholarly Misconduct have the right to an internal University appeal. During the appeal, no disciplinary proceeding will be commenced as a consequence of the finding the Scholarly Misconduct. In addition, a Respondent who has applied for or received support from a federal funding source for the Research in relation to which the Scholarly Misconduct occurred has the right under certain circumstances to appeal a finding of Scholarly Misconduct by an Investigation Committee to that federal funding source.

During appeal proceedings, appropriate University administrators may initiate on an interim basis actions they deem necessary to safeguard University personnel, other participants in any Scholarly Misconduct proceeding, public health or safety, experimental subjects, sponsors' funds or equipment, Evidence or the integrity of the research environment. These actions do not indicate that a conclusion has been reached from the University's review process, and such actions may be revised, revoked, or made permanent upon the confirmation of a final outcome once appellate proceedings have concluded.

B. External Appeal Record. If the Respondent appeals a finding of Scholarly Misconduct by an Investigation Committee to a federal funding source, the RIO shall attempt to obtain copies of all documents filed in that appeal.

C. Procedures.

(1) **Internal Appeal.** The Respondent may appeal a finding of Scholarly Misconduct to the VPRED within thirty (30) days of the date of the final Investigation report. The appeal must be in writing and must set forth the substantive or procedural reasons the Respondent believes the finding of Scholarly Misconduct is incorrect. The VPRED will submit the appeal to Provost or the Provost's designee for decision.

(2) **Review and Recommendation.** The Provost may appoint a University faculty member or administrator who does not have a Conflict of Interest and who previously has not been involved in the review of the Allegation under this policy to review the Scholarly Misconduct records and the appeal and to make recommendations to the Provost.

(3) **Subject of Appeals.** Appeals shall be limited to: (i) review of the procedures employed (claims that the process was flawed in a way that creates a significant risk that the outcome was erroneous); or (ii) grievances of sanctions imposed as a result of a finding of Scholarly Misconduct. The appeal must specify the nature of any claimed procedural error. The factual record established during the Investigation shall constitute the factual record for the purposes of the Appeal.

(4) **Request for Additional Information.** The Provost, or the Provost's designee, may request further information about the Scholarly Misconduct proceedings in writing from the RIO. A copy of such information shall be provided to the Respondent.

(5) **Basis for Decision.** The Provost's or the Provost's designee's decision on the appeal shall be based on the Scholarly Misconduct proceedings records, as clarified or supplemented by the VPRED in response to any request for further information about the Scholarly Misconduct proceedings, the Respondent's appeal, and, if available, the recommendations from Section 10(C)(2) above.

D. New Evidence. If the RIO learns of previously unavailable material Evidence relevant to the finding of Scholarly Misconduct during the appeal, the RIO shall inform the Provost or the Provost's designee and the Respondent of the new Evidence. If the Provost or the Provost's designee concurs that the new Evidence could materially affect the finding of Scholarly Misconduct, the Provost or the Provost's designee, shall remand the finding to the Investigation Committee that made the finding for its consideration of the new Evidence. The Investigation Committee shall notify the Provost or the Provost's designee within fourteen (14) days that it finds the new Evidence immaterial to its prior finding or that it wishes to reopen the matter. The Provost or the Provost's designee may extend this period for good cause by notice to the Respondent and the VPRED.

E. Decision. The Provost or the Provost's designee shall issue a decision and rationale affirming or reversing the finding of Scholarly Misconduct within thirty (30) days after the submission of the appeal to the VPRED. The Provost or the Provost's designee may extend this period for good cause by notice to the Respondent and the VPRED.

11.0 FINAL RESOLUTION AND OUTCOME

A. Scholarly Misconduct Found.

(1) **Actions**. After all appeals have been decided, or the opportunity for an appeal has expired, and there is a final decision that Scholarly Misconduct has occurred:

(a) the Responsible Administrator, after consultation with the VPRED, shall take appropriate actions in response to the finding of Scholarly Misconduct. Such actions may include:

(i) the imposition of sanctions within the authority of the Responsible

Administrator and initiating University disciplinary proceedings appropriate to the finding of Scholarly Misconduct pursuant to applicable University policies, procedures, and contracts; or

(ii) referral of the finding of Scholarly Misconduct to another administrator who has authority to impose sanctions and initiate disciplinary proceedings.

(b) the RIO, after consultation with the Office of General Counsel and the VPRED, shall attempt to correct, and/or seek retraction of, any part of the Research Record or other relevant records materially affected by the Scholarly Misconduct. The Respondent will not interfere with the RIO's efforts in these regards. Those affected by the Scholarly Misconduct are permitted to share this information with their colleagues.

(2) **Disciplinary Action**. The University views Scholarly Misconduct as grounds for disciplinary action pursuant to applicable University policies, procedures, and contracts. Disciplinary action may include suspension and/or termination of employment of a faculty or staff member found responsible for Scholarly Misconduct. Disciplinary action may include termination of enrollment and/or degree revocation for a student found responsible for Scholarly Misconduct. Disciplinary action may be challenged or grieved according to relevant University policies.

(3) **Government Sanctions**. In addition to sanctions imposed by the University, certain federal funding sources may impose sanctions of their own, if the Scholarly Misconduct involved Research or Creative Activities which they supported.

(4) **Serious Deviation**. The University may take action, including disciplinary action, in response to a finding of Scholarly Misconduct based on a serious deviation from accepted practices even if another Allegation of Scholarly Misconduct against the same Respondent has not been sustained and the University has an obligation under Section 11(A) above with respect to the unsustained Allegation.

B. New Evidence. After all appeals have been decided, or if the opportunity for appeal has expired, and there is a final decision that Scholarly Misconduct has occurred, if the Respondent learns of previously unavailable material Evidence relevant to the determination of Scholarly Misconduct, within thirty (30) days from the appeal decision or thirty (30) days from the date the opportunity to appeal has expired, the Respondent shall send that Evidence to the RIO with an explanation of its origin and importance. The RIO shall submit the new Evidence to the Investigation Committee that conducted the Investigation of the Scholarly Misconduct. The Investigation Committee shall promptly consider the new Evidence and notify the VPRED of its impact on its finding of Scholarly Misconduct and on its Investigation report. Based on the new Evidence and the information from the Investigation Committee, the VPRED may reverse or affirm the previous finding of Scholarly Misconduct, or remand the matter to the Investigation Committee to conduct a new Investigation in light of the new Evidence. The VPRED shall issue that decision with stated rationale within thirty (30) days of receiving the notice from the Investigation Committee, but may extend this period for good cause by notice to the Respondent and the

RIO.

C. Termination. If the VPRED terminates the review of any Allegation under Section 5.4, an explanation for such termination shall be included in the Misconduct Proceeding Records.

12.0 UNACCEPTABLE AND QUESTIONABLE RESEARCH PRACTICES

A. Referral from Proceedings. An Inquiry Committee may find that while a Respondent's conduct does not warrant an Investigation, it nevertheless constitutes an Unacceptable Research Practice or Questionable Research Practice. Similarly, an Investigation Committee may find that while a Respondent's conduct does not constitute Scholarly Misconduct, it nevertheless constitutes an Unacceptable Research Practice or a Questionable Research Practice. Any such finding shall be referred to the appropriate administrator for review.

The administrator may deem further action appropriate, including, in the case of Unacceptable Research Practices, disciplinary action pursuant to applicable University policies, procedures, and contracts. Disciplinary action may be challenged or grieved according to relevant University policies.

B. Discovery and Report. Unacceptable Research Practices or Questionable Research Practices may also be discovered in circumstances other than a review of an Allegation under this policy. When that happens, the alleged Unacceptable Research Practice or Questionable Research Practice should be referred to the appropriate administrator for review and such further action, if any, as the administrator may deem appropriate, including, in the case of Unacceptable Research Practices, disciplinary action pursuant to applicable University policies, procedures, and contracts, including procedures for challenging or grieving disciplinary action.

13.0 BAD FAITH

A. Complainant or Witness.

(1) **Referral for Action**. If the RIO, an Inquiry Committee, or an Investigation Committee concludes that a Complainant or witness who is a University employee or student acted in Bad Faith in a Misconduct Proceeding, the matter shall be referred to the appropriate administrator for review. The administrator may deem further action appropriate, including disciplinary action.

(2) **Discipline**. The University views Bad Faith by a Complainant or witness who is a University employee or student as grounds for disciplinary action pursuant to applicable University policies, procedures, and contracts.

14.0 PROTECTING PARTICIPANTS IN MISCONDUCT PROCEEDINGS

A. Protection of Position and Reputation. The University shall make diligent efforts to protect the position and reputation of each individual who has, in Good Faith, participated in a Misconduct Proceeding as a Complainant, witness, Inquiry Committee member, Investigation Committee member, Counsel, Responsible Administrator, VPRED, or RIO, or who has otherwise cooperated in the review of

an Allegation under this policy. These efforts shall be:

(1) reasonable and practical under the circumstances;

(2) proportionate to the risk to the individual's position and reputation; and

(3) consistent with applicable funder expectations, if the Research or Creative Activities, which were the subject of the Allegation, were supported by a federal funding source.

B. Retaliation.

(1) Prohibition. University employees and students shall not engage in or threaten Retaliation.

(2) Referral for Action. If the RIO receives a complaint or report of Retaliation or threatened Retaliation by a University employee or student, the RIO shall refer the matter to the appropriate administrator for review and such action, if any, as the administrator may deem appropriate, including disciplinary action.

(3) Discipline. The University views Retaliation by a University employee or student as grounds for disciplinary action pursuant to applicable University policies, procedures, and contracts.

15.0 DISPOSITION OF FILE

After completion of the case and all ensuing related actions, the RIO shall prepare a complete file, including the original records of all proceedings conducted by the Inquiry Committee and Investigation Committee and copies of all documents and other materials furnished to the RIO or to the Inquiry Committee or Investigation Committee. The RIO shall seal the file and retain it for at least seven (7) years or in accordance with any applicable law or University policy. Access to the materials in the file shall be available only upon authorization of the VPRED for good cause or in accordance with any applicable law.

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EXPORT CONTROL

I. Introduction

U.S. law and regulations restrict the export, transfer, and disclosure of certain technical and scientific data, software, and tangible items. Sanctions and embargoes maintained by the U.S. restrict or prohibit activities, financial transactions, and other transactions with sanctioned individuals, organizations and countries. The reach of the regulations is broad. Certain transactions that might not be regarded as "exports" in other contexts may constitute an export subject to regulations and embargoes.

Morgan State University ("Morgan" or "University") is committed to complying with applicable U.S. laws and regulations pertaining to exports of items, services and technology by or on behalf of the University. Morgan's Export Control Policy ("Policy") applies both to exports outside the U.S., as well as to exports to foreign nationals within the U.S. The Vice President for Research and Economic Development (VPRED) has overall oversight of Morgan's compliance with U.S. export-control laws and regulations. The VPRED and the Director of Research Compliance are the official contacts on the University's export control issues.

II. Applicability.

This Policy applies to all activities by Morgan employees, visiting scientists, postdoctoral fellows, students, and any other persons retained by or working at or for Morgan (referred to hereinafter as "Personnel") that may result in an export or other transaction with a foreign national, entity, or country which is subject to Export Controls and which requires an export license or other government approval.

III. Policy

Morgan and its Personnel must comply with applicable laws and regulations governing export controls. Personnel must comply with the provisions of any license, conditions of any other government approval, policy or Morgan-directed certification, technology control plan, or procedure if an export, activity, or transaction is subject to Export Controls. No Personnel may transfer any items or technology contrary to U.S. export control laws and regulations or this Policy.

Personnel with responsibility for Morgan's export-control compliance program or whose duties include a significant amount of work with foreign nationals will be offered formal training sessions on the U.S. export-control laws and regulations and their applicability to their jobs. All Morgan employees with supervisory authority over foreign nationals or projects involving materials or technology subject to export controls should view export-control compliance as an important part of their day-to-day responsibilities. To ensure compliance with this Policy, Morgan will provide guidance on Export Control fundamentals and procedures from the Office of Research Administration (ORA), Division of Research and Economic Development (D-RED).

Failure to comply with any export laws and regulations or failure to comply with this Policy may result in disciplinary action.

IV. Overview of Export Control

The Departments of Commerce, State, and Treasury administer the primary control on exports of goods or commodities. The Department of Commerce regulates the export of items and information that have

civil applications, the Department of State regulates the export of items that have military applications or that relate to space, and the Department of the Treasury enforces country-specific embargoes. In certain circumstances, these agencies may require the University to secure a license before the item or information is exported to another country or shared with a foreign national. Department of Commerce controls The Bureau of Industry and Security (BIS) that implements and enforces U.S. export control regulations relating to the export of "dual-use" goods and technologies (having both civil and military applications) as well as exclusively civil items. Items subject to the jurisdiction of BIS are listed on the Commerce Control List (CCL) found in the Export Administration Regulations.

Whether a license is required to export or re-export an item on the CCL is determined by examining the precise classification of the item, the destination of the item, and the end-user. BIS also maintains the Denied Persons List and the Entities List, which identify specific persons and entities to which exports are not permitted without the prior approval of BIS. Department of State controls the Directorate of Defense Trade Controls (DDTC) of the United States, that regulates the export of defense goods, technical data, and defense services. DDTC administers the International Traffic in Arms Regulations (ITAR). The CCL covers such things as materials, chemicals, microorganisms, and toxins; materials processing; electronics; computers; telecommunications and information security; lasers and sensors; navigation and avionics materials; marine-related materials; and propulsion systems, certain space vehicles, and related equipment. (The index to the CCL is located at https://www.bis.doc.gov/index.php/regulations/commerce-control-list-ccl.)

Generally, a defense article is an item developed for a military application that does not have a predominant civilian application. Unless an exemption applies, a license must be obtained before any defense article is exported to a foreign country or foreign national. Authorization by DDTC is also required for any agreement under which a U.S. person will furnish assistance to foreign persons in the development, design, production or use of a defense article or under which a U.S. person will license to a foreign party the right to manufacture U.S.-origin defense articles abroad. DDTC maintains a list of "debarred" persons and entities whose exporting privileges have been revoked as a consequence of violations of the ITAR.

A. Activities that may Trigger Export Controls

In addition to the actual export of controlled materials or information, the following activities can trigger export control violations:

(1) Sponsorship of Foreign Nationals. A Foreign National means any natural person who is NOT a U.S. citizen, a U.S. lawful permanent resident ("a green card holder"), or a protected person, a person granted asylum, or a person granted refugee status.

Foreign National also means any foreign corporation, partnership, association, trust, society, entity or group that is not incorporated or organized to do business in the U.S., and any international organizations or foreign governments and any agency or subdivision of foreign governments (e.g., diplomatic missions);

(2) Research with a Foreign National;

(3) Using foreign national research assistants, giving Foreign Nationals access to computer networks where controlled data is stored;

(4) Bringing electronic devices (e.g. laptop, smartphone, thumb drive) with restricted information outside the U.S.;

(5) Bringing encryption software outside the U.S.;

(6) Contract has terms outside the Fundamental Research Exclusion (see below);

(7) Presentation given in foreign nations;

(8) Travel to foreign nations; or

(9) Hiring Foreign Nationals to work with controlled materials or information.

B. Countries that may Trigger Export Controls

Department of Treasury controls the Office of Foreign Assets Control (OFAC) of the U.S. Department of Treasury, which administers and enforces certain country-specific controls that take the form of economic embargoes against countries, currently including Burma (Myanmar), Cuba, Iran, Iraq, Libya, North Korea, Liberia, Sudan, Syria, and Zimbabwe. The scope of these economic and trade embargoes varies from country to country. OFAC has adopted regulations that detail the scope of the embargo against each country. New sanctions were recently imposed against Syria, and restrictions on trade with Iraq and Libya have been reduced. OFAC also maintains lists of Specially Designated Terrorists and Specially Designated Nationals and Blocked Persons, with whom U.S. persons are prohibited from engaging in any transactions due to U.S. foreign policy and national security concerns. Transfers of items and information to individuals or entities on these lists are prohibited without the prior approval of OFAC.

C. Deemed Exports

In addition to regulating the export of actual goods or commodities, U.S. export controls cover the export or release of “technical data” or technology (which includes information, whether printed, inscribed on media, or communicated orally). The release of such information is called a “deemed export.” Under the deemed export rule, the transfer or release of technical data or information subject to U.S. export controls to a “foreign national,” whether it occurs in the United States or abroad, is “deemed” an export from the United States to the home country of the foreign national. At universities, this issue arises most frequently in connection with the participation of international researchers or collaborators in projects involving controlled technology. Much of the controlled technology that our international students and scholars have access to on campus at Morgan will not require licensing because of the exceptions contained in the regulation.

The ITAR covers such things as:

- guns and armaments,

- ammunition,
- launch vehicles and missiles,
- explosives and other incendiary agents,
- vessels of war, tanks and military vehicles,
- aircraft,
- military training equipment,
- protective personnel equipment,
- fire control equipment,
- auxiliary military equipment (including cameras and cryptographic devices, software, and components),
- toxicological agents,
- spacecraft systems,
- nuclear weapons, and
- classified articles as well as technical data and services that relate to the enumerated categories.

Each of the following activities requires assessment if export controls are applicable:

SHIPPING MATERIALS OVERSEAS

- Any item that is sent from the United States to a foreign destination is an export. “Items” include commodities, software, technology, and information.
- The export of controlled items, information or software may require approval from the U.S. government in the form of an export license. An export license permits controlled tangible items or software to be sent outside the U.S. or controlled information or software to be shared with foreign persons in the U.S. or abroad.
- Before carrying, shipping, or otherwise sending materials outside of the United States, you should consult the Director of Research Compliance to determine whether an export license is required.

TRAVELING TO, OR COLLABORATING WITH COLLEAGUES, OVERSEAS

- Before traveling to countries that may be the subject of sanctions, collaborating with a foreign national outside of Morgan State University or any person or entity outside of the United States, or presenting your research at an international conference, check the following sanctions lists:
  - Dept. of Treasury Sanctioned Countries
  - Dept. of State Country Policies and Embargoes List

o Dept. of Commerce Lists to Check

- If you expect that your research may involve or be shared with any individual or entity on any of those lists, you must consult with the Director of Research Compliance in D-RED to determine whether a license is required for your planned activities.

TAKING COMPUTERS OR OTHER ELECTRONIC DEVICES ABROAD

Before traveling abroad with a laptop or GPS equipment, you should reference the https://www.fcc.gov/consumers/guides/cybersecurity-tips-international-travelers and https://www.dni.gov/index.php/ncsc-how-we-work/ncsc-know-the-risk-raise-your-shield/ncsc-travel-tips, as well as the https://travel.state.gov/content/travel/en/international-travel/International-Travel-Country-Information-Pages.html.

V. FUNDAMENTAL RESEARCH EXEMPTION

If the on-campus teaching of "basic and applied research" is free from restrictions on publication and involves information that is not subject to any access or dissemination controls, it generally qualifies for the "fundamental research" exemption. The information is deemed to be in the public domain, and no license is necessary for access to this information by Foreign Nationals.

Similarly, there is an exception for educational information that is released by instruction in catalog courses and associated teaching laboratories of U.S. academic institutions. Thus, Morgan does not need to secure a license from the government to share information with the international community on campus if the information is provided through instruction in the classroom or in our laboratories on campus in the United States. Some distance learning courses may also fall within this exception. Although the fundamental research exemption (coupled with the educational information exemption) may be broad, it generally does not authorize the transfer of physical items outside of the U.S. In addition, the fundamental research exemption does not generally apply to work conducted abroad by Morgan researchers, even if such research and informational exchanges are being conducted at an institution that is affiliated with Morgan. To be eligible for the fundamental research exemption, the research must take place at an accredited institution in the United States.

VI. CONTACT INFORMATION

Anyone planning to export materials abroad, to engage in international collaborations that will involve the transfer of materials or equipment, or who has any questions about the application of export controls to activities in which they are involved should contact the Director of Research Compliance or Vice President for Research and Economic Development.

****This policy amends and supersedes any previous version of an Export Control policy, including any reference to Export Control in "The Principal Investigator's Guide for Grants, Contracts & Cooperative Agreements" maintained by the University's Division of Research and Economic Development.**

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FACILITIES AND ADMINISTRATIVE COSTS

Introduction

Facilities and Administrative (F&A) costs, also referred to as overhead or indirect costs, are used to defray costs associated with the university's general administration of awards and facilities used to conduct research. F&A is reimbursed to the university for costs that are real; they are not "bonus" or "extra" funds.

F&A costs are defined by the federal government as:

> "those costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved" 2 CFR 200.414

The following sections will discuss determination of rates, redistribution of recovered F&A, and expenditures using redistributed funds.

Determination of Rates

F&A costs are part of each award and will be charged at the federally negotiated rate, except when noted otherwise. As of fiscal year 2026, the federally negotiated rates for MSU were:

- On-campus, research: 54%
- On-campus, other activities: 42%
- Off-campus, research: 26%
- Off-campus, other activities: 26%

These rates may vary in future years. MSU F&A NICRA (Negotiated Indirect Cost Rate Agreement) and its details can be found at https://www.morgan.edu/office-of-research-administration/pre-award/fanda-cost-rates.

How to Apply These Rates

These rates are applied to modified total direct costs. Modified total direct costs exclude equipment, construction and renovation, rental costs, participant training costs (stipends, fellowships, tuition and fees, and trainee travel), patient care costs in clinical trials, and subawards in excess of the first $25K.

On-campus vs. Off-campus Rates

F&A rate is determined on the basis of the preponderance of the project expenses. A project is defined to be "on-campus" if 50% or more of the activities are performed in facilities owned by MSU or for which rent is directly paid by MSU, on both the main campus and any other campuses. In this case, the "on-campus" rate will apply to the entire project. For example, a research study conducted on the premises of the MSU Patuxent Environmental & Aquatic Research Laboratory (PEARL) is considered on-campus research. Projects may qualify for the "off-campus" rate if 50% or more of the project is conducted using non-university buildings and/or equipment.

Tasks performed by consultants or sub-awardees should not be considered when determining if the project qualifies as on-campus or off-campus. When the off-campus rate is to be used, the proposal narrative and supporting documents should clearly demonstrate the fact that more than 50% of the

project activities are to be conducted off campus as defined in the paragraph above. Employees who work at home because their assignments or departments allow for such an arrangement, or who work at home for convenience, are not allowed the off-campus rate. Please note that sponsored projects cannot be subject to more than one F&A cost rate.

Exceptions to Using Federally Negotiated Rates (NICRA)

Exception may include:

a) When the federal funding opportunity announcement (FOA) explicitly states that the maximum rates are lower. For example, the National Institutes of Health (NIH) may specify an F&A rate of 8% for training grants. Or the United States Department of Agriculture (USDA) may limit the F&A to 30% of the total project costs. In such cases, MSU will follow the FOA rules.
b) When non-profit organizations specify lower rates. For example, a foundation may specify a rate of 12%. In such cases, please: a) receive approval from the Vice President for Research (or designee) for accepting such awards with the modified rate; b) apply the rate to the total direct costs (not modified total direct costs); and c) if allowable, add administrative salaries.
c) State of Maryland awards (only certain cases): If the State agency acts as a passthrough entity for federal funds, the MSU F&A rate will be the federally negotiated rate. If the entire funds are coming from the State of Maryland, we will use negotiated rates unless there is an agreement between the State and MSU for a certain rate, or the funding agency specifies a lower rate (typically 10% of total direct costs). In the latter case, please consider including funds for an administrator, if allowable.

F&A for for-profit entities. MSU does not reduce rates when the funder is a for-profit organization. Doing so would be tantamount to using federal and state funds to subsidize corporate activities.

Redistribution of F&A costs

F&A is reimbursed to MSU for costs that are already incurred. Therefore, MSU may spend the funds according to its needs, as long as these expenditures are within the policies and guidelines of the State of Maryland and MSU.

MSU will deduct the expenses that support offices whose main functions are research support (e.g., the Division for Research and Economic Development and Restricted Funds Accounting). This deducted amount will be estimated using the previous year's expenses multiplied by 1.1 (to consider inflation or growth) and will go towards general funds. If there are any funds remaining, this balance will be distributed according to the formula below:

- 20% to the Office of the Provost (primarily for faculty development and other faculty awards);
- 10% to the Office of the Vice President for Research and Economic Development (primarily for enhancing collaborations and other research needs of the university);
- 10% to the library; and
- 60% to the units that received the award, proportional to the amount of F&A recovered by the respective unit's award. The unit may include a School/College, or a VP Office when the award is submitted directly under the VP.

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Expenditures Using Redistributed Funds

The use of recovered F&A is not restricted by federal rules. However, they are still subject to rules and regulations of expenditure by the State of Maryland and MSU. For example, to purchase a piece of equipment using these funds, the MSU procurement rules need to be followed.

While expenditure of F&A reimbursements are subject to relatively few restrictions, it is recommended that these funds be spent to enhance faculty development and university research. Suggested expenditures include, but are not limited to:

- Faculty development workshops;
- Summer payment to faculty for mini-sabbaticals;
- Faculty awards and incentives;
- Payment to consultants to enhance the quality of faculty research;
- Supplementing awards and cost-sharing;
- Travel to conferences for faculty members and supporting staff;
- Travel to conferences to build research relationships; and
- Maintenance and repair of equipment, as needed.

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COST SHARING

1. PURPOSE

The University must ensure that cost-sharing requirements of sponsored agreements are proposed, accounted for, and reported in a manner consistent with the requirements set forth in federal regulations, primarily Uniform Guidance, 2 CFR 200. This document establishes the requirements for the identification, funding, accounting, and reporting of mandatory, voluntary committed cost sharing, and in-kind requirements associated with sponsored projects. This document also:

- Helps units determine when cost sharing is required and/or permitted by the University; including types of expenditures and in-kind contributions that qualify as cost sharing under federal regulations;
- Ensures that the commitments for cost sharing within the institution have been identified and guaranteed;
- Provides information regarding the contractual, financial, and administrative requirements that result from cost-sharing commitments.

1.1 Procedure Guidelines

The University makes cost-sharing commitments only when necessary to meet sponsor requirements and discourages voluntary committed cost sharing. When the University commits cost sharing in a proposal or an award, that commitment binds the University and must be identified, administered and accounted for consistently.

1.2 Definitions

- **Cost sharing or matching** (terms often used interchangeably) mean that a portion of total project or program costs will not borne by the proposed sponsor. These costs represent an implied or explicit agreement on the part of the University to assure that resources are contributed to a project, either from sources within or external to the University. Federal resources are generally not allowed to be used for cost sharing unless specifically stated as such, per 2 CFR 200.306. The term cost sharing is also known as cost matching, cost participation, and other similar phrases.

- **Cash contributions** are actual funds from internal or external sources. Cost sharing from the University's resources is considered "cash" cost sharing because a precise dollar amount of expenses can be shown in the University's accounts. Note, Faculty Release Time is a Cash Contribution by the University if offsetting funding is not requested in the sponsored project budget.

- **In-kind contributions** are non-cash contributions provided by the University or non-Federal third parties and include volunteer services or donations of equipment or designated space, such as a studio or section of a laboratory. Once the project is funded, in-kind contributions should be monitored on an on-going basis to assure that the cost sharing requirement will be fulfilled. In-kind contributions made by a party other than the University require documentation from that party supporting the use of the funds as in-kind contributions.

- **Mandatory Cost Sharing** is funding that the University is required to contribute to the project, as specified by the terms and conditions of the funding opportunity announcement and award. Receipt of the award is conditional upon the University's commitment to funding a portion of the project.
- **Voluntary Committed Cost Sharing** are non-sponsor resources that are identified in the proposal but are not requested by the sponsor, e.g., effort for project personnel for which compensation was not requested, or purchase of project equipment or supplies that were identified in the proposal but for which compensation was not requested.
- **Voluntary Uncommitted Cost Sharing** are resources that are not specifically identified in the proposal but are attributable to the project, e.g., an unspecified amount of effort for project personnel above the percentage committed in the proposal.
- **Salary Cap Cost Share** occurs when the University proposes (or later assigns) effort by individuals whose salary exceeds a sponsor-imposed limit for individual salaries. It cannot be considered a portion of mandatory cost sharing as required by the sponsor, and it is not subject to the approval requirement in Section 5.
- **Waived indirect cost recovery** is the portion of Facilities and Administrative (F&A) costs, calculated at the University's negotiated rate, that is not charged to the award. It occurs when a sponsor limits or prohibits the recovery of F&A costs, or when the University agrees to recover F&A at a reduced rate. Waived indirect cost recovery, also known as unrecovered F&A, may be counted toward a cost sharing commitment with the prior approval of the Federal awarding agency, per 2 CFR 200.306(c).

2. COST-SHARING COMMITMENTS ON RESEARCH PROPOSALS OR AWARDS

Per 2 CFR 200.306(a) "Voluntary committed cost sharing is not expected under Federal research grants. The Federal agency may not use voluntary committed cost sharing as a factor during the merit review of applications or proposals for Federal research grants unless authorized by Federal statutes or agency regulations and specified in the notice of funding opportunity." Therefore, all voluntary committed cost share is strongly discouraged.

A program announcement or application may include a requirement to cost share or the sponsor may insist during the award negotiation on a specific contribution to the project as a condition of the award. Such cost sharing may include PI effort or other personnel committed to the project at no cost to the sponsor. In order to qualify as cost sharing, the effort must be directly related to and be necessary and reasonable for the performance of the project objectives.

Once awarded, all explicit cost-share commitments referenced in a proposal or award become mandatory cost sharing and must be accounted for as a cost of the project. These costs must be separately identified and reported and, if effort, certified in the labor distribution system. The direct cost dollars of such a commitment will be separately identified and funded by non-sponsored funds. For more information on accounting for cost sharing effort, please refer to the University's Effort Reporting procedures in this document.

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3. COSTS ACCEPTABLE FOR COST SHARE

The Federal agency or pass-through entity only may accept cost sharing contributions that meet all of the following criteria (2 CFR 200.306(b)):

1. Verifiable in the University's records
2. Not included as contributions for any other Federal award
3. Necessary and reasonable for achieving the objectives of the Federal award
4. Allowable under Subpart E – Cost Principles
5. Not paid by the Federal Government under another Federal award, except where the program's Federal authorizing statute specifically provides that Federal funds made available for the program can be applied to cost sharing requirements of other Federal programs
6. Included in the approved budget when required by the Federal agency
7. Conform to other applicable provisions of 2 CFR 200

In general, costs normally treated as direct costs and allowable under Subpart E on sponsored projects may be used to meet a cost-sharing obligation; costs normally treated as indirect on sponsored projects may not be used to meet cost-sharing obligations.

Examples of allowable sources of cost-share funding:

- University funds provided for the benefit of the specific project (i.e., departmental or school/college accounts.)
- Unrecovered Facilities and Administrative (F&A) Costs when prior approval of the Federal awarding agency has been obtained and documented (2 CFR 200.306(c)).
- Third-party contributions (2 CFR 200.306(e), (g)): support from a non-University source, such as effort, supplies, or facilities from a subrecipient under a prime award. (See Section 4.4)

Examples of unallowable sources of cost-share funding:

- Expenditures normally treated as indirect, such as administrative salaries and office supplies;
- Unallowable costs under Subpart E, such as alcoholic beverages (2 CFR 200.423), entertainment (2 CFR 200.438) and memberships in community organizations (2 CFR 200.454);
- Travel on foreign air carriers.

4. CAPTURING AND IDENTIFYING COST SHARE

When Restricted Funds Accounting (RFA) initiates a University system grant code for an award with committed cost sharing, they will also establish a cost-sharing activity code that can be noted in the University financial system for the relevant shared costs/expenses. The Principal Investigator(s), or designee, is responsible for tracking cost sharing activity throughout the period of performance, so that the commitment is met and remains verifiable in University records.

4.1 Documentation

When cost sharing or matching is accepted by the sponsor, it becomes a commitment of the University. All committed cost share provided by Morgan State University directly will be captured and identified in the University system or documented by the project's Principal Investigator (PI). The Office of Restricted Funds Accounting will make University financial system records available to the funding agency, as required. The PI will provide project cost share documentation, when appropriate. The specific type of documentation required is based on the nature of the award, taking into consideration the type of cost sharing, the terms of the sponsored agreement, and other circumstances of the award.

4.2 Faculty, Student, or Staff Effort

When the effort of a University employee is committed to an award as cost sharing, the University is bound to contribute the effort and to track, record, and report the associated expenditures. Funding for cost-shared faculty effort is housed in a non-sponsored account with an activity code designation as a cost-sharing commitment. During the period of performance, cost-shared effort that was specified in a proposal or award should be charged against the appropriate non-sponsored account with the designated activity code.

4.3 Equipment Used as Cost Sharing

Equipment may be cost-shared only if title to the equipment is in the University's name and it was acquired with non-federal funds. The department must maintain documents proving that federal funds were not used to acquire the equipment. Under federal cost principles (2 CFR 200.436), equipment claimed as cost sharing may not also be depreciated in the University's F&A cost proposal. In lieu of committing equipment for cost sharing, the Principal Investigator could characterize the equipment in the proposal as: "available for the performance of the sponsored agreement at no direct cost to the sponsor."

4.4 Third-Party Cost Sharing

The University may offer as cost sharing: (a) time and effort, (b) goods and services and (c) facilities, contributed by third parties such as a subrecipient under its prime award or the Morgan State University Foundation. The Principal Investigator is responsible for securing records of and reporting such third-party cost sharing.

If a potential subrecipient makes a cost-sharing commitment that appears in the budget of the proposal, the subrecipient is required to maintain records and report the cost sharing in its financial reports to the University. This requirement should be part of the terms and conditions on any subaward agreement issued by the University. If cost sharing is provided by a third party who is not a subrecipient, documentation proving the value of the contributions (if other than cash) must be provided.

5. APPROVAL OF COST SHARE

All cost sharing is committed from a specific account or resource. Every cost sharing commitment must be approved by the current owner of the account or resource to be committed. This applies to all cost sharing, including cash, in-kind, and release time, which is a cash contribution. Release time committed as cost sharing follows the same process as any other release time; further information about that process is available from the Division of Academic Affairs.

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A proposal may be submitted while these approvals are being obtained. An award will be processed once signed approval has been received from the owner of each resource committed. The Principal Investigator should identify any proposed cost sharing to the Division of Research and Economic Development Preaward Office as early as possible in proposal development. Questions may be directed to ask.ora@morgan.edu.

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THE PROTECTION OF HUMAN SUBJECTS IN RESEARCH

1. Introduction

This Policy for Protection of Human Subjects in Research ("Policy") is for the protection of human subjects in research and related activities conducted under the auspices of Morgan State University (the "University"). The Policy also serves to ensure the University's compliance with all applicable laws and regulations regarding research involving human subjects, which include the Department of Health and Human Services' assurance of compliance, policies, and regulations referenced at 45 C.F.R. Part 46.

2. Applicability

This Policy applies to all research related activities involving human subjects and to all development, training, and improvement or other related activities containing a research and development component. Furthermore, the Policy applies to any such activity performed elsewhere by faculty, students, or employees under the auspices of the University, regardless of the source of funding or whether there is funding.

3. Policy

The policy of the University is to respect and safeguard the rights and welfare of individuals in the conduct of research. The University understands research to be a systematic investigation, including research development, testing and evaluation, designed to develop or contribute to generalizable knowledge. Activities which meet this definition constitute research, whether or not they are conducted or supported under a program which is considered research for other purposes. Actions of the University will be guided, to the extent that they are applicable, by principles as set forth in nationally accepted documents such as the report of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research, Ethical Principles and Guidelines for the Protection of Human Subjects of Research (April 18, 1979). Actions of the University will also conform to applicable federal, state, and local laws and regulations.

In accordance with this Policy, all University research activities which involve human subjects, regardless of the level of risk foreseen, require review and approval, prior to the initiation of the activity. The University Institutional Review Board (IRB) shall have jurisdiction over all reviews and approvals in accord with procedures set forth in recognized documents, e.g. Federal Wide Assurance (FWA) and/or applicable regulations (45 C.F.R. Part 46).

University Official, who is deemed to be the President or designee (including but not limited to Vice President for Research and Economic Development and/or the Provost), may disapprove research that has been approved by the IRB. The University Official may also impose additional restrictions or stipulations to an approved study but may not amend the IRB's terms of approval or take any actions that serve to lessen any measures deemed necessary for protection of human subjects in research. However, the University Official may not approve research involving human subjects that has not been approved by the IRB in accordance with 45 CFR 46.112. Those research activities in which human subjects may be exposed to more than minimal risk must be reviewed at a convened meeting of the IRB; other research activities may be reviewed in the manner determined by the IRB under its procedures. A research subject is considered to be at more than minimal risk if exposed to the possibility of harm --

physical, psychological, social, legal, or other -- as a consequence of participation as a human subject in any research activity which departs from the performance of routine physical or psychological examinations and tests, or which departs from established and accepted procedures necessary to meet the individual's needs, or which increases the probability or magnitude of risks ordinarily encountered in daily life.

To carry out this Policy, the University will maintain an IRB with appropriate membership to provide for adequate reviews. The IRB will have the authority to approve, to require modification as a condition of approval, and to disapprove proposed activities that are covered by this Policy. Furthermore, the IRB will have the authority to determine whether or not any activity is covered by this Policy and whether it requires review by the IRB. The University may rely upon an external IRB for review and approval of research if (a) the University's responsible official, identified in its FWA, approves use of the external IRB and (b) the responsible official determines that the external IRB meets federal standards.

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INTELLECTUAL PROPERTY

I. Introduction

The primary mission of universities is to advance, preserve, and disseminate knowledge. Morgan State University ("Morgan" or "University") has established this policy on intellectual property to: (1) assure that the benefits of University research and scholarship, which include intellectual property, are fairly and fully disseminated to benefit the public, (2) create an environment that encourages and recognizes the creative efforts of faculty, students and personnel, and (3) generate resources to support the University's primary mission.

Morgan is the State of Maryland's Preeminent Public Urban Research University, known for its excellence in teaching, intensive research, effective public service and community engagement. Morgan prepares diverse and competitive graduates for success in a global, interdependent society.

Morgan's mission is to serve the community, region, state, nation, and world as an intellectual and creative resource by supporting, empowering and preparing high quality, diverse graduates to lead the world. The University offers innovative, inclusive, and distinctive educational experiences to a broad cross section of the population in a comprehensive range of disciplines at the baccalaureate, master's, doctoral, and professional degree levels. Through collaborative pursuits, scholarly research, creative endeavors, and dedicated public service, the University gives significant priority to addressing societal problems, particularly those prevalent in urban communities.

The following institutional core values guide the promotion of student learning and success, faculty scholarship and research, and community engagement at Morgan: excellence, integrity, respect, diversity, innovation, and leadership. Morgan encourages and supports its faculty, staff, and students in all forms of scholarship including the discovery and application of knowledge in teaching and learning and in developing innovative products and processes. This includes the transfer of knowledge and technological advancement in the form of intellectual property so it inures to the benefit of society.

When knowledge takes the form of Intellectual Property, a university must establish a clear and explicit policy that will protect the interests of both its Creators and the University while ensuring that society benefits from the fair and full dissemination of that knowledge.

II. Scope

This policy governs the ownership and protection of Intellectual Property created by Personnel, Students and others at the University. The policy applies to all University units, Personnel and Students as well as non-University visitors who make use of University facilities and resources.

This policy is considered a part of the conditions of employment for all employees and a part of the conditions of enrollment and attendance for all Students.

Applicable laws and regulations will take precedence over any conflicting language in this policy. The terms of authorized University contracts with third parties may take precedence, when applicable, over any conflicting language in the policy subject to compliance with Article IV.

III. Definitions

The terms defined in this Article are given the following special meanings in this policy.

A. Administrative Works: All copyrighted works other than Traditional Scholarly Works that are created by Personnel in the performance of an administrative duty to the University or as a work for hire as defined under U.S. Copyright Law.

B. Author: Someone who contributes original expression to a copyrighted work as determined under U.S. copyright law.

C. Copyrighted Work: An original work of authorship fixed in any tangible medium of expression.

D. Creator: Anyone subject to this policy who is either (1) an Author or (2) an Inventor.

E. Gross Revenue: Consideration paid in cash or equity by a third party in exchange for specific rights in specific University-owned Intellectual Property. Gross Revenue does not include financial or in-kind support for research (e.g., sponsored research agreements, restricted or unrestricted grants and gifts), tuition income or reimbursement for patent costs of University-owned and University-licensed intellectual property.

F. Intellectual Property: Traditional Scholarly Works, Administrative Works, Inventions (whether or not patentable), Software, Research Data, Tangible Research Materials, Trademarks and Service Marks, and associated legal rights to the same.

G. Invention: Any potentially patentable new and useful process, machine, manufacture or composition of matter or any new and useful improvement to the same.

H. Inventor: Someone who makes an inventive contribution to the conception of ideas claimed in a potentially patentable Invention as determined under U.S. patent law.

I. Net Revenue: Gross Revenue in the form of cash, including liquidation of equity, received by the University from the commercialization of University-owned Intellectual Property less unreimbursed expenses incurred in the protection of such Intellectual Property.

J. Personnel: Someone who receives a salary or other consideration from the University for performance of services on a part-time or full-time basis. University employees with an appointment of less than a full year (e.g., 9-month) shall be considered Personnel for actions undertaken during their period of appointment. Students who receive wages for working on a University-administered scope of work or project are Personnel when acting within the scope of that employment. Personnel also include University consultants, visitors and others using University resources.

K. Research Data: Recorded information, regardless of the form or medium of recordation, in the nature of (1) form, fit, or function of data; data relating to items, components, or processes that are sufficient to enable physical and functional interchangeability; data identifying source, size, configuration, mating, and attachment characteristics, functional characteristics, and performance requirements, data files, statistical data; (2) computer software data that identifies source, functional characteristics or performance requirements and (3) technical data of a scientific or technical nature that are commonly accepted in the relevant scientific community to validate research findings. Research Data do not include computer software source code, algorithms, processes, formulae, flow

charts or financial, administrative costs or pricing, or management information related to contract or project management.

L. Scope of Employment. All activities, related to the field or discipline of the faculty member's appointment, including the general obligation of a faculty member to teach, to do creative work, and to conduct research, or related to the employment responsibilities of non-faculty employees and for which employees receive compensation from the University, where compensation is any consideration, monetary or otherwise.

M. Significant University Resources: Gifts received by the University or an affiliated foundation or corporation, funds received by the University or an affiliated foundation or corporation under a contract or grant, direct or indirect support from other funds administered by the University or an affiliated foundation or corporation, assistance of Personnel or Students from outside one's home department or unit; assistance of Personnel or Students in one's home department or unit or specialists (e.g., graphic designers, instructional designers, multimedia and other specialists) beyond the level of support that is generally provided to Personnel in one's home department or unit. In general, salary, office space, use of University libraries, personal computers and facsimile machines that are customarily provided campus wide or are typically made available to all Personnel in one's home department will not qualify as Significant University Resources.

N. Software: A computer program, including, without limitation, microcode, subroutines, and operating systems, source code, algorithms, processes, formulae, or flow charts, regardless of the form of expression or object in which it is embodied, together with users' manuals and other accompanying explanatory materials.

O. Sponsored Research Agreements: Grants, contracts, cooperative agreements and other agreements under which research and development activities are carried out and that are executed and/or administered by the University or an affiliated University foundation or corporation.

P. Student: Someone enrolled in the University and fulfilling his or her academic and research requirements and responsibilities including, but not limited to, undergraduate, graduate, professional, non-degree, not-for-credit and visiting students.

Q. Tangible Research Materials: Models, machines, devices, designs, cell lines, cultures, solid tissue, apparatus, instrumentation, circuits, antibodies, recombinant materials, laboratory animals, chemical compounds, compositions, formulations, and plant varieties.

R. Traditional Scholarly Works: Original copyrighted works authored by Personnel in connection with their teaching, research, and professional activities or scholarship or by Students in the performance of their academic requirements and activities, including course work, dissertations, and theses. Traditional Scholarly Works include but are not limited to courses, course syllabi, course materials, whether delivered on-line or in a traditional face-to-face setting, lecture notes, literary works, non-fiction books, textbooks, professional articles and presentations, musical scores and librettos, dramatic and choreographic works; photographic, graphic, sculptural and architectural works; films, other audiovisual works, sound recordings, models, and designs.

S. University: Morgan State University.

IV. Policy Administration

A. Authority. The President shall have the authority and responsibility for implementation and coordination of this Policy. The President may delegate authority to the Vice President for Research and Economic Development to administer the provisions of the policy.

B. Waivers. Subject to any legal or contractual limitations and only after any potential conflicts of interest have been properly managed, the President or his/her designee may waive any requirements of this policy, subject to approval of the Board of Regents, when he /she determines that doing so would be in the best interest of the University. Waivers may be considered on a case-by-case basis upon the written request and approval of the principal investigator, all persons expected to participate in the underlying project, the department chair or unit head and the Dean of the School or College. All waiver requests must be submitted to the Vice President for Research and Economic Development for consideration. Persons who join a project after a waiver has been granted must be advised of the waiver and agree to it as a condition of joining the project.

C. Retained Rights. Any transaction granting rights in University-owned Intellectual Property shall (1) retain for the University, at a minimum, a royalty-free, irrevocable right to use, practice, and reproduce the Intellectual Property in support of University research and educational purposes; (2) be consistent with applicable private use restrictions, including bond covenants; (3) be subject to the right of the United States government to use Intellectual Property created with Government funds; and may (4) reserve other rights, including the right of the University to authorize other not-for-profit educational and research entities to use University Intellectual Property in support of their own non-commercial research and educational activities.

D. Amendments. This policy may be amended from time-to-time as appropriate or as required to comply with changes in applicable laws and regulations in accordance with University policy and practices and subject to prior approval by the Board of Regents.

E. Intellectual Property Committee. The Vice President for Research & Economic Development shall, in consultation with the University Council, appoint a University Intellectual Property Committee. The Committee shall be an advisory committee constituted with nine voting members. The committee shall include a majority of faculty members, a minimum of two Students, and representatives from non-academic University departments that are involved in Intellectual Property issues. A representative from the Office of General Counsel and a representative from the Office of Internal Audits shall serve as *ex-officio* members of the Committee. The President, Vice President for Research & Economic Development and/or Provost and Senior Vice President for Academic Affairs ("Provost") may consult the Committee on Intellectual Property matters, ask it to review and recommend revisions to this policy, and request its advice on the resolution of disputes arising under or regarding matters not addressed by this policy. Recommendations by the Committee for revisions to this policy shall be submitted to the President. When the Committee considers this policy's application in order to provide advice about specific Intellectual Property, the Creator(s) of the Intellectual Property may make a written and/or oral presentation to the Committee.

F. Reporting. The Vice President for Research and Economic Development shall report annually to the President and Provost on Intellectual Property activities at the University. The report shall include, but not be limited to, data for the preceding year on disclosures, any waivers issued, any releases of Intellectual Property to the public domain, patent applications, patent awards, licenses, and start-up companies distinguishing, when appropriate, between Maryland-based companies and those outside the State, as well as revenue and expenditures associated with the University's technology transfer program, and suggested changes to the policy. In turn, the President shall report annually to the Board of Regents.

V. Ownership of Intellectual Property

A. Traditional Scholarly Works

1. Personnel. Personnel who author Traditional Scholarly Works shall hold copyright in those Copyrighted Works subject to the following conditions and exceptions:

a) **Reservation of Rights.** The University reserves the right at all times to exercise copyright in Traditional Scholarly Works as authorized under United States Copyright Law.

b) **Exceptions.** The University holds copyright in Traditional Scholarly Works created by Personnel when:

- **i.** the Works are required as deliverables under or created in the performance of any contract to which the University is a party; or
- **ii.** not holding copyright would result in a breach by the University of a contractual obligation to a third party or would be contrary to law, regulation or University policy; or
- **iii.** the Works are commissioned by the University or created in connection with a duty specifically assigned by the University to the Creator; or
- **iv.** the Works are created for University purposes with the support of Significant University Resources; or
- **v.** Personnel create the Works for personal purposes using Significant University Resources without prior written approval by the Vice President of the Creator's department or unit.

2. Students. Students shall hold copyright in Traditional Scholarly Works they author in connection with their University academic and research activities subject to the following conditions and exceptions:

a) **Reservation of Rights.** The University reserves the right at all times to exercise copyright in Traditional Scholarly Works created by Students as authorized under United States Copyright Law.

b) **Exceptions.** The University holds copyright in Traditional Scholarly Works created by Students when:

i. the Works are created by Students in their capacity as Personnel; or

ii. the Works are required as deliverables under or created in the performance of any contract to which the University is a party; or

iii. not holding copyright would result in a breach of a University contractual obligation to a third party or would be contrary to law, regulation, or any University policy; or

iv. the Works are created outside the scope of their academic and research activities using Significant University Resources without the prior written approval of the department or unit that controls the resources.

B. Collaborative and Joint Works. When people collaborate to author a Copyrighted Work, it often results in a "joint work" in which the Creators jointly hold nonexclusive rights to use the Work. Personnel and Students who collaborate with each other or with non-University third-parties (e.g., volunteers, visitors) to create Copyrighted Works are encouraged to agree, in writing, on the disposition and ownership of copyright in the Works prior to commencing their collaboration.

C. Administrative Works

1. The University holds copyright in Administrative Works.

2. The University may allow Personnel and Students access to and use of Administrative Works under appropriate terms.

D. Inventions, Software, Research Data and Tangible Research Materials

1. University. The University owns all rights, title and interests, including Intellectual Property rights, in Inventions, Software, Research Data and Tangible Research Materials that are created, conceived or reduced to practice by Personnel or Students:

a) when not owning title and rights in the Inventions, Software, Research Data or Tangible Research Materials would result in a breach of a University contract with a third party or would be contrary to law, regulation or University policy; or

b) in the performance of Sponsored Research activities and other research or creative activities administered by the University, supported by funds controlled or administered by the University or an affiliated foundation or corporation of the University or under a contract requiring University ownership; or

c) for personal purposes using Significant University Resources without prior written approval by the Vice President of the department or unit that controls those Resources; or

d) as provided under their Scope of Employment.

2. Personnel. Personnel shall own all rights, title and interests, including Intellectual Property rights, in Inventions, Software, Research Data and Tangible Research Materials they create, conceive or reduce to practice that are not owned by the University under Section V.D.1.

3. Students. Students shall own all rights, title and interests, including Intellectual Property rights, in Inventions, Software, Research Data and Tangible Research Materials they create, conceive or reduce to practice in the performance of their academic activities whether or not they use Significant University Resources provided they are not owned by the University under Section V.D.1.

E. Course Research Projects

1. Under certain limited circumstances, Students may be asked as a condition of participating in a course research project to assign or license their rights in Intellectual Property they create in performing the project that they would otherwise own under this policy to the University or a third party that sponsors the course research project. In such circumstances, course instructors must give Students who object to making such an assignment or granting such a license the option to participate in an alternative project, without penalty, that does not require the assignment or licensing of their Intellectual Property rights.

2. When Students are granted access to proprietary data or information of a third party in connection with academic course work, the use and protection of such proprietary information shall be governed by an agreement entered into by and between the third party and the University and not the third party and Students.

F. Trademarks and Service Marks. All trademark and service mark matters are governed by the University's Policy for the Control and Protection of the Various Trademarks, Designs, Colors and Symbols of Morgan State University approved by the Board of Regents.

G. Acquisition of Intellectual Property. The University may acquire title to or rights in Intellectual Property by assignment, license, gift, bequest, and any other legal means. The appropriate administrative offices, often reflecting the purpose of the acquisition, must be consulted and applicable processes must be followed prior to any such acquisition.

VI. Responsibilities

A. Protection of University Interests. Personnel and Students agree to assign and do hereby irrevocably assign to the University all rights, title and interests, including Intellectual Property rights, in Intellectual Property that the University owns under this policy. Personnel engaged in consulting and other activities with third parties must ensure their activities and agreements with such third parties regarding the use of University-owned Intellectual Property do not conflict with this policy or other University commitments and do not undermine or compete with the University's rights in University-owned Intellectual Property.

B. Duty to Disclose and Cooperate. Personnel, Students and other persons who create Intellectual Property that the University owns under this policy have an obligation to complete and submit to the Office of Technology Transfer (OTT) an Intellectual Property disclosure of such Intellectual Property and to cooperate with the OTT's Intellectual Property management efforts.

C. OTT Responsibilities. The OTT has day-to-day responsibility, on behalf of the University, to make determinations of ownership of Intellectual Property and to manage, protect and commercialize

University-owned Intellectual Property and/or otherwise make it available for the benefit of the public. The OTT works in consultation with Creators, reports to the Vice President for Research and Economic Development, and is supported by the Office of General Counsel.

D. Retention and Use of Research Data and Tangible Research Materials. The University must maintain possession of all Research Data, Tangible Research Materials and related information the University owns under this policy in order to meet its legal and contractual obligations.

1. The director of the lab or unit or the principal investigator of the project through which such Data and Materials originate will serve as custodian of those Data and Materials on behalf of the University and shall be responsible for complying with all University policies and terms in Sponsored Research Agreements regarding the management and public release of Data and Materials to the relevant scientific community or the public.

2. Students have a right to publish in their dissertations or theses University-owned Research Data and information about University-owned Research Data and Tangible Research Materials that they create or collect individually or jointly with others. The custodian of University-owned Research Data and Tangible Research Materials may, at the request of Students who participate in the creation or collection of University-owned Research Data and Materials, allow them to publish the Data and information about the Data and Materials outside of their dissertations or theses and/or to receive a copy of such University-owned Research Data and Tangible Research Materials under appropriate terms set forth in a written agreement.

VII. Revenue

A. Distribution of Net Revenue. The University will distribute Net Revenue as follows:

1. Fifty percent (50%) to the Creators; and

2. Twenty-five percent (25%) to the Creators' department or unit; and

3. Twenty-five percent (25%) to the OTT or as otherwise designated by the Vice President for Research.

B. Distribution to Multiple Creators. In the case of multiple Creators and/or multiple departments, Net Revenue will be divided and distributed between or among them to reflect their relative intellectual contributions to the creation of the Intellectual Property, as specified in the written Intellectual Property Disclosure submitted to the OTT. When the Intellectual Property Disclosure does not differentiate the level of contribution made by Creators, Net Revenue will be distributed equally between or among Creators and departments.

C. Review. The revenue distribution provisions shall be reviewed at least every five years and may be modified in accordance with this policy.

D. Equity. Consideration for a license may include equity in a business. If equity is liquidated, the proceeds shall be treated and distributed as Net Revenue under Article VII. Equity will be held, liquidated, or directly distributed to Creators (to the extent permitted by law) at the discretion of the University. Neither the OTT nor Creators will control the timing or terms of the liquidation of

such equity received by the University. The Office of the Vice President for the Division of Finance and Management, in consultation with the Office of the Vice President for the Division of Research and Economic Development, will hold and manage the disposal of equity held by the University. Equity holding and trading is subject to applicable laws and policies, including those that regulate securities, ethics, and conflicts of interests.

E. Revenue Received from Commercialization of Administrative Works. In those rare circumstances when Administrative Works have commercial potential, the department or unit where the Administrative Works originated will submit an Intellectual Property disclosure to the OTT. The OTT shall determine whether or not to commercialize the Works and how resulting revenue, if any, shall be distributed in consultation with the Vice President of the department or unit.

F. Alternative Distribution. Requests to distribute revenue other than as set forth in this Article VI will be processed as waiver requests under Section IV.B.

VIII. Granting Rights to Creators

A. Assignment

1. The OTT may assign the University's rights in specific University-owned Intellectual Property to all the Creators of that Intellectual Property when the OTT determines, in its sole discretion, assignment is in the best interest of the University, subject to compliance with applicable laws and federal regulations and University policies.

2. Any assignment to Creators of University-owned Intellectual Property shall be conditioned on their reimbursement to the University of all out-of-pocket expenses incurred by the University prior to the date of the assignment and payment of a royalty or other consideration.

B. Licensing University-Owned Intellectual Property to Personnel Start-ups

1. The OTT may with the approval of the Vice President of Research & Economic Development, and at the request of one or more Creators of University-owned Intellectual Property, license that University–owned Intellectual Property to a business entity in which one or more Creators has an ownership or other financial interest. In making a decision, the OTT and the Vice President of Research and Development shall take into account the entity's technical and business acumen to commercialize the Intellectual Property and the demonstrated compliance of Creators with University conflict of interest and facility use policies and State Ethics laws.

2. The OTT will attempt to consult with all Creators before executing any license under this Section, but need not obtain their approval. All Creators, regardless of whether they have an ownership/financial interest in the company, will share in any revenue received by the University in accordance with Article VI. Creators with an ownership or financial interest in the company shall recuse themselves from directly negotiating the terms of the company's license with the OTT in the light of the conflict of interest that would create.

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IX. Effective Date

This policy will be effective upon the approval of the Board of Regents on November 5, 2019 ("Effective Date") and will apply to all Intellectual Property disclosed to the University on or after the Effective Date, unless otherwise agreed in writing by the University and all Creators of the Intellectual Property (or the heir or assignee of any Creator's share of Revenue).

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COST TRANSFER

I. Purpose

Morgan State University must ensure compliance with federal regulations and justify the appropriateness of and document cost transfers in accordance with the allowability, allocability and reasonableness requirements set forth in Uniform Guidance, 2 CFR 200. The University also has an obligation to provide responsible stewardship of both federal and non-federal sponsor funds. Specifically, this document details the procedures to assure the integrity of the institution's charges on sponsored projects are incurred appropriate to, and for the direct benefit of the project charged, and that accounting records are maintained on a timely and accurate basis.

II. Introduction

Cost transfers occur when expenditures are moved from one funding source to another. It is the reassignment of an expense to a sponsored project after the expense was initially charged to another project or other Morgan State University account. The reassignment may include salary, wages and other direct costs. This guidance does not apply to revolving accounts such as telecommunications or service centers.

The transfer of costs to any project account is allowable only where there is direct benefit to the project account being charged. An overdraft of any direct cost item incurred in the conduct of one sponsored project may not be transferred to another sponsored project account merely for the sake of resolving a deficit or an allowability issue, i.e., cost transfers should not be used as a means of managing awards.

Transfer of costs should be minimized and should be a rare exception. Payroll cost transfers performed after the certification of effort that cause the payroll distribution to not align with the certified effort distribution are highly discouraged and require significant documentation, approval, and recertification of effort.

Cost transfers must be carried out in a timely manner. Project expense detail should be reviewed on a monthly basis and cost transfers should be completed as soon as the error is identified. Cost transfers being made in excess of 90 days will be carefully scrutinized.

Agencies that fall under the Department of Health and Human Services i.e., Agency for Healthcare Research and Quality (AHRQ), Centers for Disease Control and Prevention (CDC), Food and Drug Administration (FDA), Health Resources and Services Administration (HRSA), Substance Abuse and Mental Health Services Administration (SAMHSA), Administration on Aging (AoA), as well as other HHS agencies have the following condition in the HHS Grants Policy Statement guiding cost transfer, "Cost transfers that represent corrections of clerical or bookkeeping errors should be accomplished within 90 days of when the error was discovered. The transfers must be supported by documentation that fully explains how the error occurred and a certification of the correctness of the new charge by a responsible organizational official of Morgan State University. An explanation merely stating that the transfer was made "to correct an error" or "to transfer to correct project" is not sufficient. Transfers of costs from one project to another or from one competitive segment to solely cover cost overruns are not allowable. Morgan State University must maintain documentation of cost transfers, pursuant to 45 CFR part 74.53 or 92.42, and must make it available for audit or other review. We should have systems in place to detect such errors within a reasonable time frame; untimely discovery of errors could be an

indication of poor internal controls. Frequent errors in recording costs may indicate the need for accounting system improvements, enhanced internal controls, or both. If such errors occur, grantees are encouraged to evaluate the need for improvements and to make whatever improvements are deemed necessary to prevent reoccurrence. NIH also may require a grantee to take corrective action by imposing additional terms and conditions on an award(s)."

This guidance is intended to:

- Help minimize cost transfers and charge costs correctly with the original posting.
- Ensure cost transfers are legitimate and conducted in accordance with sponsor terms and conditions, regulations and university policy.
- Help units ensure that cost transfers are supported by documentation which contain a full (reasonable and valid) explanation why the transfer is necessary and a correlation of the charge to the project to which the transfer is being made.
- Establish procedures for appropriate documentation of cost transfers if after 90 days from the date of the original transaction.

III. Definitions

Allowability: The determination of whether or not costs can be charged to a sponsored project as a direct or F&A cost.

Allocability: A cost is allocable to a particular sponsored project, if the goods or services involved are chargeable or assignable in accordance with relative benefits received.

Cost Transfer: A cost transfer is the reassignment of an expense to a sponsored project after the expense was initially charged to another project.

Late Cost Transfer: A cost transfer requested greater than 90 days after the original transaction posting date.

Reasonableness: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

IV. Unallowable Criteria

Costs may not be shifted to another sponsored project for the following reasons:

1. In order to meet deficiencies caused by overruns or other fund considerations
2. To avoid restrictions imposed by law or by terms of the sponsored agreement
3. For other reasons of convenience

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V. Roles and Responsibilities

When the need for a cost transfer is identified, the individual who identifies the need for the adjustment should initiate the transfer using the Morgan State University's Cost Transfer Form.

Principal Investigators should:

- Review the activity on their grants on a **monthly** basis in order to ensure timely identification of errors,
- Communicate with all individuals who have delegated authority to charge costs to their grant in order to facilitate the appropriate charging of the original expense
- Initiate and complete Morgan State University's cost transfer form (Cost transfer form can be obtained from Restricted Funds or from the website).
- Inform Restricted Funds Accounting of the need to initiate cost transfers. Cost transfers to correct errors should occur within 90 days of the original transaction date.
  Special Note: Every effort must be made to correct the error as soon as it is detected.

Office of Research Administration should:

- Maintain copies of the procedures and required guidelines,
- Address questions regarding the procedures and work closely with Restricted Funds Accounting, and
- Review, approve and facilitate the recertification of effort forms.

Budget Officers with each School/College and/or Department should:

- Review the charges on their grants to ensure the timely detection and correction of errors and
- Work with PI to appropriately request and document cost transfers via Office of Restricted Funds Accounting.

Restricted Funds Accounting will independently review the transfer request and approve the transaction using the following steps:

1. Verify that expenses have been paid prior to initiating the cost transfer
2. Complete the Cost Transfer Form (to correct errors from the department)
3. Director of Restricted Funds will approve cost transfer requests
4. Enter the transaction in BANNER
5. If the adjustment involves a payroll cost transfer, Restricted Funds Accounting will work with Human Resources to finalize the adjustment
6. Maintain official copies of the Cost Transfer Form, with a copy to ORA to conform with record retention requirements

Human Resources should:

- Review and process payroll cost transfers,
- Initiate the redistribution of salary to correct budget code, and
- Process the cost transfer and movement of expenses from the current fund to the appropriate account.

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VI. Documentation

Written Justification for Cost Transfer: A written justification is required and must include: a) description of the expense being transferred including why and when the original charge occurred; b) why the receiving project was not originally charged; c) why is it appropriate to charge the receiving project; d) an explanation of the action(s) that have been take to prevent the problem from occurring in the future and e) an explanation is provided for late cost transfer.

The following table provides guidance on completing the justification section of the Cost Transfer Form.

Type of Error	Explanation
Data entry/Clerical error	Explain how the input error occurred and action being taken to reduce the likelihood of error in the future. An explanation of the relationship and allocability of the expense to the project may be required.
Preaward costs charged to an institutional account.	Explain the relationship and allocability of the expense to the project. Ensure that the expenses being transferred are within the allowable charging period for the project.
Wrong fund/project	Explain the situation which led to the expenses being charge to the project, the actions taken to reduce the likelihood of the error in the future, and provide an explanation of the relationship and allocability of the expenses to the project. **If an unallowable cost is mistakenly charged to a grant the cost will be moved off the grant by the Office of Restricted Funds Accounting to a state account within the academic unit. (The departments will be notified in advance of pending cost transfers to their accounts and can respond accordingly.**
Payroll adjustment	Explain why the payroll transaction should be adjusted and the effective date for the adjustment. 1. If the adjustment is the result of a change in effort distribution, common with new project startup, the adjustment should include documentation that the adjustment is consistent with an updated/revised personnel action form. 2. If the adjustment results from the revision to an effort reporting form at the time of certification, explain the change in effort commitment(s) that resulted in the revision to the effort certification form and include a copy of the certified effort form with the adjustment request. 3. If the adjustment requires revision to a previously certified effort reporting period contact Office of Research Administration to discuss the adjustment. Only in rare instances will an

	adjustment transferring expenses to a sponsored project be allowed post certification of effort. In such an instance the adjustment will also require the revision of the effort certification.

VII. Completing a Cost Transfer Form

The faculty will be asked to certify by signing a statement such as: "I certify that the cost transferred is an appropriate expenditure for the sponsored grant/contract charged and that the expenditure complies with the terms and restrictions governing that sponsored grant or contract"

The following information must be completed for each cost transfer request.

1. Name/ Title of Projects impacted
2. Award Number for each project
3. Budget Code or Indexes
4. PI name, department and school/college
5. PI signature, email if the request is being initiated by the PI, department, or school/college.
6. Name and phone number of department/school or college/budget assistant
7. Why was the original project charged?
8. How did you determine that the new project should be charged?
9. A description of the efforts that have been taken to prevent the error from occurring in the future.
10. If the Cost Transfer is over 90 days, a description of the extraordinary circumstances for the delay must be approved and signed by Assistant VP of Accounting Operations and Compliance, as well as the PI.

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COST OVERRUNS

B. Purpose

The University must ensure compliance with federal regulations and ensure that cost overruns incurred on sponsored projects are minimized to the maximum extent possible, and where they exist, that they are monitored and funded from alternate resources on a timely basis. This document clarifies and strengthens the MSU correction procedures for cost overruns on sponsored projects.

II. Introduction

It is the responsibility of the University through the Principal Investigator and responsible persons to ensure that adequate funds are available for expenditure transactions, including payroll disbursements. In particular, Principal Investigators and those responsible for assisting in financial oversight over sponsored projects are expected to monitor monthly expenditures on each individual project so that whenever possible, cost overruns are avoided.

It is recognized that it may sometimes be necessary to incur cost overruns on a temporary basis to avoid adversely affecting the sponsored project by a delay in identifying alternate resources of funding.

This guidance is intended to:

- Help units understand types of cost overruns or overdrafts;
- Ensure that any cost overruns are resolved in a timely manner;
- Establish procedures for timely identification and processing of cost overruns

III. Definitions

Alternate source of funds are non-sponsored financial sources to cover unapproved cost overruns or overdrafts, commonly a department or Dean's account.

Cost overrun or overdraft (the terms may be used interchangeably) are expenditures in excess of amounts awarded by the sponsoring agency. Unresolved cost overruns should be treated as cost sharing (See Morgan's Cost Sharing Guidance).

Cost sharing or matching (the terms may be used interchangeably) means the portion of project or program costs not paid by the sponsor. (See Morgan's Cost Sharing Guidance).

Longer term overdraft is a deficit expected to exceed 90 days, requiring University approval and may require an alternate source of funds.

Temporary overdraft is a deficit which is expected to last less than 90 days.

Unapproved overdraft is a deficit not previously approved

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IV. Types of Cost Overruns

A. Temporary Overdraft: If an overdraft is incurred as a result of charging expenditures to a sponsored project in excess of the funding provided by the sponsor, and there is a reasonable expectation that funds provided by an external sponsor will cover the overdraft within 90 days then the temporary overdraft may in most cases remain charged to the project pending its clearance. The determination that the project funding will ultimately be sufficient to cover any short term overdraft must be based on a realistic assessment of the status of the project and the available resources, and not merely a default judgment which merely delays resolution of a likely funding gap.

B. Longer term overdraft is a deficit expected to exceed 90 days and may resolve itself over the remaining life of the project, but will likely require interim funding if the amount of the temporary overdraft is considered to be significant, or if the period during which the overdraft is expected to remain is deemed to be unreasonable. When situations arise where a long term overdraft is anticipated, an overdraft should be avoided by charging excess expenditures to an alternate source of funds upon incurrence of those expenditures.

C. Unapproved overdrafts reflecting a deficit balance for two consecutive months in excess of $1,000 will be reported to the appropriate Dean and VP for Research & Economic Development. No expenditures, including payroll disbursements, will be processed against the budget code/index until the excess expenditures are transferred to an alternate source of funds.

D. Expired projects: Once a project has expired and a financial report is prepared and submitted to the sponsor, any remaining overdrafts should be promptly cleared. Within 90 days after the expiration of a project, any remaining overdrafts will be transferred by Office of Restricted Funds Accounting, in consultation with the Office of Research Administration.

E. Overdrafts exceeding $15,000: where an overdraft on a sponsored project exceeds $15,000, the Division of Research & Economic Development will require the PI or designee to confirm the temporary nature of the overdraft, and to explain how it will be covered without adversely affecting the project itself. When requested to do so, the PI or designee must respond in a timely basis. Note: The above may occur with payroll expenditures.

F. Terminated index transactions which cannot be processed against a terminated index will be processed against the department or dean's account. The given index for that account will continue to be used until the deficit in the original index is eliminated.

G. Payroll Expenditures: For payroll expenditures, the originating department must initiate the necessary Personnel forms for each employee to charge funding back to the proper budget code/index.

H. Non-payroll Related Expenditures: For non-payroll related expenditures, the department must initiate the necessary adjustments to transfer all non-payroll expenditures back to the proper budget code/index.

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V. Roles and Responsibilities

Principal Investigators should:

- Monitor expenditures and revenues for each project within appropriate line items and limits;
- Communicate with the fiscal administrator/budget officer to avoid costs overruns;
- Respond to requests from the appropriate Dean and Division of Research & Economic Development in a timely manner

Budget Officers with each School/College and/or Department should:

- Review the charges on projects to ensure appropriate expenditures and revenues;
- Work with PI to appropriately document and process cost overruns;
- Serve as an approver for all cost overruns
- For year-end closing, review the list from RFA, confirm that sponsored funds are anticipated, and where additional sponsored funds are not anticipated, to provide an alternate source of funds to cover the overdraft.

Restricted Funds Accounting (RFA) and Office of Research Administration should:

- Ensure that adequate funds are available for expenditure transactions, including payroll transactions;
- For year-end closing, send a list of all sponsored project cost overruns to each department/unit to insure that the Department Chair/administrative staff is aware of the potential liability

Division of Research & Economic Development should:

- Review any deficit balance exceeding $15,000
- Require the PI or designee confirm the temporary nature of the overdraft, and to explain how it will be covered without adversely affecting the project

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EXPENDITURES FOR SPONSORED AWARD-RELATED GOODS AND SERVICES

I. Purpose

When procuring goods and services, the University must comply with federal regulations, sponsor terms and conditions, State of Maryland Procurement Regulations, and Morgan State University (MSU) procurement procedures and regulations. Failure to comply with these requirements can result in the disallowance of costs or a prohibition for reimbursement of incurred costs.

II. Introduction

When purchasing sponsored award related goods and services Morgan State University abides by the standards defined in the Uniform Guidance for Grants and Agreements, including 2 CFR 200 Subpart E, Cost Principles, funding agency requirements, and the State of Maryland Procurement Regulations. The University is committed to sound fiscal stewardship of all University funds. All procurement of goods and services must be in accordance with procurements procedures and regulations as outlined in Morgan State University Procurement Manual. ***Appendix I: Direct Costing Practices*** provides additional guidance on acceptable and unacceptable costing practices.

Based on federal guidance all expenses charged to a sponsored research award must meet the following requirements to be eligible for sponsor reimbursement.

Allowable Costs: Expenses charged to a sponsored research award must meet the following allowability criteria:

(1) must be reasonable

(2) must be allocable to sponsored agreements

(3) must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances

(4) must conform to any limitations or exclusions set forth in the federal cost principles or in the sponsored agreement.

Reasonable Costs:

A cost may be considered reasonable if the nature of the goods or services acquired or applied and the amounts involved reflect the action that **a prudent** person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.

Major considerations involved in the determination of the reasonableness of a cost are:

1) whether or not the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement;
2) the restraints or requirements imposed by such factors as arm's length bargaining. Federal and State laws and regulations and sponsored agreement terms and conditions;

3) whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the Federal Government and the public at large; and
4) the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the institution generally, including sponsored agreements.

All items purchased must follow the guidelines in University Procurement Manual approved by the Board of Public Works and the University's Board of Regents. See the link below.

https://www.morgan.edu/Documents/ADMINISTRATION/OFFICES/procurement/Policies_Procedures.pdf

Allocable Costs:

A cost is allocable to a particular project if the goods or services involved are chargeable or assignable to the project in accordance with relative benefits received or other equitable relationship.

A cost is allocable to a sponsored project if it:

1) is incurred solely to advance the work under the sponsored agreement;
2) benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods, and
3) the costs can be readily and specifically identified with the project with a high degree of accuracy.

The exception to the allocability requirement is equipment which has been specifically budgeted and approved by the sponsor.

Consistently treated

The Federal government requires that costs be treated consistently as either a direct or indirect costs. Failure to treat costs consistently can result in the double charging the sponsor for costs that are charged directly to the project, which are also included in MSU F&A rate.

There may be certain circumstances when costs that are normally treated as F&A can be directly charged to a sponsored project as direct costs if ALL of the following conditions are met:

1) The costs are required by the project scope and are incurred for a different purpose or in unlike circumstances than similar types of costs included in the University's indirect cost rate; and
2) These items of costs were justified, separately budgeted for, and approved by the sponsoring agency.

A different purposes or unlike circumstance may necessitate the direct charging of costs that are normally treated as indirect costs as a direct cost on a sponsored project. If normally indirect cost items are required for a project, these items should be identified explicitly in the proposal budget and budget justification. If the need for a normally indirect cost item is identified after the project is funded the cost may be allowable if sponsor prior approval is granted.

Charging costs directly to a sponsored project that are normally treated as indirect may be appropriate for projects that involve the following special purpose or circumstance:

(1) Indirect functions which are specifically identified with the project, expressly discussed in the award and allowed by the sponsor's guidelines will be charged direct whenever they are a principal part of the deliverable of the award, such as:
   - Extensive data accumulation, analysis, and tabulation
   - Preparation of large reports, manuals or books
   - Extensive travel and meeting arrangements for conferences and seminars

(2) Training grants whose project budgets may include costs that are normally indirect. Line items in the budget authorize the direct charging of costs as appropriate when reasonable, specifically identified with the project and budgeted in the award.

(3) Planning grants used for preliminary work to determine the feasibility of a proposed line of inquiry, and/or other activities that will facilitate proposal development. Indirect costs these types of agreements are funded by federal agencies at specified percentages. Project budgets for planning grants include an allowance for direct charging indirect costs specifically identifiable with the project.

(4) Projects which are geographically inaccessible to normal departmental administrative services.

(5) Agreements for program funding in which the institution's cost recovery on indirect costs is limited by regulations and statutory requirements like United States Department of Agriculture (USDA) appropriations and State sponsored projects. These mandates may, however, authorize the direct reimbursement for indirect expenses.

(6) Projects sponsored by other organizations which specifically require that items normally charged indirect are charged direct.

Appendix II: Treatment of Costs as Direct or Indirect and ***Appendix III: F&A Costs Charged Directly – Special Circumstances*** provide additional guidance on the allowability of costs as a direct cost on a sponsored award.

Unallowable Costs and Costs Requiring Prior Approval

There are costs or expenditures that the sponsor or the federal government deems inappropriate and will not reimburse and these costs are unallowable. Sponsor specific unallowable costs are typically identified in the program guidance or the award terms and conditions. For federal awards unallowable costs are identified in 2 CFR 200 Subpart E. Sometimes activities and expenses that are unallowable for reimbursement using federal funds may still be appropriate, necessary and allowable using non-federal funds, it is important that these costs are identified appropriately in MSU financial records as these costs must be excluded from the University's F&A rate proposal.

Major unallowable costs are alcohol, entertainment, advertising, moving costs, trustee related costs, making up losses on other sponsored agreements, preaward proposal costs (for Morgan State University), lobbying and paying fines and penalties. Additional guidance on unallowable costs and exceptions which may make these costs allowable see ***Appendix IV, Unallowable Costs and Exceptions.*** Please contact the Office of Research Administration for additional guidance.

Sponsors, including the Federal government may identify costs which require prior approval for the expenditures to be allowable. Costs identified by the Federal Government in 2 CFR 200 which require prior approval include:

- Issuance of subawards not previously approved. (200.308).
- Issuance of fixed price subawards (200.332).
- Clerical and administrative costs (200.413)
- Cost increases for fluctuations in exchange rates (200.440).
- Costs of membership in any civic or community organization (200.454).
- Use of or changes in the use of funds for participant support (200.456)
- Costs of selling and marketing (200.467).
- Travel costs for dependents are unallowable, except for travel of duration of six months or more (200.474).
- Charges of a faculty member's salary in excess of the proportionate share of the IBS (200.430).
- Faculty or staff extra service pay (200.430).
- Intra-institutional consulting (200.430)
- Any equipment purchase (general or specialized) (200.439)
- Costs of entertainment, including amusement, diversion, and social activities and any associated costs (200.438).
- Fund raising costs (200.442).
- Travel costs of government officials (200.474)

As indicated above, additional costs which are unallowable on federal award or only allowable with prior approval are identified in ***Appendix IV: Unallowable Costs and Exceptions.***

III. Definitions

Allowable costs are those costs that are necessary and reasonable; conform to any limitations or exclusions in the terms of the award; consistently treated; and adequately documented. These general criteria are used to determine whether or not costs can be charged to a sponsored project by an authorized individual.

Allocability, a cost is allocable to a particular sponsored project, if the goods or services involved are chargeable or assignable in accordance with relative benefits received.

Authorized approvers are the Principal Investigator and their designees; in extenuating circumstances a university official with knowledge that the cost incurred will benefits the project and is allowable, allocable, and reasonable.

Consistency, a cost is considered to be treated consistently when the expense is treated as either a direct or F&A cost under like circumstances.
Cost Share is the portion of project costs not paid by Federal funds. Cost share is also referred to as "matching".

Cost Base, also referred to as Modified Total Direct Cost, is the portion of project direct costs that are charged Facilities and Administrative (F&A) costs.

Direct costs are defined as costs that can easily and with a high degree of accuracy be identified with or assigned specifically to one of the following:
A particular sponsored project,
An instructional activity,
Any other institutional activity.

Facility & Administrative (F&A) costs, also referred to as indirect costs, are costs incurred for common or joint activities of MSU and therefore cannot be identified readily and specifically with a particular sponsored project, instructional activity, or other University activity. F&A costs are also referred to as "indirect costs." Indirect costs generally include administrative and clerical salaries with related fringe benefits, office supplies, general postage, university phone system and local telephone charges, equipment, general building improvements, and other general costs.

Prior Approval usually "prior written approval" from a sponsor may be obtained in order to avoid subsequent disallowance or dispute based on unreasonableness or nonallocability; the non-Federal entity may seek the prior written approval of the sponsor in advance of the incurrence of special or unusual costs. Prior written approval should include the timeframe or scope of the agreement.

Reasonable costs those costs if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Total cost, a project's total cost is the sum of allowable direct and allocable indirect costs, less any applicable credits.

IV. Responsibilities:

The PIs are held responsible for the financial oversight of their grants and contract; however, they work closely with budget officers in their departments. Additional oversight is provided by support offices such as Office of Research Administration as well as Office of Restricted Funds Accounting, Telecommunications, Procurement and Human Resources

Principal Investigators:

- Maintain fiscal oversight of their awards
- Ensure that all disbursements are allowable and are authorized based on terms and conditions of the award
- Charging expenses to the appropriate account

- Spending according to their approved budgets with in the project period
- Properly authorizing and documenting expenditures
- Monitoring all aspects of subawards, including approving their invoices
- Reviewing expenditures on a monthly basis and correct overruns, if necessary
- Update the account with any changes if there is a PI change

Departments*:*

- Assigning responsibilities to individuals and ensuring they are aware of their responsibilities in the process and are properly trained;
- Monitoring budgets and ensuring in advance that department financial resources are sufficient to pay for any goods
- Ensuring that all eligible discounts are earned by timely processing of payment voucher invoices and receiving so the University can benefit from payment discounts;
- Forwarding invoices sent directly by the vendor to the department to Accounts Payable for processing; and
- Staying informed about current processes and procedures applicable to the purchase and payment of goods and services
- Inspect items received and be sure they are in acceptable condition; if not, contact procurement

Office of Procurement:

https://www2.morgan.edu/Documents/ADMINISTRATION/OFFICES/procurement/Procurement_Survival_Kit-rev3.pdf

- Use the p-card for purchases less than $5,000; however if the purchase is $2,501 to $5,000, requestor must obtain a minimum of two written quotes.

Services provided by the Office of Procurement include:

- Follow up on certain purchase orders, when necessary
- Identify vendor and provide a list of suppliers
- Initiate bid process for items $5,000 or greater
- Negotiate with vendor

For additional information see the link below:

https://www.morgan.edu/procurement

Purchasing Card:

The following administrative services are provided by the Purchase Card Office:

- Purchasing card application
- Provide training for awardees
- Reconcile monthly bank statement
- Disallow use of Purchasing card if procedures are not followed

Tax Exempt:

Morgan State University is exempt from sales taxes. If one has a purchase card, the tax exempt number is on the card.

State of Maryland and Morgan State University Restrictions on the Purchasing Card

Airfare (Airline Tickets)	Train Fare
Cash Advances	Water (with exception)
Microwaves	Flowers (as gift and bereavement)
Refrigerators	Rental Property (Rent for apartments**)**
Moving Expenses or Services	Professional Services
Valet Parking	Donation
Movies in Hotels	Alcohol Beverages
Coffee/Coffee pot, etc (for employees personal use)	Meals (Business meetings, Restaurants, Fast food)
Artwork	Weapons (Ammunition)
Catering Services (to be held on Morgan Campus)	Capital Equipment
Renovation/Construction	Purchase of goods for re-sale
Decorative Items	Kitchen Supplies/Equipment
Capital Equipment	U. S. Postal Stamps (Some exceptions)
Plants (for gifts)	No store credit for returned items
Heater or Fan (provided by Physical Plant if there is a need)	Travel Agents
Split purchases to circumvent purchase limit	Tips or Gratuities
Gift Certificates	Online auction
Holiday Cards and Decoration (Some exceptions)	Tuition

Division of Information Technology:

Services may also be provided to the PI by the Division of Information Technology, which is located in Tyler Hall, Suite 403. The many facets of communication and IT services include voice and network management, computer software and issues, data center operations, email/account management, enterprise services, information security management, mobile phone management, and online instruction support. For additional information, please see the link below:

https://www.morgan.edu/dit

Human Resources & Payroll

Many awards contain funds for hiring personnel to implement projects. Detailed information on hiring procedures is provided by the Office of Human Resources for Contractual and Regular staff as well as faculty positions. Information on leave, benefits and salary structure is also available. For additional information, please see the link below:

https://www.morgan.edu/hr/employment-procedures

Office of Restricted Funds Accounting (RFA)

The RFA is very instrumental in post-award process after the award is accepted by the University. RFA assigns an index or budget code number and sets up the account in the University's financial reporting system – BANNER. This process typically takes three days or less. The budget is then assigned to an Accountant, who specialized the process which will be needed in grant billings. Throughout the project period the Accountants are in constant contact with faculty and staff to monitor the budgets. If necessary, budget entries are made. They prepare financial reports and/or invoices as required by the funding agency. For information please contact the Director.

I. Exhibits

Appendix I: Direct Costing Practices
Appendix II: Treatment of Costs as Direct or Indirect
Appendix III: F&A Costs Charged Directly
Appendix IV: Unallowable Costs and Exceptions

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Appendix I: Direct Costing Practices

I. Proportional Benefit

If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

II. Documentation of Direct Costs

In order to charge a cost directly to a sponsored project, the principal investigator (or his/her designee) must have appropriate documentation for the charge as follows:

1. The cost must be specifically identified with activity in the sponsored project to which the costs is charged.

   For example:
   a. Long distance toll charges and fax costs should be linked to the sponsored project by means of a manual log or project-specific access code.
   b. Purchases for a specific sponsored project must identify the appropriate grant center number on the requisition or other payment request document.
   c. Costs must be charged to sponsored projects based upon anticipated usage at the time of original purchase. Similarly, supplies subsequently drawn from a central storeroom inventory must be charged directly to a sponsored project based on anticipated usage documented at the time of withdrawal (by means of a manual log, draw sheets, etc.)
   d. Service center charges should be charged directly to the sponsored project.

2. **Documentation** that links the cost incurred to the sponsored activity should be done **by someone who is in a position to know the sponsored activity,** e.g. the person who is making the telephone call, the person taking supplies from a common storeroom, or a person designated by the principal investigator to purchase goods and services for that particular project.

3. **Documentation of the project must be maintained for a period of three years** following the date that the final financial report for that project is submitted to the sponsor. For competing awards this period would be for three years following the date that the final financial report for the competing segment is submitted.

4. Only **actual costs** may be charged to the sponsored project.

III. Unacceptable Direct Costing Practices

The following direct costing practices are generally unacceptable because they do not meet the standard for a “high degree of accuracy” in the assignment of costs to sponsored projects.

- Rotation of charges among sponsored projects by month without establishing that the rotation schedule credibly reflects the relative benefit to each sponsored project;

- Assigning charges to the sponsored project with the largest remaining balance;
- Charging the budgeted amount (in contrast to charging an amount based on actual usage);
- Assigning charges to a sponsored project in advance of the time the actual cost is incurred;
- Describing a cost as something other than what it actually is;
- Charging expenses exclusively to sponsored projects, when the expense also supports non-sponsored activities; and
- Assigning charges that are part of normal administrative support (indirect costs) for sponsored projects (e.g. accounting, payroll, departmental administration, etc.).

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Appendix II: Treatment of Costs as Direct or Indirect

Direct Costs	Indirect Costs (F&A)
Salaries, Wages, and Fringe benefits, such as: ○ principal investigator ○ research associate ○ laboratory technician ○ graduate research assistant	Administrative and Clerical Salaries, Wages, and Fringe Benefits
Service Center Charges, including: ○ animals and animal care ○ laboratory testing services ○ project specific Facilities Management work orders ○ duplicating for project specific mass mailings or other large volume jobs	Service Center Charges, including: ○ see local telephone charges below ○ duplicating for routine copying
Scientific Computer Software	General Purpose Software and Computer Supplies, such as: ○ word processing and spreadsheet programs ○ printer paper ○ toner cartridges
Project-Specific Equipment	General Use Equipment (i.e. used for multiple purposes)
Project-Specific Equipment Maintenance Contracts and Project-Specific Equipment Repair	
Project-Specific Equipment Rental	
Project-Specific Motor Vehicle Expenses	
Participant Costs, such as: ○ fellowships on training grants ○ research subject payments	
Project-Specific Space Costs (if rented off-campus from a third party)	Internal Space Cost (if rent is paid internally for University space)
Overnight/Express Delivery when needed to transport project material (other than routine reports) in a timely manner, such as: ○ Federal Express ○ US Postal Priority Mail ○ UPS ○ Freight	Postage Costs, such as: ○ US non-priority mail ○ delivering routine reports
Subcontract Costs	
Supplies & Materials ○ laboratory supplies and material ○ educational supplies and materials ○ instructional supplies and material	Office Supplies ○ pens and pencils ○ paper ○ file folders

	○ binders (unless project-dedicated lab notebooks)
Long Distance Telephone Costs ○ project-specific toll charges ○ project-dedicated field work phones	Local Telephone Charges ○ basic line charges ○ networking service charges ○ local calls ○ pagers ○ cellular phones (unless project-dedicated field work phones)
	Membership Dues
Travel Directly Applicable to Project Requirements	Travel Not Directly Applicable to the Projected Requirements
Publication of Project-Specific Research	Publication-General
Patient Care	
Advertising for Research Subjects	Advertising for Personnel (except for unique project specific personnel)
	Reproduction Costs (photocopying)
	Utilities
Project-Specific Consulting	General Consulting

Administrative and clerical salaries, office supplies, postage, local telephone costs (including monthly service charges), and membership dues are normally treated as indirect costs. However, for sponsored projects which have special purposes and circumstances, costs that are normally indirect may be directly charged if certain conditions are met. Please see Procedure Appendix III for the specific requirements.

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Appendix III: F&A Costs Charged Directly – Special Circumstances

Unlike and Special Circumstances

There may be certain circumstances when costs that are normally treated as F&A can be direct charged to a sponsored project as direct costs if ALL of the following conditions are met:

- The costs are required by the project scope and are incurred for a different purpose or in unlike circumstances than similar types of costs included in the University indirect cost rate; and
- The costs can be readily and specifically identified with the project with a high degree of accuracy; and
- These items of costs were justified, separately budgeted for, and approved by the sponsoring agency.

The **special purposes or circumstance** of the sponsored project that necessitates the direct charging of costs that are normally treated as indirect costs should be stated explicitly in the Budget Justification section of the proposal/acceptance document. Also, the budget page should include a footnote that documents the special purpose or circumstance applicable to that sponsored project.

Charging costs directly to a sponsored project that are normally treated as indirect may be appropriate for projects that involve the following special purpose or circumstance:

(1) Indirect functions which are specifically identified with the project, expressly discussed in the award and allowed by the sponsor's guidelines will be charged direct whenever they are a principal part of the deliverable of the award, such as:

- Extensive data accumulation, analysis, and tabulation
- Preparation of large reports, manuals or books
- Extensive travel and meeting arrangements for conferences and seminars

(2) Training grants whose project budgets may include costs that are normally indirect. Line items in the budget authorize the direct charging of costs as appropriate when reasonable, specifically identified with the project and budgeted in the award.

(3) Planning grants used for preliminary work to determine the feasibility of a proposed line of inquiry, and/or other activities that will facilitate proposal development. Indirect costs these types of agreements are funded by federal agencies at specified percentages. Project budgets for planning grants include an allowance for direct charging indirect costs specifically identifiable with the project.

(4) Projects that are geographically inaccessible to normal departmental administrative services.

(5) Agreements for program funding in which the institution's cost recovery on indirect costs is limited by regulations and statutory requirements like United States Department of Agriculture (USDA) appropriations and State sponsored projects. These mandates may, however, authorize the direct reimbursement for indirect expenses.

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6) Projects sponsored by other organizations which specifically require that items normally charged indirect are charged direct.

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ORA and Sponsoring Agency Approval

In order to meet the above criteria while charging salaries of administrative and clerical staff or other costs normally treated as indirect costs directly to a sponsored project, the project proposal budget is required to specifically identify the administrative and clerical salaries and/or other costs which are requested. **These costs must be justified or explained in the proposal/award narrative and documented in a footnote to the project budget.** By signing off on the proposal ORA concurs with the justification. If ORA does not concur with the justification, the proposal budget and narrative must be amended. Since these items are specifically set forth in the proposal, MSU will assume that the sponsoring agency has approved this exceptional treatment of administrative and clerical salaries or other costs if they accept the proposal and subsequently fund the project. It is the principal investigator's responsibility to notify the ORA of any changes made to the proposed budget in preaward negotiation with the sponsor in which ORA did not formally participate.

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Appendix IV – Unallowable Costs and Exceptions

Unallowable costs include not only those costs identified as unallowable, but also include "directly associated costs," which are those that would not have been incurred if the unallowable cost had not been incurred.

While a cost defined in 2 CFR §200.402 Composition of costs through §200.411 may be determined unallowable as a direct cost to any federally sponsored agreement, it still may be a cost that is reasonable and necessary to the conduct of the business of the University. Such costs may be charged to cost centers that are part of the University's indirect cost pools (e.g. academic units, dean' offices and central administration) that may be allocated to federally sponsored agreements. Such costs need to be identified and removed from these cost pools. **As such, the use of appropriate account codes and/or center numbers described below applies to ALL unallowable cost incurred by the University, regardless of the source of funds**.

Unallowable Cost Categories
§200.421 Advertising and Public Relations The only allowable advertising costs are: • Recruitment of personnel • Procurement of goods and services • Disposal of scrap or surplus materials • Program outreach required by a sponsored agreement The only allowable public relations costs are: • Costs specifically required by the Federal award; • Costs of communicating with the public and press pertaining to specific activities or accomplishments which result from performance of the Federal award (these costs are considered necessary as part of the outreach effort for the Federal award); or • Costs of conducting general liaison with news media and government public relations officers, to the extent that such activities are limited to communication and liaison necessary to keep the public informed on matters of public concern, such as notices of funding opportunities, financial matters, etc.
§200.422 Advisory councils Are unallowable unless authorized by Federal statue, the federal awarding agency or as an indirect cost where allocable.
§200.423 Alcoholic beverages Alcoholic beverages are unallowable, including beer, wine, and mixed alcoholic drinks. However, alcohol can be directly charged to a research project if the nature of the research specifically requires

the purchase and use of alcohol, and the sponsor explicitly approves the cost.
§200.422 Alumni/ae activities Costs incurred for, or in support of, alumni/alumnae activities and similar services are unallowable
§200.426 Bad Debts Any losses, whether actual or estimated, arising from uncollectible accounts and other claims, and any related collection and legal costs are unallowable.
§200.429 Commencement and Convocation Costs incurred for commencement and convocations are unallowable.
§200.433 Contingency Provisions Contingency reserves or similar provision made for events, the occurrence of which cannot be foretold with certainty, is unallowable. Contingency amounts which are explicitly budgeted may be allowable when approved by the sponsor. Amounts must be estimated using broadly-accepted cost estimating methodologies, specified in the budget documentation.
§200.434 Contributions and Donations All donations and contributions made by the University, regardless of the recipient, are unallowable. Services donated or volunteered to a sponsored project may be used to meet cost sharing requirements.
§200.435 Defense and Prosecution of Criminal and Civil Proceedings, Claims, Appeals and Patent Infringements Generally, these costs are unallowable. The only exception is when the federal government specifically authorizes the condition causing the action.
§200.438 Entertainment Costs Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable. Entertainment costs are allowable, when the purpose of the entertainment is considered to have a programmatic purpose and the costs are authorized either in the approved budget or with prior written approval of the sponsor.
§200.441 Fines and Penalties Costs resulting from violations of or failure of the institution to comply with Federal, State, and local or foreign laws and regulations are unallowable. The only exception is when the sponsor authorizes, in advance, such payments.
§200.442 Fund Raising and investment management costs

Costs of organized fund raising, including financial campaigns, endowment drives, solicitation of gifts and bequests, and similar expenses incurred solely to raise capital or obtain contributions are unallowable. This includes salary, printing, room charges, travel, meals, and supply costs of fund raising. However, fund raising costs for the purpose of meeting the program objectives are allowable with sponsor prior written approval.

§200.445 Goods or Services for Personal Use

Costs for goods or services for personal use by University employees, including housing expenses (e.g. depreciation, rent, maintenance, utilities, furnishings, etc.), housing allowances, and personal living expenses for University officers, are unallowable. When approved in advance by the sponsor, housing costs can be allowable.

§200.449 Interest Expense

Costs incurred for interest on borrowed capital, temporary use of endowment funds, or the use of the University's own funds, however represented, are unallowable.

§200.450 Lobbying

In general, lobbying costs are unallowable, except in the case of technical and factual presentations directly related to the performance of a grant, contract or other agreement in response to a request made by member of congress, legislative body or a subdivision, or a cognizant staff member thereof.

§200.451 Losses on other awards or contracts.

Any excess of costs over income for any sponsored agreement or contract of any nature is unallowable. This includes, but is not limited to, the University's contributed portion by reason of cost-sharing agreements or any under-recoveries through negotiation of flat amounts for F&A costs.

§200.454 Memberships, Subscriptions and Professional Activity Costs

Memberships in any country club or social or dining club are unallowable. Costs of membership in civic or community organizations are allowable with prior approval of the sponsor. Membership in any organization whose primary purpose is lobbying is unallowable. Membership in business, technical and professional organizations are allowable.

The only allowable subscription costs are for subscriptions to business, professional or technical periodicals.

§200.467 Selling and Marketing

Costs of selling and marketing any services or products of the institution are unallowable, unless necessary for the performance of the award and specifically provided for in the award or by the sponsor.

§200.469 Student activity costs

Costs incurred for intramural activities, student publications, student clubs, and other student activities, are unallowable.

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MODIFICATION AND REVISION OF A SPONSORED PROJECT

I. Introduction

The purpose of this document is to define the compliance requirement and process for addressing project revisions or modifications. This guidance addresses both project modifications which require sponsor prior approval and budget modifications which do not require sponsor. Project modifications include: changes in project scope, budget revisions, changes in key personnel, issuance of subawards not previously anticipated, and any other modifications required by the terms and conditions of the award. Budget modifications which do not require prior approval include the rebudgeting funds from an approved project budget to another.

For federal awards the governing regulations for project modification are provided in the Federal Uniform Guidance (UG), 2 CFR 200. 2 CFR 200 describes both the situations and the costs which require prior approval. Individual sponsor award terms and conditions may provide more or less restrictive prior approval requirements; the requirements of an individual award take precedence.

II. Project Modification and Prior Approval Requirements

Project modifications on Federal, non-construction awards which require prior approval under to 2 CFR 200.308 include:

(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(2) Change in a key person specified in the application or the Federal award.

(3) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

(4) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with Subpart E—Cost Principles of this part or 45 CFR Part 74 Appendix E, "Principles for Determining Costs Applicable to Research and Development under Awards and Contracts with Hospitals," or 48 CFR Part 31, "Contract Cost Principles and Procedures," as applicable.

(5) The transfer of funds budgeted for participant support costs as defined in §200.75 Participant support costs to other categories of expense.

(6) Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award. This provision does not apply to the acquisition of supplies, material, equipment or general support services.

(7) Changes in the amount of approved cost-sharing or matching provided by the non-Federal entity. No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB. See also §§200.102 Exceptions and 200.407 Prior written approval (prior approval).

While these are the project modification approval requirements in 2 CFR 200, an individual agency may waive some or all of these requirements with the exception of a change in the scope of work.

In addition to the requirements cited above, for Federal projects there are numerous additional costs which require prior approval, if the cost was not budgeted for in the approved proposal. See the MSU **Expenditures for Sponsored Award-related Goods and Services Procedures and Requirements,** Appendix II for additional guidance. Also see Appendix B to this policy for a list of costs, which require sponsor approval prior either specifically granted after award issuance or through project's approved budget.

In other instances sponsors may impose additional prior approval requirements directly in the project's award notice.

If an organization requests prior approval for a modification from a Federal awarding agency, the agency must review the request and notify the recipient whether the revision has been approved. If the revision is still under consideration at the end of 30 calendar days, the Federal awarding agency must inform the recipient in writing of the date when the recipient may expect the decision.

III. Roles, Responsibilities and Procedures for Submitting a Prior Approval Request

Principal Investigator or Program Director:

If the PI/PD identifies a need for a modification which requires sponsor prior approval, the PI/PD should contact ORA to discuss the modification. Following the discussion the PI/PD will be asked to prepare a brief written explanation of the situation which precipitated the need for the modification and a clear description of the approval that is being requested. The written request should be submitted to ORA for transmittal to the sponsoring agency.

Office of Research Administration

ORA is responsible for providing guidance to the PI regarding project modifications which require prior approval. Upon receipt of the written request for modification, ORA will transmit the request to the sponsoring agency. ORA will follow up on the status of the request 30 days following the submission of the request and will provide updates as appropriate to the PI/PD.

If the request is approved by the sponsor, ORA will notify the PI/PD of the approval and retain the request and approval documentation. The Office of Restricted Funds Accounting will also be notified of the approval.

IV. Budget Revisions Not Requiring Sponsor Approval

As a proposal budget is a projection of project needs and costs that will in many instances not be incurred for normally six plus months into the future, it is not uncommon that budget revisions may be required. In addition as a project progresses a revision may be required due to needs that were not anticipated at the time of the proposal submission. In many, if not most instances this modification can be made without sponsor approval.

V. Roles, Responsibilities and Procedures for Submitting a Rebudgeting Request

Principal Investigator or Program Director:

The PI/PD will submit all requests for budget revisions and justification, in writing, to the Office of Research Administration and the Office of Restricted Funds Accounting. Budget request should include the amount and expense categories to be moved to and from.

Budget request should include:

a) The amount
b) Expense categories to be moved to and from
c) Justification documents

The request has to be consistent with the agency guidelines and the terms and conditions of the award. Appendix B, provide a sample rebudgeting request.

Office of Research Administration

The budget request is reviewed for appropriateness and accuracy by ORA and is either approved or denied. If required, ORA will contact the PI for additional information regarding the request or will provide an explanation for the declination of the request.

Office of Restricted Funds Accounting

RFA notifies the PI/PD when the adjustments are made to the account in BANNER

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Appendix A – Costs Require Prior Approval on Federal Awards Under 2 CFR 200

- Subawards (200.308).
- Issuance of fixed price subawards (200.332).
- Advertising and public relation costs (200.421)
- Costs associated with advisory councils (200.422)
- Charges of a faculty member's salary to a Federal award exceeding the proportionate share of the IBS (200.430).
- Incidental activity pay (200.430).
- Entertainment costs (200.438)
- All equipment purchases (general or specialized) require prior approval (200.439)
- Cost increases for fluctuations in exchange rates (200.440).
- Fund raising costs for the purposes of meeting the Federal program objectives are allowable with prior written approval from the Federal awarding agency (200.442).
- Costs of membership in any civic or community organization (200.454).
- Participant support are allowable with the prior approval (200.456)
- Costs of selling and marketing (unless allowed under § 200.421 Advertising and public relations.) are unallowable, except as direct costs, with prior approval by the Federal awarding agency when necessary for the performance of the Federal award (200.467).
- Student activity costs (200.469)
- Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the Federal awarding agency (200.474).
- Travel costs of officials covered by that section are allowable with the prior written approval of the Federal awarding agency or pass-through entity when they are specifically related to the Federal award (200.474)

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Appendix B: SAMPLE Request for Budget Revision Form

Request for Budget Revision Form Request Number:_____

				Date		
				FY		
				Budget Version		
Name of Project	**Index #**	**Fund Name**	**Fund Center**	**Amount to (+)**	**Amount from (-)**	**Justification:** Additional page may be needed

Approved by: _____ _____

Print Signature

Date:_____

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RETENTION AND DISPOSAL OF RECORDS FOR GRANTS, CONTRACTS & COOPERATIVE AGREEMENTS

I. Purpose

Morgan State University (MSU) complies with record retention and disposal requirements associated with sponsored awards. The procedures described below are only for use for Sponsored Awards. This is subordinate to the University-wide retention policy or procedures.

II. Introduction

“Records" includes any documentary materials made or received in connection with the application for, or conduct of, a sponsored activity. "Records" includes paper, electronic records and records or data in other media. Electronic records should be backed up regularly (bi-weekly) so as to prevent a catastrophic loss and ensure the quality and integrity of data. Electronic records include but are not limited to word processor documents, spreadsheets, databases, HTML documents, scanned or imaged documents and any other type of file warehoused online, on a mainframe, on a computer hard drive or any external storage medium. These also include financial records, supporting documents such as, copies of guidelines/instructions, awarded and denied proposals, annual progress and final reports, subawards/subcontracts amendments, agreements nondisclosures letters or notices and statistical records.

While individual award requirements may vary, the general guidelines for the retention of records associated with grants and agreements are set forth by the Office of Management and Budget in 2 CFR 200.233-237 Record Retention and Access. For federal contracts the governing regulations are: 48 CFR 4.7 Contractor Records Retention and 52.215-2 Audit and Records - Negotiation. For records associated with research involving human subjects the Department of Health and Human Services guidance is provided in 45 CFR 46.1115(b).

2 CFR 200.233 indicates “Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient.”

The **only exceptions** are the following:

(1) If any litigation, claim or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken

(2) Records for real property and equipment acquired with Federal funds shall be retained for 3 years after final disposition

(3) When record are transferred to or maintained by the Federal awarding agency, the 3-year retention requirement is not applicable to the recipient

(4) Indirect cost rate proposals, cost allocations plans, etc. as specified:

If the recipient submits to the Federal awarding agency or the subrecipient submits to the recipient the proposal, plan, or other computation to form thebasis for negotiation of the rate, then the 3-year retention period for its supporting records starts on the date of such submission.

If the recipient is not required to submit to the Federal awarding agency or the subrecipient is not required to submit to the recipient the proposal, plan or other computation for negotiation purposes, then the 3- year retention period for the proposal, plan, or other computation and its supporting records starts at the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation"

III. Applicability

This guidance applies to all sponsored program or sponsored research applications, awards, and associated records related to applications submitted and awards managed by Morgan State University. These requirements do not apply to awards or fellowships made directly an individual. As indicated above, these procedures only apply to sponsored program or research applications and awards and the requirements are subordinate to the University-wide retention policy or procedures.

IV. Requirements

Record Types and Retention Requirements

Grants, Contracts and Supporting Documents		
Type of Record	**Location**	**Retention Period**
Unfunded Applications or Proposals.	Office of Research Administration and PI	Six months following submission of the application or proposals. Records will be returned to the PI for retention or disposal.
Awarded Applications, Proposals, and Supporting Documents	Office of Research Administration	3 years and 90 days after the conclusion of the award*
Awards	Office of Research Administration	3 years, after submission of fiscal status report or after final payment under a Federal contract*
Records Regarding Human Subjects	Office of Research Administration-IRB Compliance Office, PI	3 years, under the HIPAA Privacy Rule and 45 CFR 164.528, MSU requires investigators to retain study records, along with records of all disclosures of study information, for the following time periods: At least 7 years after the last subject has completed his or her participation in the study, or the date of the last disclosure of identifiable health information from study records, if disclosures continue after all subjects have completed the study.

State and City Awards	Office of Research Administration and Office of Restricted Funds Accounting (RFA)	Follow terms and conditions because some of these type awards require that the University retain fiscal records for 6 years. Otherwise keep for 3 years after final payment.
Program Reports and Scientific Data	PI, ORA and RFA	3 years and 90 days after the conclusion of the award*

*If litigation, claim, or audit is initiated prior to the expiration of the 3-year period, the records must be retained until all findings involving the records have been resolved and final action taken.

Relevant Sponsored Program Financial Records and Supporting Documents This listing is provided as a general guide on documents which should be retained, is not meant to be an all-inclusive listing of records which should be maintained by MSU. All documents related to transactions or research activities should be maintained by the appropriate parties.		
Purchase Orders	Office of Research Administration, Procurement	8 years
Contracts, Agreements (Subagreements, MOU, MOA)	Office of Research Administration; Finance & Management currently signs off on all contracts, subcontracts, subawards and other contractual	3 years plus 90 days after the conclusion of agreement
Labor Rates, Justification, etc.	Office of Research	8 years
Sponsor prior approval requests and associated approvals.	Office of Research Administration	3 years, plus 90 days after the conclusion of MSU's agreement
Scientific data, analytical processes and results, performance measurement data, methods, lab notebooks, technical reports, publications, etc	PI or PD	3 years, plus 90 days after the conclusion of MSU's agreement
Financial transactional records and reports	Restricted Funds Accounting	3 years, plus 90 days after the conclusion of MSU's agreement
Third party cost share commitments and valuation	PI or PI, Restricted Funds Accounting	3 years, plus 90 days after the conclusion of MSU's agreement
Executed subaward agreements and any associated amendments	Office of Research Administration	3 years, plus 90 days after the conclusion of MSU's agreement

Subaward payment authorizations	PI, Office of Research Administration, and Restricted Funds Accounting	3 years, plus 90 days after the conclusion of MSU's agreement
Subaward technical reports	PI	3 years, plus 90 days after the conclusion of MSU's agreement

Records Disposal Procedures

The Office of Procurement and Property Control at Morgan State University has been designated by the State of Maryland as the Record Retention Administrative Office for the University. The Retention Schedule Preparation Records Survey provided by the State to Procurement and Property Control for use by the University is attached.

Department of General Services-Record Management (DGS-RM) provides guidelines in Records Destruction. Records scheduling is the first in a series of records management procedures to be issued. All State agencies have been instructed in developing and using records disposition (retention) schedules to insure prompt and orderly disposal of records not required by the operations of the agencies. The authority has been provided in accordance with the State Government Article, Subtitle 6, Part IV, Section 10-632, the DGS-RM Division and the Maryland State Archives.

The attached forms (DGS 550-1,550-1A, 550-2, 550-4, 550-5 and 550-6) must be used after consulting with and following procedures in the Office of Property Control, Division of Finance & Management.

The procedures for discarding and destroying records are included in the attachment from Procurement and Property Control.

V. Roles and Responsibilities

Principle Investigators

The PI or PD maintains any and all documents pertinent to the research or training program. These include but are not limited to all raw data, analytical processes and results, performance measurement data, methods, lab notebooks, technical reports, publications, subawardee technical reports, etc.

Office of Research Administration

The Office of Research Administration maintains any and all documents related to that Office's areas of responsibility including records of compliance, proposals, budgets, guidelines, prior approval documentation, cost share commitments, etc. relevant to specific sponsored projects.

Restricted Funds Accounting

Restricted Funds Accounting maintains any and all documents relevant to that Offices' responsibilities, which includes all fiscal documents, including miscellaneous financial information, such as cost share commitments and accumulation of those commitments and the organization's F&A Rate proposal. RFA records should provide for the identification, in its accounts, of all awards received and expended and the sponsor or Federal programs under which they were received. Federal award identification data must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any. Accurate, current, and complete disclosure of the financial results of each Federal award or program, including records that identify adequately the source and application of funds for federally-funded activities; these records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

Human Resources

Human Resources maintain any and all documents related to HR's area of responsibilities, which includes personnel records, compensation, promotions, payroll records for all persons whether funded or cost shared that are working on sponsored projects.

Comptroller's Office

Comptroller's Office maintains any and all financial transaction records related to sponsored programs/projects for audit purposes

Finance & Management

Finance & Management maintain copies of all contracts, subcontracts, subawards and other contractual related agreements entered into by MSU.

The Office of Procurement and Property Control

The Office of Procurement and Property Control is responsible for oversight of record retention at MSU and is responsible for assisting with the appropriate disposal of institutional records.

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UNALLOWABLE COSTS

Purpose:

The purpose of this policy is to establish guidelines for defining and identifying costs that are unallowable for reimbursement from the federal government and other external sponsors. The University generally applies these same cost principles to non-federal funding as well. This policy is applicable to anyone who is involved in administering funds from sponsored awards.

Unallowable Costs:

Unallowable costs are costs that cannot be paid by a grant or contract. Such costs may be expressly prohibited by 2 CFR 200. Charging an unallowable expense to a sponsored award is prohibited, i.e., at no time should unallowable costs be charged to the sponsored project.

Allowable Costs:

The government's 2 CFR 200,Subpart E, Office of Management and Budget (OMB), identifies direct and indirect costs that can be charged to federal grants and contracts. These costs will be reimbursed by the sponsoring agency and are allowable. Costs that are allowable (a) must be reasonable; (b) must be allocable to sponsored agreements u; (c) must be given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances; (d) and must conform to any limitations or exclusions in the sponsored agreement as to types or amounts of cost items. Other pertinent definitions are listed on the last page of this document.

Responsibilities:

Principal Investigators:

- Maintain fiscal oversight of their awards
- Ensure that all disbursements are allowable and are authorized based on terms and conditions of the award
- Charging expenses to the appropriate account
- Spending according to their approved budgets with in the project period
- Properly authorizing and documenting expenditures
- Monitoring all aspects of subawards, including approving their invoices
- Reviewing expenditures on a monthly basis and correct overruns, if necessary
- Update the account with any changes if there is a PI change

Departments:

- Assigning responsibilities to individuals and ensuring they are aware of their responsibilities in the process and are properly trained;
- Monitoring budgets and ensuring in advance that department financial resources are sufficient to pay for any goods
- Ensuring that all eligible discounts are earned by timely processing of payment voucher invoices and receiving so the University can benefit from payment discounts;
- Forwarding invoices sent directly by the vendor to the department to Accounts Payable for processing; and
- Staying informed about current processes and procedures applicable to the purchase and payment of goods and services

- Inspect items received and be sure they are in acceptable condition; if not, contact procurement

Categories of Unallowable and Allowable Costs:
The categories that are allowable and unallowable are included in the Quick Reference Chart.

Each sponsor may have their own grants policy statements that may have additional restrictions. For example, NIH has their grants policy statement that references more items as guidance. See

https://grants.nih.gov/grants/policy/nihgps/HTML5/section_7/7.9_allowability_of_costs_activities.htm

Quick Reference Chart for Unallowable Costs:

ITEM	BANNER Account Code
Alcoholic beverages	No code
Alumni or Alumnae activities	No code
Airfare Costs in excess of the standard commercial airfare	No code
Costs incurred by institution in connection with defense of suits	No code
Costs incurred by institution in connection with defense of government claims or appeals	No code
Commencement or convocation costs	No code
Bad debts	13200
Contingency provisions	No code
Lobbying	No code
Investment management costs	No code
Charitable contributions, donations or remembrances	No code
Entertainment costs, including amusement diversion, and social activities; Exception for some TRIO (pre-college) programs	04
Any costs directly associated with such costs as tickets to shows or sporting events, meals, lodging, rentals, transportation and gratuities; Exception for some precollege programs	04
Housing and personal living expenses of university officers	No code
Selling and marketing costs of any products or services of the university	09511-19 0952A/B
Memberships in any civic, community, country club, or social organization	13050
Personal use of institutional furnished vehicles	No code
Trustee travel and subsistence	No code
Fines and penalties	No code
Legal costs related to failure to comply with state, federal, local or foreign statutes	No code
Cost overruns on Sponsored Agreements	No code

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There are times that items on this general list are allowable: For example, if a research project is studying alcohol the specific instrument's terms and conditions may allow the purchase of alcohol. It is important to read the specific provisions of A-21 when determining the allowability of a cost. There are certain circumstances where items listed above are allowable. Specific award terms and conditions take precedence over the provisions of 2 CFR 200 as shown in the chart. In the case where an unallowable cost has been identified, that cost cannot be charged to the grant or contract. Instead, it must be charged to a local non-sponsored fund assuming that the cost is allowable under Universities policies.

Quick Reference Chart of Allowable Costs in Sponsored Projects

ITEM	BANNER Account Code
Animals: allowable for the acquisition, care and use of experimental animals, contingent upon compliance with PHS Policy on Humane Care and Use of Laboratory Animals	09060
Books and Journals: If an organization has a library, books and journals generally should be provided as part of normal library services and treated as F&A costs; Exception: can be directly tied to the project	09021 09140
Consultant Services: Consultant can be retained to provide professional advice or services for a fee but usually not as an employee or the requiring organization	02010
Donor or patient care costs: Allowable for payment to volunteers or research subjects who contribute blood, urine samples and other body fluids or tissues that are specifically project related	09060
Equipment : Allowable for purchase of new, used or replacement equipment as a direct cost or as part of F&A	09991;12040 09993
Fringe benefits: Allowable as part of overall compensation to employees for the amount of time and effort on sponsored projects	02
Salaries and wages: Can compensate for personal services cover all amounts including fringes and services rendered	02
Stipends: Payments made to persons under a fellowship or training grant in accordance with pre-established guidelines.	12041; 12040 12042
Telephone costs: May be a direct cost and can be specifically identified to a sponsored agreement and have been properly justified or documented in the grant or contract proposal	03020

Travel: Allowable where such travel will provide direct benefits to the project and has been pre-approved by the sponsoring agency	04
Administrative costs: Sometimes these costs, which are typically treated as indirect costs, may be approved and_allowable and can be specifically identified to a sponsored agreement and have been properly justified and documented in the grant or contract proposal. Examples are dues & membership, office supplies, periodicals, telephone and internet expenses, mail, general office equipment (e.g., computer used for non-sponsored activities) and postage.	03010 03011 03030

Note: The items above are generally allowed, unless expressly prohibited by the sponsor.

Other Pertinent Definitions

Allocable Costs:

- A cost is allocable to a particular project if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. A cost is allocable to a sponsored project if (1) it is incurred solely to advance the work under the sponsored agreement; (2) it benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods, or (3) if it is necessary to the overall operation of the institution is deemed to be assignable in part to sponsored projects. Where the purchase of equipment or other capital items in 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.
- Note as allocable costs relate to cost overruns: Any costs allocable to a particular sponsored agreement under the standards provided in 2 CFR 200 may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.
- Any costs allocable to activities sponsored by industry, foreign governments or other sponsors may not be shifted to federally sponsored agreements.

Reasonable Costs:

A cost may be considered reasonable if the nature of the goods or services acquired or applied and the amount involved therefore reflects the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.

Major considerations involved in the determination of the reasonableness of a cost are:

a. whether or not the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement
b. the restraints or requirements imposed by such factors as arm's length bargaining. Federal and State laws and regulations and sponsored agreement terms and conditions

c. whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the Federal Government and the public at large; and
d. the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the institution generally, including sponsored agreements

Equipment:

Equipment is an article of non-expendable tangible asset having a useful life of more than one year and an acquisition cost which equals or exceeds $5,000. Items that cost less than $5,000 or have a useful life of one year or less are considered supplies. Sometimes a purchased item is a system made up of separate or separable parts, but it must be sold as a system by the vendor in order to qualify as a single piece of equipment

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EFFORT REPORTING

Procedure Statement

As a recipient of federal funding, it is the policy of Morgan State University ("University") that the University maintains systems and procedures documenting the distribution of compensation for personal services to sponsored projects in compliance with Federal regulations as defined by **OMB Uniform Guidance, *Cost Principles requirement***, and other applicable sponsor requirements. MSU complies with Federal effort reporting requirements and has implemented an electronic system for Effort Certification in Self Service Banner to accumulate and document personal service costs charged to sponsored programs. The system is designed to ensure that the commitment indicated in a proposal and resulting award is met and in compliance with MSU, sponsor terms and conditions, and Federal Regulations.

The University employs an After-the-Fact effort reporting system that provides the principal means for certifying that the salaries charged or contributed to sponsored projects are reasonable and consistent with the portion of total professional activity committed to the project.

University faculty and staff are expected to charge their time to sponsored awards which commensurate with the committed effort expended on all activities they perform. Payroll charges to sponsored awards, cost sharing recorded for faculty and staff which is captured in Banner (University Financial System) serves as the initial data points for the University's effort reporting system. All Principal Investigators are required to certify their own effort as well as familiarize themselves with effort of project staff working on their awards.

Purpose of this Policy

The purpose of this policy is to provide guidance on effort reporting for sponsored programs.

Morgan State University receives funding for research and other sponsored programs through grants and contracts provided by the Federal government and other sponsoring agencies. As a condition of accepting such funding, the university must ensure that the effort expended on sponsored programs justifies the salary charged to them. All individuals involved with the administration and conduct of federally sponsored award activities, including central and departmental sponsored project administrator, principal investigators and other personnel must comply with this policy.

The goals of this policy and these procedures are to:

- Comply with the requirements of OMB Uniform Guidance regarding allowable personal service costs paid by Federally sponsored programs, "Compensation for Personal Services" mandate implementation of an effort reporting system to distribute compensation across all of the relevant activities of research staff and to allocate allowable compensation to and between sponsored programs. The basic requirement of the Federal cost principles is that salary charges on sponsored projects must be proportionate to the effort expended on those projects, as documented in periodic effort certifications. At MSU, the requirement is fulfilled through reasonable monitoring of salary allocations to Federal projects and through the preparation, review, and certification of Time and Effort Reports.

- Provide clear guidance to research faculty and staff to properly identify, verify and document personal service costs allocated to federally sponsored programs.
- Describe how to properly track and certify effort in accordance with Federal requirement

Scope of this Policy

This Policy is applicable to all Senior Administration, Directors, Faculty, schools, departments, units and personnel of the University involved in administering sponsored awards. This plan applies to the Effort (percentage of time spent) towards particular MSU work related activities, such as sponsored and non-sponsored projects, instruction, proposal preparation, or other administrative duties. The principles in this plan are intended to guide employees that are involved with any aspect of effort reporting at MSU.

Individual effort reports are required for all faculty, graduate students, and administrative and professional employees, undergraduate students, non-exempt and temporary employees paid on sponsored projects. Activities such as research, teaching, and administrative services are included in measuring effort percentage being sure NOT to exceed 100% effort based on University Effort.

Effort Reports for undergraduate students, graduate students, and temporary employees, who have all or a portion of their salary charged to a sponsored project, can be certified by the employee, PI or supervisor. A certifier may designate a proxy to certify effort.

Distribution

Effort Reports are to be certified three times per year, end of the Fall and Spring Semester, and end of the summer term. Time and Effort reports will be made available in SELF SERVE BANNER within 30 days following the last payroll date at the end of each period. Time and Effort reports should be electronically certified *(effort certification)* within 30 days of its availability in WEBSIS (Self Service Banner). The entire effort certification process from distribution to certification should be completed within 60 days. When a Time and Effort Report form has been certified, no further changes will be allowed.

The University understands there may be exceptional circumstances that will warrant an extension. If an extension is needed, the reason must be documented and approved by the Effort Reporting Manager in advance of deadline.

Excessive disregard for the policies could lead to disallowed costs on sponsored projects that would need to be absorbed by the department. Department chairs, deans and VP's (Supervisor of PI) will be notified of the need of certification of an effort report on a FYI basis only.

Changes to Effort during Certification

If the payroll distribution reflected in the effort certification does not accurately reflect how the employee expended their effort, the PI must notify Restricted Funds Accounting of the error before approving the effort. If a redistribution of effort is required, Restricted Funds Accounting in agreement with the PI will be responsible for initiating and processing the payroll redistributions, and a new effort report will be made available by the Effort Reporting Manager with the correct effort for certification.

Salaries charged to a sponsored project must never exceed the amount of actual time and effort devoted to that project.

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Mandatory Cost Sharing / Committed Effort

If some or all effort an individual expends on a specific sponsored research project is not funded because of a mandate by the sponsor and is paid by another funding source, or where the individual has clearly committed to uncompensated effort to the project in the application, the effort must be reported as unfunded activity (cost sharing). Mandatory Cost Sharing must be reported.

Compliance Oversight and Administrative Responsibility

The responsibility of compliance oversight and administrative responsibility is that of Office of Research Administration, Division of Research and Economic Development. ORA is responsible for the electronic distribution, collection, and retention of all effort reports. Reported data will be made available by ORA only to authorized auditors. All effort certifications will be stored electronically.

Roles & Responsibilities

Effort reporting is a federal compliance requirement. There are many individuals involved in this process and each one has a role in ensuring that certifications are accurate and completed on time.

Effort Reporting Manager

Reports directly to the Assistant Vice President for post award administration, Division of Research and Economic Development. This position will have oversight over the following activities:

- Develop and implement effort reporting policies and procedures
- Provide oversight and coordinate information to facilitate compliance with effort reporting requirements
- Manage the business/functional aspects of Banner electronic effort reporting system
- Monitor compliance with reporting requirements
- Provide Training on effort reporting policies and procedures
- Electronically generate/distribute effort certification reports for all employees identified as expending effort on sponsored projects
- Provide guidance on laws, rules and regulations which affects effort reporting
- Investigate measures to correct issues with effort compliance, develop and implement tailored corrective action plans, and ensure required compliance education is completed

The Effort Reporting Manager will work closely with each department, and any entities or individuals who are involved with effort reporting.

Principal Investigators (PIs)/Faculty Members

- Understand their own as well as their staff members' (non-faculty personnel) levels of effort committed, charged and reported on all applicable awards and
- Review, initiate corrections if necessary, and electronically certify efforts for all personnel paid on their grant

- Monitor and report Cost Sharing-Voluntary / Committed Paid on Unpaid Effort for effort certification
- Review effort reports to ensure reports are accurate and certified *electronically* on a timely basis
- Communicate significant effort changes to the Effort Reporting Manager
- If applicable, formally request, via the Request for Proxy Authority form, that the certification responsibility be delegated to another individual who has sufficient technical knowledge and/or is in a position that provides for suitable means of verification that the work was performed
- Review salary charges on awards on a monthly basis with grant accountant and identify any effort-related changes and communicate with administrators to post corrections if needed
- Verify effort report and electronically sign if effort changes are made after a statement has been certified
- Coordinate with the MSU's Office of Research Administration (ORA) on any questions or issues

Grant Accountants – Restricted Funds Accounting

- Monitor effort commitments, salary charges, and cost sharing on all applicable awards
- Communicate to the Office of Research Administration (ORA) any changes that require sponsor notification and/or approval
- Review salary charges with PI/faculty member and post any salary redistribution updates and/or corrections in a timely manner
- Reconcile cost changes made to effort certification reports with Payroll adjustments, coordinate redistributions

Department Head

- Monitor school-level compliance with, the University Effort Reporting Policy
- Coordinate with the Office of Research Administration offices (ORA) / Effort Reporting Manager on any questions or issues
- Review and approve or reject PI/faculty designee requests for alternate signers on Effort Certifications
- Review requests for PI proxies for alternate signers of Faculty Effort Certifications and ensure before Effort Reporting Manager receives the request for proxy

ORA – Budget Officer

- Communicate significant changes in effort to sponsors
- Update effort commitments in Banner NBAJOBS to reflect new effort commitment when changes in effort are approved by sponsors
- Monitor and report Cost Sharing-Voluntary / Committed Paid on Unpaid Effort for certification

- Work closely with Restricted Funds Accounting to verify salary redistribution corrections
- Assists PI in determining committed effort at proposal stage for self and other relevant personnel
- Ensures that sponsor-imposed salary caps are calculated and recorded properly
- Monitors committed effort and assists PIs with preparation of request to sponsors, as necessary, regarding reduction of effort
- Ensures that effort reported during a no-cost extension is consistent with the effort committed to the sponsor

Internal Audit

- Independently evaluate compliance with effort reporting requirements

Compliance

Violations of this policy may subject faculty and other employees to disciplinary procedures, including, but not limited to:

1. Suspension of new submissions on behalf of a PI during the period that the faculty member's effort report (or that of any research staff) is delinquent;

2. Discipline in accordance with the policies and procedures set forth in the Faculty Handbook as applicable to faculty. A non-faculty employee who is determined to be noncompliant with this policy will be subject to discipline in accordance with the applicable employee disciplinary policies and procedures;

3. MSU will report to the sponsoring agency any finding of noncompliance, as required by applicable law, regulations and the term and conditions of the award.

Delinquent Reports

First Delinquent Notification

- The first business day following the due date, the first delinquent notification process begins unless an approved extension is on file.
- A delinquency memo attached in an email, from the Effort Certification Manager to the Department Chair, with a copy to the PI to remind them that the ECRs are overdue and request the ECRs be completed within 5 business days.

Second Delinquent Notification

- If 5 business days have passed since the first delinquent notification was sent and the delinquent ECRs have not been returned and there has been no approved extension request on file, email the second delinquent notification to the department chair/director and copy the PI. The delinquency notification should come from the Effort Certification Manager.
    - Request ECRs be returned within 5 business days.

Third Delinquent Notification

- If 10 business days have passed since the second delinquent notification was sent and the delinquent ECRs have not been returned and there has been no approved extension request on file, a third delinquency notification will be sent.
- Third delinquency notification is from the Assistant VP of Post Award
- Administration ORA, sent to the department chair/director, and copy the Provost and Senior Vice President for Academic Affairs, the appropriate Dean, the Vice President for Research and Economic Development and the Effort Certification Manager.
- Request ECRs be returned within 5 business days.
- The department chairs, investigators shall be made aware of the audit risk as a result of non-compliance with University policy.
- After all other options have been exhausted, the salaries may be charged to the departmental budget.

Policy Definitions

Effort

The work or portion of time devoted to a particular activity, expressed as a percentage of Salary paid by MSU as defined by the base salary.

Reporting Effort

Effort is certified based on an after-the-fact reporting system. Effort reports are prepared for three time periods: Fall semester, spring semester and summer term.

A report of actual effort is generated using the Effort Reporting System in Banner Self Service. Each effort report must be completed and certified in a timely manner.

Certifying Effort

The PI and any other faculty member whose salary is charged to a sponsored program are required to certify his or her individual effort report. The PI must also certify that the effort reported by non-faculty personnel directly charged to projects is accurate and reflects the effort actually contributed during the reporting period.

Calculating Effort

The basis used to propose or commit effort should be the same as that used to calculate report and certify effort.

It is recognized that a precise apportionment of effort across the activities performed on behalf of an institution of higher education is not always feasible. Research, teaching, and administration are often inextricably intermingled. Therefore, reliance is placed on estimates in which a degree of tolerance is expected.

For research scientists, administrative employees and faculty, there is no set number of hours that constitute total effort; rather total effort equals 100% of the University effort. The activities performed and the total amount of time to accomplish them will likely be different for each individual and may vary during the year and from year to year.

Research scientists and administrative employees are generally on 12-month appointments and are assigned their responsibilities for research and their expected committed effort by the PI. For graduate students, a full-time appointment is comprised of a combination of research responsibilities and educational activities. They may be appointed on a semester or 9-month basis and may earn additional compensation for each summer month during which they are employed.

Committed Effort

When an award is accepted, the Principal Investigator is committed to providing the level of effort specified in the proposal, subsequent budget modification or resulting award notification, over the award period, unless sponsor policies permit otherwise. For some sponsors, a specific level of effort is also specified for other key personnel. It is expected that the proposed effort committed in a grant application will be provided to the project evenwhen the amount approved in the notice of grant award is less than the amount requested, unless the sponsor has agreed to a reduction in effort. In such cases the unfunded committed effort must be treated as voluntary cost sharing and tracked in a separate account.

Temporary changes of less than 5% of assigned effort during a period are generally considered immaterial (except that the 1% minimum effort for PIs on Federal grants must be met) and it is not necessary to report them on payroll documents. However, changes from assigned effort of 5% or more that are expected to continue or occur regularly must be reflected in the corresponding time and effort report.

Cost Sharing

Any effort which is committed in the proposal and resulting award, but not charged to the sponsor, must be documented as voluntary committed cost sharing and reported on the T&E certification, unless the deviation is within award limits or has been approved in advance by the sponsor. The amounts identified for cost sharing are subject to review and approval by the responsible departmental and school.

Institutional Base Salary (IBS)

Annual compensation paid by MSU for an employee's appointment, whether that individual's is spent on research, teaching or other activities as described in the employee's appointment letter. IBS excludes any income an employee earns for activities or duties outside of their compensated responsibilities to MSU. IBS is the required basis for determining salary in proposal budgets.

Minimum Effort

With certain exceptions (including for example, equipment and instrumentation grants, doctoral dissertation grants, faculty mentors on institutional training grants), faculty are expected to apply some level of effort to projects on which they are listed as the PI or as key personnel (1% or more or the minimum required by the program).

Maximum Effort

The sponsor of an affected project will normally require notification if the effort reduction is significant (25% or greater reduction in time).

Summer Effort for Faculty with 9-Month Appointments

The (Institutional Based Salary) IBS for nine-month faculty is based on the nine-month base even for faculty whose administrative duties extend into the summer. Faculty compensated for 9-month appointments are permitted to expend up to an additional three months of summer effort on a combination of service (paid by MSU) and one or more sponsored programs in the period beyond the academic year and earn up to three months of additional salary for that effort.

Total Effort

For any given time period, the total appointed time in the NBAjob record in payroll and totality of all Work-Related Activities paid is the "Total Effort" or 100% of the employee effort. The total number of hours worked does not affect the total effort. For example if an employee is hired to work 20 hours per week or 40 hours a week, either equates to 100%.

Changes in Status and/or Effort

It is the PI's responsibility to comply with Federal and other sponsoring agency prior notification requirements related to changes in status and/or effort for all personnel on their projects. Federal agencies require prior notification and approval of significant changes in personnel status and/or effort of PI's (and for some sponsors, key personnel) on the projects that they sponsor. Federal agencies define changes in status as:

- Withdrawal from a project;
- Absence from the project for any continuous period of three months or more; or
- Twenty-five percent (25%) or greater reduction in the time devoted to the project (over the budget year) from the level approved at the time of award.

During the life of the award, when required by sponsor policies, it is the PI's responsibility to obtain University (Chair and Dean) and sponsor prior approval for such changes in status or effort. Requests for sponsor approval are conveyed through the Office of Research Administration.

Unless otherwise communicated to the sponsor, the effort committed during a no-cost extension period is assumed to be consistent with the effort commitment for the immediately preceding award period.

For Federal awards, the sponsor must be notified at the time of a no- cost extension request if the effort to be expended is reduced by 25% or more than the level approved at the time of the award.

Retroactive Adjustments

To identify potential errors and make adjustments on a timely basis, PI's and their department administrators should regularly compare the effort commitments contained in new and ongoing sponsored program budgets by reviewing the budget in Banner on a monthly basis, preferably after a payroll cycle. In addition, in preparation for each effort reporting period, an additional, comprehensive review should take place for each project to identify potential adjustments.

As of January 1, 2015, once effort has been certified on a sponsored program, it may not be re-certified without explicit permission from the Chair, Dean and Effort Reporting Manager. Changes in certification may not be implemented by a charge to the Federal government. The term "re- certification" does not include the correction of failures to implement the original certification, e.g., paperwork errors or payroll adjustments, which were requested, but not processed. Requests for such corrections must be accompanied by documentation substantiating the claim.

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COLLECTION OF OUTSTANDING ACCOUNT RECEIVABLES

Purpose:

To provide information and guidance regarding the Collection of Outstanding Account Receivables (A/R) on Grants, Contracts and Cooperative Agreements. This procedure applies to all active sponsored projects.

Overview:

Faculty and staff submit proposals to secure external funds. The Division of Research & Economic Development (DRED) is (1) responsible for working with the principal investigators (PI)s to submit proposals to secure funds from state, local and federal agencies. After the University receives the award, the Division is (2) responsible for the implementation and monitoring of the terms and conditions of the award, including compliance.

The Office of Restricted Funds Accounting (RFA) is responsible for the fiscal accounting and management of all research grants, contracts, and cooperative agreements. The RFA maintains any and all documents relevant to that Office's responsibilities, which includes all fiscal documents, including miscellaneous financial information, such as cost share commitments and accumulation of those commitments and the organization's F&A Rate Agreement. This includes submission of invoices, electronic draw downs and the required financial reporting to all respective granting agencies. RFA should provide for the identification, in its accounts, of all awards received and expended and sponsors – State, Federal and other programs under which they were received.

Collection of funds will be the last course of action, if all other efforts fails, such as legal written contacts, phone calls and sending legal letters. The decision to collect funds will be on a case by case basis, especially in the case of Federal funded grants in order to maintain a professional and positive relationship with the funding agency and Morgan State University (MSU)

If an agency does not provide all funding to the University, the RFA staff will initiate the collection of amounts owed to the University. If payment has not been made to MSU because the PI owes a technical report or because of poor quality of work, the PI, Dean and Department Chair will be notified with a copy to the Assistant Vice President for Post Award Administration and VP-DRED.

Procedure:

The procedure for the University to collect the funds is as follows:

(1) The Office of RFA will determine the amount, prepare invoices and submit to the sponsoring agency, i.e., state, federal or other sponsor, while maintaining a working relationship with the sponsor, if feasible.

(2) After 60 days have passed, the Grant Accountant will inquire about unpaid invoices and documents; the Director of RFA is notified

(3) After 90 days have passed, if payment has not been received, a certified letter will be sent to the agency.

(4) After 120 days, the GA will complete the proper forms, and work with the Bursar's Office, if required, and submit completed paperwork to the State of Maryland. The department/school/college in which the PI is affiliated with, is responsible for covering any uncollectible balances due to unallowability of costs, dispute with the sponsor, sponsor bankruptcy or any other reasons.

In the State of Maryland, the Department of Budget and Management's Central Collection Unit (CCU) the State of Maryland contacts the point of contact (POC) within the funding agency and thus formally initiates the collection process. The CCU's mission is to collect delinquent debts owed to the State of Maryland in the most cost efficient manner while employing the highest professional standards.

Retention of Records:

Records will be retained until all funds have been collected on grants and contracts. Under normal circumstances, records will be maintained for three (3) years, after submission of fiscal status report or after final payment under guidelines in the MSU Retention Procedures and federal guidelines. If litigation, claim, or audit is initiated prior to the expiration of the 3-year period, the records must be retained until all findings involving the records have been resolved and final action taken.

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(Date)

(Company Name)
(Company Address)
Attn: (Company Rep)

Re: 60 Days past due

Dear (Company Rep's name):

This is a friendly payment reminder about the account with Morgan State University, which now appears past due. I would like to bring the following invoice(s) to your immediate attention.

Name:
Address:
Invoice No:
Date Due:
Amount:
Budget Code:

It would be much appreciated if you could let us know the status of this payment. Please do not hesitate to call if you have questions about the balance due on the account. **The payment is due 60 days from the issue date of the invoice.**

Thank you very much for your attention to this matter and your continued business.

Sincerely,

(Name)
(Title)
(Contact Info)

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(Date)

(Company Name)
(Company Address)
Attn: (Company Rep)

Re: 90 Days past due

Dear (Company Rep's name):

This is to inform you that the account is now 90 days PAST DUE for the Invoice No_____. This matter requires your immediate attention. Please remit payment as soon as possible.

Name:
Address:
Invoice No:
Date Due:
Amount:
Budget Code:

Please inform us as the current status of the payment. If you have questions, please contact us immediately. Note the balance due on the invoice.

We will continue to reach you to resolve this matter.

Sincerely,

(Name)
(Title)
(Contact Info)

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((Date)

(Company Name)
(Company Address)
Attn: (Company Rep)

Re: 120 Days past due

Dear (Company Rep's name):

This is to inform you that the account is now 120 days PAST DUE for the Invoice No_____. This matter requires your immediate attention. Please remit payment as soon as possible.

Name:
Address:
Invoice No:
Date Due:
Amount:
Budget Code:

Please inform us as the current status of the payment. If you have questions, please contact us immediately. Note the balance due on the invoice.

We will continue to reach you to resolve this matter.

Sincerely,

(Name)
(Title)
(Contact Info)

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(Date)

By Registered Mail
(Company Name)
(Company Address)
Attn: (Company Rep)

Breach of Agreement & Past Due Balance
(Project No/Reference No)
Balance Due ($)

Dear (Company Rep's name):

This correspondence serves as a FINAL Demand Notice of Payment.

On (invoice date), the university requested payment based on our agreement dated (XX-XX-XXXX). To date, we have not received payment or any acceptable communication regarding the delay in payment. As a result, you are hereby notified that failing to remit the aforementioned amount within ten (10) business days will be considered as a breach in our contractual agreement. Under Maryland State law, the university is required to refer this delinquent balance to the Maryland Central Collections Unit (CCU). CCU will assess a collection fee not to exceed 17% and will begin collection efforts which may include liens, lawsuits, etc.

To avoid further collection efforts, forward payment by (XX-XX-XXXX) to:

Morgan State University
Office of Restricted Funds Accounting
1700 East Cold Spring Lane
Baltimore, Maryland 21251
Attn: Director

Thank you in advance for your prompt attention in this matter.

Sincerely,

(Name)
(Title)
(Contact Info)

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RESIDUAL BALANCE

Overview

This document provides procedures for the handling of residual balances on fixed-price or fee-for-service agreements after completion of the work and submission of all required deliverables. The basic agreement type may vary.

Definitions

A Fixed Price Agreement is a sponsored agreement or contract in which the sponsor agrees to pay an upfront, predetermined price for an agreed upon product or deliverable, regardless of actual costs incurred.

Fee-for-service Agreement is a sponsored agreement or contract in which the sponsor agrees to pay an upfront, predetermined price, for agreed upon services or individual tasks performed, regardless of actual costs incurred.

Purpose

This document provides guidance to confirm proper accounting and closeout of Fixed Price or Fee-For-Service sponsored projects and the handling of any residual balances once it has been determined that all project terms and conditions have been met and all deliverables have been provided to and accepted by the sponsor.

Guidelines

It is the responsibility of the PI to ensure that all appropriate costs are charged to the sponsored project and that all deliverables are submitted and approved by the sponsor. At the completion of the fixed price or fee-for-service agreement, and after recovery of any waived Facilities & Administration (F&A) costs, any remaining balance greater than $500 will be distributed to the PI in a discretionary account to further enhance his/her research, teaching and or service related activities. **The expenditure of funds is restricted to research, teaching and/or service related activities and is not to be used for routine supplies**. If the residual balance is less than $500 the funds will be transferred to the Department of Research & Economic Development (D-RED) to support the university's research mission. If the residual balance, prior to any F&A recovery, is greater than $25,000 or 20% (whichever is lower) of the awarded total a justification must be submitted by the PI explaining the reason for the significant balance. All transferred funds must be expended within 18 months after the residual funds account has been established. After this period, funds will revert to the D-RED research fund. In the instance where a PI leaves the university prior to fully expending his/her discretionary funds the balance will be transferred to the D-RED research fund.

Example of F&A Recovery

A PI receives an award for $200,000 with an F&A rate of 10%. The University's federally negotiated rate is 48.5%. Following the calculations below, there is a waived F&A total of $47,138.05 which, under this policy, is recoverable by the university prior to any disbursements to a PI discretionary fund.

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Awarded		
	Direct Cost	181,818.18
	F&A @ 10%	18,181.82
	Total Award Amt	200,000.00
Allowable		
	Direct Cost	134,680.13
	F&A @ 48.5%	65,319.87
	Total Award Amt	200,000.00
Waived F&A		47,138.05
Total Award Amount		200,000.00
Total Award Expenditures at Closeout		140,000.00
Balance		60,000.00
Less Waived F&A		(47,138.05)
Transfer to PI Discretionary Fund		12,861.95

Procedure

The PI/PD must confirm in writing, by way of the Residual Balance Transfer Request Form, that all allocable expenses have been charged to the project and all deliverables and other project requirements have been satisfied. If the residual balance, prior to any F&A recovery, is greater than $25,000 or 20% (whichever is lower) of the awarded total the PI must explain the reason for the significant balance on the Residual Balance Transfer Request Form and forward to the Assistant Vice President for Research Administration / Post Award for approval. The appropriate Dean(s) must also be notified of the residual balance(s).

Once the necessary approvals are obtained, Research Funds Accounting (RFA) must verify that proper accounting has occurred and closeout of project accounts after the project has concluded. Meaning, all invoices have been submitted and paid and all financial reports have been submitted.

RFA will then notify the Comptroller's Office that a new discretionary fund needs to be established for the residual balance transfer. The fund will follow the naming convention: F11001, Org Axxxx, Program 20, Name (grant name followed by 'Residual Funds') and the PI will be listed as the Financial Manager.

Upon receipt of the discretionary account fund number, RFA will complete the journal entry to transfer the residual balance to the university general revenue account. If the full Facilities & Administration (F&A) rate was not applied to the award, RFA will deduct the variance prior to the balance transfer.

The Budget Office will work with the PI to post the budget to the discretionary account and then the PI can begin spending following standard university policies and procedures and the guidelines set forth by this document.

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SOLICITATION AND ACCEPTANCE OF SPONSORED PROJECTS AND GIFTS

Policy Statement

I. The Morgan State University engages in a wide variety of activities sponsored by non-University entities. These activities include research, training and public service projects which are consistent with the mission of the University. Such activities are encouraged as a means to further the objectives of the University, to strengthen ties with government, industry, the community, and other academic institutions, and to expand and enhance the instructional environment.

II. All proposals for specific sponsored projects shall be reviewed by institution personnel for consistency with all University policies, for appropriateness to the mission of the institution, and for liability assessment. The University has primary responsibility for the solicitation and negotiation of proposals and administration of awards.

III. Applications may be submitted and awards accepted directly by the designated officer at the University.

IV. In the course of soliciting, negotiating and executing agreements with sponsors, a constituent institution may encounter conditions for performance which are not standard practice. Upon discovery of such a condition, the VP for Research & Economic Development shall immediately notify the President. Such unusual practices include, but are not limited to, the following examples:

- Abridgement of publication rights
- Assumption of liability for a third party
- Exceptional contribution of State monies to the project

The Provost may, in consultation with the VP for Research, require withdrawal of the proposal or non-acceptance of the award.

V. The Vice President of Institutional Advancement,, on a quarterly basis, is required to submit to the President a summary of gift activities. The Vice President for Research and Economic Development is required to submit to the Provost a summary of sponsored project/program activities, quarterly. The content and format of the report shall be determined by the Office of the President and/or Office of the Provost shall include, at a minimum, the number of awards and their dollar value.

Purpose for the Policy

The University must manage all funds received in accordance with applicable federal, state, and local laws, and with the specific terms and conditions of any gift, grant or contract. ***The University's approval, negotiation and agreement processes and mechanisms, accounting, budget practices, oversight, and compliance practices differ depending on whether funds received are categorized as a gift or as a sponsored award.*** It is, therefore, essential that categorization of external funding received be undertaken with utmost care and with a sound understanding of the various considerations (outlined below) that drive the determination of funding type. This policy is intended to facilitate the appropriate

classification of gifts vs. sponsored awards and to ensure that external funding directed to the University receives the proper compliance review, administrative oversight, and monitoring.

Most importantly, it should be noted that neither the process by which funds are acquired, nor the source of the external funds, nor the term "gift" or "grant" determine how the funds should be classified or administered. The proper classification and administration of funds is generally based upon the terms and conditions that are a requirement of the awarded funds.

Statement of Principles

Funding derived from sources outside the University is an essential component of the University's financial health and its ability to undertake and sustain vital research, scholarship and education. The classification of external funding as a gift or sponsored award serves as an important step in ensuring that the appropriate accounting and compliance treatment is used. In many cases, the determination of whether funding received is a gift or constitutes a sponsored award is relatively straightforward, while in other cases, the determinations may be more difficult. In some cases, a bolus of external funding may have many separate components, some of which qualify as gift funds, and other components that would qualify as sponsored awards.

Gifts typically **carry no reciprocal obligations between donor and recipient**, and are often unrelated (or only indirectly related) to the business interests or mission of the donor. Therefore, in general, a gift may be an unrestricted donation to the University, or a donation whose uses may be restricted to an academic area or to a defined group of academic, departmental or other University activities (a "restricted gift"). Within the restrictions set by the terms of a gift agreement, the specific ways in which funds are used, and the methods of implementing the intent of the donor, are left to the discretion of the University. When unrestricted gifts are received, the University typically enjoys broad latitude in how to use the gift funds, and the University, rather than the donor, chooses what specific faculty members and students may participate in the activities supported by the gift. A gift generally has no time limit for its use and expenditure. A gift may be directed by a donor to support the work of a specific department or faculty member, but in these cases, the department or faculty member typically would have broad discretion as to the design and implementation of, and specific expenditures to support, specific academic activities for which funds received would be used. Although it is not unusual for a donor to expect a report on the general uses of funds donated (for example, a list of activities or projects that have been supported by a gift) or even a report on line-item expenses, a donor may not recoup gift funds. If a gift made for a restricted purpose has not, however, been spent according to the donor's restrictions, a donor may have grounds to rescind and recoup the gifted funds.

In sponsored awards (which include sponsored grants and contracts); however, the business interests or mission of the source of external funds is most often related directly to the uses for which the funds are specified by the recipient. Because sponsors are concerned that their funds be used to support activities that bolster the sponsor's own mission or interests, sponsors typically provide funding for sponsored awards on the basis of a specific project or research plan and budget, for a specified period of time, with funds unused at the expiration of the time period reverting to the sponsor. The plan may involve an identified University faculty or group of faculty as the academic project leader(s), and specifies goals and

objectives, as well as the methodologies and approaches to be used, and it is to pursue the program or research plan that the funds are typically awarded. Sponsors expect the University to be fully accountable for assuring that the program or research is conducted with financial, ethical and scientific integrity and in compliance with all applicable federal and state laws and regulations. Sponsored contracts (which typically are contracts for sponsored research), unlike grants, are awarded for the pursuit and completion of specific program or research objectives or tasks, or the delivery of specific products, within specified timelines. Sponsors of sponsored contracts hold the university accountable for successful and timely completion of the work and "hand-over" of the contracted deliverables. In a sponsored award (either grant or contract), both the University and its faculty are usually responsible for reporting on progress and results to the sponsor at intervals or milestones identified in the grant or contract. Sponsors usually stipulate as part of the terms and conditions of an award that they have discretion to examine, even on a line-item basis, the expenditures of the grant or contract funds, and to disallow and demand repayment of any funds deemed by the sponsor to have been expended for purposes other than direct support of the defined activities. If the funded program or research is not pursued, or the contracted deliverables not attained, sponsors often reserve the right to recoup all or some of the sponsored award from the recipient.

In some cases, the distinction between a gift and a sponsored award (grant or contract) is ambiguous and requires consideration of many factors, including but not limited to the mission of and potential benefit received by the funder, the value exchanged; the scope of work; whether there are any defined activities and, and if so, their nature and the specificity with which they are defined; the terms of accountability for use of funds and deliverables; and – in case of failure to complete the defined activities – the ability of the funder to recoup the funds provided or to obtain a refund (or receive a reversion) of unused funds. Alternately, some external funding can initially resemble a gift because its terms may lack detail about activities to be funded but may require a mechanism by which a funder would be asked periodically to approve specific program or research activities and/or specific uses of portions of funds; such funding would therefore likely be considered as a sponsored award, because of the lingering control of the funder over specific activities for which the funds would be used and/or the budgets for those activities.

In some cases, external funds received may be, by the terms on which they are provided, in part a gift and in part a sponsored award. In that event, funds received may be allocated between gift and sponsored award, and the corpus of each portion treated differently and appropriately for management, accounting, compliance and oversight purposes.

When the appropriate categorization of external funds received is uncertain, the Division of Research and Economic Development and the Division of Institution Advancement, and/or school officials should consult with the Office of the Provost. These offices, in turn, may consult with the Division of Finance and Management, and the Office of General Counsel (OGC). Similarly, when DIA, DRED and other responsible offices within the University encounter external funds received whose appropriate categorization is uncertain, they should consult with the Office of the Provost, ORA, and OGC. In cases of lingering uncertainty or dispute about the appropriate categorization of external funds received, the Provost and finally the President will make a final determination.

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Who Must Comply

Persons who must comply with this policy include all submitting offices for sponsored program awards; school-level officials who administer or negotiate gifts or sponsored program awards at all schools and units, University-wide initiatives, and centers, and all Morgan State University faculty, other academic appointees, staff, students and any other individuals who apply for, seek, or receive external funding at Morgan State University.

Only the Division of Institutional Advancement (DIA) and the Division of Research and Economic Development (DRED), respectively, may formally accept gift or sponsored program funding on behalf of the University, and therefore must respect this policy in determining whether to accept a gift or sponsored program award.

Responsibilities

In situations in which the determination of gift vs. sponsored program award is not obvious, the offices identified below are expected to coordinate as follows:

DIA, DRED and the Division of Finance and Management are responsible, under the procedures and considering the factors specified above, for working in conjunction with one another to reach a determination as to whether the external funding is a gift or a sponsored award. The submitting offices are also responsible for following the normal procedures required to accept and set up a sponsored award.

School-level officials who are involved in discussions relating to prospective gifts or who administer gift funds, and school-level officials who assist faculty with applications for and discussions relating to sponsored program awards, are responsible for applying this policy, using factors and procedures outlined above.

The Office of the Provost and OGC are responsible for providing input as requested in determining whether funding is a gift or a sponsored award. DIA is also responsible for establishing gift accounts.

Morgan State University Operating Definitions

SPONSORED PROJECTS/Programs

Sponsored Projects are externally-funded activities in which a formal written agreement, i.e., a grant, contract, or cooperative agreement, is mutually entered into by Morgan State University and a sponsor. A sponsored project is a transaction in which there is a specified project plan or statement of work with a reciprocal transfer of something of value (e.g., a monetary payment).

Sponsored projects are typically awarded to Morgan State University in response to a detailed description or statement of work and commitment to a specified project plan. A statement of work is usually supported by both a project schedule and a line-item, fixed price or modular budget. The statement of work and budget are usually described in a written proposal submitted by Morgan State University to a sponsor usually for competitive review. The following applies:

- Funding provided by U.S. Government agencies, or state or local governments, in support of Morgan State University activities is treated as sponsored project funding. Government funds are not gifts. All Federal and State programs are under the oversight of the Division of Research and Economic Development.
- Similarly funding from organizations or associations such as the American Cancer Society or American Diabetes Association, will usually be treated as a sponsored project and not as a gift; such programs are under the oversight of the Division of Research and Economic Development.
- Funding (grants, contracts) from industry sources are considered sponsored programs, unless they are designated solely as a gift with no programmatic obligation. Such programs are under the oversight of the Division of Research and Economic Development.
- Funding from foundations which are grants or contracts where a deliverable is expected and encumbers University resources (laboratories, classrooms, etc.) and University oversight (safety oversight, institutional review board compliance, compliance to Federal and state regulations, etc.) are to be placed under the Division of Research and Economic Development.
- In the case of foundations, the foundation office specifically requests the funding be laced under the purview of the University (sponsored programs) vs. the University Foundation.

SOLICITATION AND ACCEPTANCE OF SPONSORED PROJECTS, proposals to funding agencies or foundations for sponsored projects are initiated by a principal investigator and routed through the approved internal system before being submitted by the Division of Research & Economic Development. DRED is the only office on campus that can submit proposals and negotiate the conditions of an award for a sponsored project.

GIFTS

A gift is defined as any item of value given to Morgan State University by a donor who expects nothing significant of value in return other than recognition and disposition of the gift in accordance with the donor's wishes. In general, the following characteristics describe a gift:

1. No contractual requirements are imposed and there are no "deliverables" to the donor. However, the gift may be accompanied by an agreement that limits the use of the funds to a particular purpose or goal.

2. A gift is typically irrevocable. While the gift may be intended for use within a certain timeframe, such as a scholarship to be awarded in a specific semester or year, there may or may not be specified dates of expenditure.

3. There is no formal fiscal accountability to the donor, although good stewardship clearly includes the use of gift funds in the manner prescribed in the gift agreement. In some cases more detailed accountability is desirable to be eligible for future gifts. Such reports are characterized as requirements of good stewardship. They are not characterized as contractual obligations or "deliverables."

The Morgan State University Foundation accepts gifts on behalf of Morgan State University. The Morgan State University Foundation and Morgan State University agree to use restricted gifts as the donor specifies within the bounds of the law and does not accept gifts that cannot be used as the donor intends. If circumstances change such that a gift cannot be used as the donor specified, the donor must approve a change in the original restriction, or Morgan State University must receive permission as per Morgan State University Foundation policy and consistent with the laws of the State of Maryland.

Gift solicitations on behalf of Morgan State University must be coordinated with the Division of Institutional Advancement.

ADMINISTRATIVE PROCEDURES

A. Characterization of an Award

When the nature of an external award is not immediately clear the Division of Research and Economic Development and the Division of Institutional Advancement will confer with the Principal Investigator and the donor or sponsor to resolve the classification. If consensus cannot be reached, staff from DRED and DIA will consult with the Vice President for Research, the Vice President for Institutional Advancement for additional guidance or interpretation of award documents. This consultation may also involve the Dean(s) of the respective Schools/College.

In the event that agreement is not reached on the characterization of the award, the Provost and President shall make the final decision.

B. Solicitation of Funds.

To ensure that funds from sponsored projects or gifts can be appropriately accepted, recorded, and reported, and to ensure compliance with state and federal laws, solicitations for sponsored projects or gifts must be coordinated with the appropriate division (DIA or DRED). Individual acts of soliciting funding, (e.g. a written or oral request for a specific dollar amount or purpose without institutional approval), or the act of negotiating and/or accepting award terms that are binding to the university are prohibited.

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EXTRA COMPENSATION ON SPONSORED PROJECTS

I INTRODUCTION

Although generally sponsored project funds may not be used to increase the regular compensation of the principal investigator or other University staff members, the university recognizes that occasionally, faculty and administrators may be asked to make contributions to special programs that serve departmental or university needs, and which are clearly beyond the scope of their normal employment load. In such circumstances, compensation in excess of the normal base salary during the academic year may be granted.

II GUIDELINES AND PROCEDURES

A. The following guidelines and procedures are being implemented to ensure that the university is compliant with internal and external guidelines regarding the payment of extra compensation to faculty who work on sponsored projects during the academic year.

According to OMB Uniform Guidance, 2 CFR 200 (**§ 200.430 Compensation - personal services,** the section on salary rates for faculty members),

"Charges for work performed on Federal awards by faculty members during the academic year are ***allowable at the IBS (institutional base salary) rate****. Except as noted in paragraph (h)(1)(ii)* of this section, (200.430) in no event will charges to Federal awards, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period. This principle applies to all members of faculty at an institution. IBS is defined as the annual compensation paid by an IHE for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE.* ***Unless there is prior approval by the Federal awarding agency, charges of a faculty member's (or administrator's) salary to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member (or administrator) worked on the award."***

B. In the rare instances where extra compensation is deemed appropriate, such compensation in excess of the base salary during the academic year may take the form of:

- Extra compensation
  -- augmentation of base salary for overload; faculty member will be paid for overload equivalent of 1 to 2 courses consistent with the approved overload salary scale.
- Reduced subsequent semester load
  -- decrease in regular departmental load by release time of 1 to 2 courses, without additional pay.
- Consulting Fee, where appropriate
  -- agency approved charge for inter-departmental consulting or consulting at remote sites.
- Additional compensation

-- *faculty or administrator on fiscal year contracts (12 months) may receive additional compensation for one month of summer work on sponsored research at a rate not to exceed one-eleventh of the fiscal year salary.*

III PROCEDURAL GUIDELINES FOR ADMINISTRATIVE APPROVAL

All arrangements for extra compensation resulting from a sponsored project require explicit administrative approval. The following is the sequence of prior approvals that must be obtained:

- Internal Approval
    1. Department Chairperson
    2. Dean
    3. Vice President for Research & Economic Development
    4. Provost and Senior VP for Academic Affairs
- External Approval from sponsoring agency, as necessary

A. Internal Approval

Consistent with University policy and OMB Uniform Guidance, 2 CFR 200, the following conditions must be satisfied before extra compensation is considered:

- The work must be in addition to the faculty member's administrator's regular departmental load
- Reduction of faculty member's or administrator's load is impractical or impossible
- All efforts to seek load relief for the faculty member or administrator have been exhausted
- All potential conflicts of interest concerns are resolved
- The work does not interfere with the faculty member's or administrator's regular duties and assignments

Requests for internal approval must include: a description of the program; brief justification for the request; time period of the activity; and basis or formula for computation of the requested extra compensation.

B. External Approval

Following internal university approval, a written approval from the authorized official at the sponsoring agency will be obtained, as necessary. The Vice President for Research and Economic Development will work with the Principal Investigator to request this approval. Payment of extra compensation is not authorized without obtaining both university and sponsoring agency approvals.

C. Extra Compensation Rate

Charges for the work performed on the sponsored project by the faculty member or administrator will be based on the individual's approved institutional base salary (IBS). Generally, no more than equivalent of 2 or 2.5 months for those on nine-month contracts, and one eleventh (1/11) for those on 12-month contracts

**Paragraph (h)(1)(ii):* Incidental activities. Incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary) need not be included in the records described in paragraph (h) (9) of this section to directly charge payments of incidental activities, such activities must either be specifically provided for in the Federal award budget or receive prior written approval by the Federal awarding agency.

NOTE: These recommendations are based on guidance gleaned from Extra Compensation policies of several institutions including:

University of Delaware

North Carolina State University

Columbia University

Princeton University

Stanford University

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PAYMENT FOR INCIDENTAL ACTIVITIES

I Introduction

Supplemental compensation (beyond the individual's appointment) using sponsored awards should be RARE. Please see EXTRA COMPENSATION ON SPONSORED PROJECTS, page 119. Federal rules stipulate clear restrictions, but Uniform Guidance 2 CFR §200.430 allows for incidental payments under rare and restricted conditions. For consistency purposes, at Morgan State University these guidelines apply to both federal and non-federal awards. This guideline is written to clarify the meaning of incidental payments, permitted amounts for such payments, and allowed circumstances under which they can be used.

II Federal Guidelines

The Uniform Guidance (2 CFR §200.430) recognizes and allows for compensation for incidental activities to be charged directly to federal awards. Incidental activities can be defined as infrequent, irregular activities that would normally be considered too small to warrant tracking and that meet an institutional, written definition of incidental or de minimis.

The following is an excerpt from 2 CFR 200.430: "*Incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary) need not be included in the records described in paragraph (i) of this section to directly charge payments of incidental activities, such activities must either be specifically provided for in the Federal award budget or receive prior written approval by the Federal awarding agency.*"

III Incidental Activities at MSU

The federal government guidelines on effort reporting allow flexibility on "incidental" effort, which is often defined as less than 5% of a person's effort over a period of time (usually a year). For example, if a person's effort is 40 hours per week (and this may vary by individual), this person may be paid up to 2 hours per week for incidentals. Incidental effort DOES NOT include time spent writing grant proposals. The guidelines are VERY clear that effort CANNOT be charged to a sponsored award when writing proposals. If you feel you are exceeding the "incidental" threshold, either as the recipient or grantor, please discuss with your supervisor or the Office of Research Administration (ORA).

The types of activities that are allowable as a direct charge to a sponsored award, and therefore NOT included in "incidental" effort include:

- Attending mandatory meetings (staff meetings, committee meetings, etc.);
- Participating in *ad hoc* groups, teams and committees that convene to solve problems, etc;
- Attending conferences required for your job;
- Attending professional development that is required for your job, including team-building;
- Participating on interviewing/recruiting committees related to your job;
- Conducting research by faculty members.

The types of activities that are "incidental" effort and may be allowable as a direct charge to sponsored awards include time spent participating:

- On non-mandatory committees;

- In non-mandatory meetings, events, or professional development activities that are not required to perform your job;
- On interviewing/recruiting committees NOT related to your job.

A good distinction is an activity where you are required to participate (a direct-charge activity) vs. voluntary activity where you are invited to participate (an "incidental" activity).

Please note that in all of the above situations, the activity must be allocable to the project, otherwise, it will not be allowable.

Example: If a 9.5-month faculty member has a $100,000 salary, then 5% is $5,000 per year. Therefore, if someone wants to pay faculty $2,000 each for running a workshop that is NOT related to their jobs but related to the federal project, then that likely would be feasible.

Other requirements
In addition to allowability by the sponsor, there are other requirements for receiving payment for incidental activities. All requirements are listed here:

- Inclusion in the proposal budget or prior approval from the sponsor is required;
- Prior approval by the supervisor is required;
- The activity should be non-mandatory and clearly unrelated to the job function of the faculty member or staff member;
- The activity has to be done outside of the normal university hours;
- The rate should not exceed the hourly rate paid by the university to that person;
- The total amount should not exceed 5% of the total annual salary. This total is from all grants combined, not a single grant.

Incidental efforts need not be included in effort reporting.

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TRAVEL

Issue Title: Policy and Procedures Development

Description

The University has not developed a travel policy that was approved by the Board of Regents, albeit the Office of the Comptroller has issued guidance surrounding travel. Internal Audit has reviewed the University's documented guidelines and procedures and found that they do not adequately address in one place (some portions are addressed in procurement and motor pool documents):

- The full array of travel related expenditures and whether they are allowable or unallowable. The following sample items are not covered in the current guideline.
    - Vaccination costs
    - Passport and visa costs
    - Sales, occupancy, and other tax costs
    - Alcoholic beverages
    - Gratuities and tips (reasonable dollar amounts for the various specific types of service, like skycap, bellhop, and waiter)
    - Fines
    - Personal items (e.g. clothing, toiletries, souvenirs, and non-business periodicals, memberships, and postage) and services (e.g. shoeshine and haircut)
    - Laundry and dry cleaning
    - Valet parking
    - Child and pet care service
    - Hotel exercise facility / gym fees
    - Telephone (including international phone cards and air phones), fax, and Internet access (the level thereof)
    - In-room movies and room service
    - Car class (e.g. standard car reservation should be a mid-sized vehicle unless traveling with a group)
    - Guidelines of when to use the various types of ground transportation (e.g. public transportation vs. taxi and shuttle vs. car rental)
    - No-show and cancellation charges
    - Requirement for a car rental to be placed in the University's name with the authorized representative as the designated driver

  - Instructions of how (to which office) and when (e.g. within 24 hours) to report a car accident to the University
  - Car rental refueling charges and car wash
  - Reminder to first use University vehicles where possible
  - First-class and business-class tickets and upgrades
  - Travel expenditures incurred for a family member/dependent accompanying the University representative
  - Department catered events and refreshments (e.g. retreats and holiday parties)
  - Foreign travel insurance

- Requirement to have an independent supervisor, who has budget authority over the particular functional unit, to approve the travel. This includes the President of the University.
- Requirement for travel incurred by Business Auxiliary units to be approved by the Business Manager and travel funded by sponsored awards to be approved by the Office of Research Administration and Research and Title III office, as applicable.
- Travel advances. The University should consider increasing the restrictions for travel advance eligibility. For example, increase the minimum dollar amount (currently there is an undocumented guideline that the advance must be $50 or more), require a minimum length of trip, and impose a restriction where only University employees are eligible to receive advances and those that do not have outstanding advances owed to the University and in general employees that abide by University policies. The policy should also state that unreturned advances will be remitted to the collection agency after 90 days of receiving the travel expense report. The policy should also allow garnishment of the final payout check for terminated employees.
- Export[1] compliance in relation to international travel. When researchers travel to overseas locations, any accompanying equipment or technical data (stored on electronic devices or in hard copy) is considered by export laws to have been "exported" to their destination and any interim locations. Certain countries also have sanctions programs administered by the Office of Foreign Assets Control (OFAC) which may prohibit travel activities, services, or other exchanges. Travel approving authorities must not approve any trip that is not first in full compliance with export compliance policy.
- Detailed provisions when foreign carriers may be used for federally sponsored travel as part of the Open Skies Agreement. See http://www.gpo.gov/fdsys/pkg/CFR-2012-title41-vol4/xml/CFR-2012-title41-vol4-sec301-10-138.xml.
- Process for travel reimbursement to external consultants, guest lecturers and researchers, and research subject participants.

- Proper coding of the travel expenditure to the cost center. There should be a place on the expense report to indicate where the travel should be charged.
- Consistent application of per diem allowances. Internal Audit noted that one staff member allowed the traveler to exceed the meal allowance for an individual meal if the overall allowed meal allowance for the day was not exceeded when this was disallowed by another employee.

Internal Audit noted that not all staff members were clear as to whether the University follows the State's policy if not covered in the University's guidance.

[1] Export control is governed by a group of federal regulations intended to advance the national security, foreign policy, and economic interests of the United States. The primary regulations controlling export of technologies are the Export Administration Regulations (EAR) (15 CFR §730-774) administered by Department of Commerce, and the International Traffic in Arms Regulations (ITAR) (22 CFR §120-130) administered by Department of State. The Office of Foreign Assets Control of the Department of Treasury administers various sanctions programs which restrict financial transactions and services with certain countries.

Recommendation

Develop a formal travel management policy and procedures document that addresses the above-referenced elements and have it approved by the appropriate senior leaders.

Management's Response

We will develop, document, and submit a formal travel management policy to the Board of Regents for their review and approval. In addition, we will enhance the current documented procedures based upon our independent review and identification of best practices that aligns with the University's unique needs and environment. We will take the above examples into consideration as a part of our internal review. Many of the items referenced above are cited in other policies and procedures at the University (e.g. procurement manual and fleet management regulations). We will cross-reference those external documents as necessary. Further, items that pertain to sponsored research will be drafted by the Division of Research and Economic Development.

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LIMITED SUBMISSION

PURPOSE

Many funding agencies occasionally place limits on the number of letters of intent, pre-proposals, proposals, or applications that any one university may submit in response to a funding opportunity announcement. To prevent any potential disqualification of submissions by Morgan State University, the following guidelines have been established. These guidelines apply to all grants and contracts including awards made directly to faculty members.

GUIDELINES

Current opportunities:

The Office of Research Administration (ORA) will maintain a web page posting internal submission procedures and deadlines, with links to other university postings of limited submission opportunities. This is in addition to "Funding Alerts" that individual faculty can receive from ORA based on their search criteria.

Last-minute opportunities:

If individual faculty or staff become aware of limited submission opportunities not posted through the ORA, they must immediately notify the Assistant Vice President of Research and Economic Development and/or the Senior Grants Manager.

If there is enough time, at least four (4) to six (6) weeks prior to the agency's deadline, an announcement will be sent out to the deans and chairs; normal limited submission program instructions will apply.

If there is less than four (4) weeks prior to the deadline, all proposals received in the ORA will be submitted on a "first come, first served" basis. If any proposals come in after we have reached our maximum number of submissions, those proposals will not be able to be submitted by Morgan.

PROCEDURE

A. Summary of Proposed Project

Internal proposals must be submitted by 5 p.m. on the internal deadline date. It is the responsibility of the PI to submit the internal proposal information on time and should include:

- Solicitation number
- The project title
- The principal investigators (internal and external) and their affiliations
- A budget estimate (in a format of your choice, does not need to be reviewed by the ORA)
- An accurate description of required source of funds for a limited submission proposal, documentations
- A project summary
- Curriculum vitae (CV)

Submit to: Assistant Vice President of Research and Economic Development and the Senior Grants Manager

This should be 1-2 pages (the CV does not count towards the page limit). Principal Investigators may also attach additional supporting information, but it is not required.

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B. Selection of Projects

1. If there are fewer internal applicants than the number of proposals that Morgan can submit, all internal applicants shall automatically be selected as the Morgan candidates. After the deadline, additional applicants can be accepted on a first-come, first-served basis through application to the Office of the Research Administration

2. If the number of internal applicants equals the number of proposals that Morgan can submit, all will automatically be selected as the Morgan candidates and no further applicants will be considered.

3. If more than the allowed proposals are received, the Assistant Vice President for Research Administration will convene an *ad hoc* committee to select the project(s) to be submitted on behalf of the University.

Selection Criteria to be used by MSU internal reviewers

- Relevance to the University's research objectives
- Responsiveness to the program guidelines and sponsor's review criteria
- Intellectual merit of the proposed project
- Appropriateness of the researcher or research team to the proposed project
- Presentation of the project
- Assessed overall best chance of success in the external competition

C. Full Proposal Submission

PIs/PDs of descriptions selected will be advised to submit letters of intent, pre-proposals, proposals in accordance with sponsor guidelines through ORA following normal submission procedures including the Internal Routing Form and other required submittal documents.

D. Resubmission

If a proposal is submitted for a limited submission opportunity and is not funded, that proposal will have no preference over other projects in any subsequent limited submission opportunities.

In order to be considered for any subsequent limited submission opportunities, such proposals must be resubmitted through the established selection process, and will be evaluated against competing projects. However, failure to submit a full proposal after a selected letter of intent may result in exclusion from consideration for any limited submission opportunity immediately following.

E. Failure to Submit Full Proposal(s)

If a researcher/faculty member(s) requests permission to submit a "Limited Proposal Submission" -- and subsequently neglects to meet the deadline -- thereby resulting in no proposal submission(s) on behalf of the university, said researcher/faculty member(s) will not be considered for the next year submission. However, they will be considered for subsequent year submissions and, the Assistant Vice President, shall notify the deans and relevant chair(s) if a selected candidate fails to submit a proposal to the program in question.

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PRE-AWARD SPENDING/ADVANCE ACCOUNT CREATION PRIOR TO RECEIPT OF THE AWARD DOCUMENT

I. Introduction

The purpose of this document is to outline the circumstances in which the Principal Investigator/Project Director (PI/PD) may spend on an award prior to the receipt of the official award document. Such circumstances include:

1. The award has been granted, but the project period has not started. If the awarding agency permits pre-award spending and these funds will be reimbursed to the university, then MSU may allow pre-award spending. Note that some sponsors allow research to begin up to 90 days before the start date of the award. For example, if an award is scheduled to start May 1, the institution can begin spending about February 1. Please also note that all sponsors participating in the Federal Demonstration Partnership (FDP) allow pre-award costs without prior approval.
2. The award has not yet been granted but there is a high probability that the university will receive the award. An example of "high probability that the university will receive the award" may be public announcement of the award.
3. It is a multi-year award in which the out years' notices of award are received after the start of each new budget period, and there are no indications that the agency (federal or otherwise) will not have the funds to continue the award.

II. Benefits:

- Provides for faster start-up and implementation of the project.
- Ensures that personnel assigned to the project are hired or allocated in a timely manner.
- Contributes to the timely spending of awarded funds.
- Allows investigators to purchase equipment, etc., at the beginning of a project without delay.
- Avoids additional administrative costs by reducing time-consuming cost transfers and redistributions.

III. Risk:

- There's a very small probability the grant won't be awarded, and the institution will need to absorb the costs. To minimize fiscal risk to the university, there will be a formal request from the investigator that will need to be approved through a risk-based approach. The total pre-award spending will be limited to 20% of total costs or $100,000, whichever is less.

Pre-Award Spending/Advance Account Creation Approval/Effective Date: 7.1.2024

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SUBRECIPIENT MONITORING PROCESS

1. PURPOSE

Subrecipient monitoring is one of the more consequential responsibilities Morgan State University (MSU), "the University," carries as a pass-through entity. When federal dollars flow through MSU to external partners, the University does not shed its compliance obligations at the point of transfer; it retains them. This process document exists to make that responsibility concrete and workable.

Specifically, this document establishes MSU's requirements for monitoring subrecipients under all sponsored awards to ensure compliance with federal regulations and applicable law, sponsor requirements and award terms, Federal Acquisition Regulation (FAR) clauses, and institutional policies and internal controls.

2. AUTHORITY

This process document is grounded in the following regulatory and institutional authorities:

- 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Federal Acquisition Regulation (FAR): Applicable flow-down clauses
- Sponsor-specific terms and conditions
- Other applicable federal and state regulations

3. SCOPE

This process document covers all subawards issued by Morgan State University (MSU) under federal grants, cooperative agreements, and federally funded contracts. If MSU is issuing the subaward and federal money is involved, this process document applies.

4. DEFINITIONS

The following terms are used throughout this document and carry the meanings defined below:

Term	Definition
Subrecipient	A non-federal entity that receives a subaward from Morgan State University (MSU) to carry out part of a federally funded program. Subrecipients perform programmatic work, as distinct from contractors who provide goods or services in the normal course of business.
Pass-Through Entity (PTE)	Morgan State University, in its role as the entity issuing subawards under a federal award. This designation carries specific compliance and monitoring obligations under 2 CFR Part 200.

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Contractor / Vendor	An entity providing goods or services in the normal course of business. Contractors are not carrying out substantive programmatic work and are therefore not subject to subrecipient monitoring requirements. However, MSU Office of Procurement rules and regulations will apply.
Risk Assessment Questionnaire (RAQ)	ORA's standardized instrument for evaluating the risk profile of a prospective subrecipient before subaward issuance. See the attached RAQ (effective May 15, 2026).
Corrective Action Plan (CAP)	A formal written plan is required of a subrecipient when monitoring identifies deficiencies or noncompliance. This CAP must identify specific remediation steps, responsible parties, and target completion dates.

5. RESPONSIBILITIES

Effective subrecipient monitoring depends on clear role delineation. The following parties share responsibility:

Role	Responsibilities
Office of Research Administration (ORA)	Conducts subrecipient risk assessments before subaward issuance, drafts and executes subaward agreements, ensures required federal flow-down provisions are included, and coordinates overall monitoring activities throughout the award period.
Principal Investigators (PIs)	Monitor programmatic performance on the ground. PIs are best positioned to know whether a subrecipient is making meaningful progress; they review technical reports and flag concerns about performance or deliverables.
PIs & Schools (Financial Review)	Review subrecipient invoices for allowability, allocability, and reasonableness. Invoice review is a substantive compliance function tied directly to award terms and conditions.
Office of Research Compliance	Reviews and advises on research security, export control, conflict of interest, and broader regulatory compliance requirements that affect subrecipient relationships.

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6. RISK ASSESSMENT

Before any subaward is executed, MSU will conduct and document a risk assessment of the prospective subrecipient. This step is not optional; it shapes the monitoring approach for the entire award period and is required under 2 CFR Part 200.

The risk assessment evaluates:

- SAM.gov verification and debarment status
- Single Audit results and any existing audit findings
- Financial stability and prior performance history
- Research security compliance posture
- FAR clause applicability and flow-down requirements
- Experience managing federal awards and subawards
- Adequacy of internal controls and accounting systems

6.1 Pre-Award Risk Review

A formal risk review will be completed before any subaward is executed. ORA uses a Risk Assessment Questionnaire (RAQ) to structure and document this review (see the attached RAQ, effective May 15, 2026). The completed RAQ and its supporting documentation are filed in the award record. ORA does not issue subawards without this step in place.

6.2 Risk Categories

Based on the factors above, subrecipients are classified as Low, Moderate, or High risk. The classification drives the intensity of monitoring throughout the award period. A low-risk subrecipient with a clean audit history and a strong track record warrants a different approach than one with unresolved findings or limited federal experience.

6.3 High-Risk Subrecipient Requirements

Subrecipients designated as high-risk are subject to enhanced monitoring. This designation may result in more frequent reporting intervals, additional documentation requirements, and potential site visits. The intent is not punitive; it reflects the elevated responsibility MSU carries when working with entities whose compliance posture is less established.

7. MONITORING ACTIVITIES

Monitoring does not end at subaward issuance. MSU is required to perform ongoing oversight throughout the award period. The specific activities applied will depend on the subrecipient's risk classification and any issues that emerge over time.

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7.1 Invoice Review

- Principal Investigators (PIs) and their respective school, center, or division review and approve subrecipient invoices before payment is released.
- Cost allowability is verified against 2 CFR Part 200 standards.
- Charges are confirmed to align with the approved budget and statement of work.

7.2 Technical Monitoring

- PIs conduct technical and programmatic progress reviews at defined intervals.
- Effort reporting and cost sharing are reviewed where applicable.
- Performance is assessed against established milestones and deliverables.

7.3 Audit Review

- ORA reviews subrecipient audit reports, including Single Audit findings where applicable.
- Prior audit findings are tracked, and corrective actions are followed up on until resolved.

7.4 Site Visits and Desk Reviews

- Site visits and desk reviews may be conducted for high-risk subrecipients or when monitoring raises specific concerns.
- Both in-person and virtual site visits are permissible, depending on circumstances.
- Written reports may be prepared and filed in the award record following each visit or review.

7.5 Documentation

Monitoring activities are to be documented and retained to the extent practicable. Supporting documentation may include completed checklists, invoice review records, written reports of site visits or desk reviews, and correspondence with subrecipients. Undocumented monitoring is, from a compliance standpoint, monitoring that did not happen.

8. FEDERAL COMPLIANCE REQUIREMENTS

Subawards issued under federal contracts carry an additional layer of compliance: flow-down FAR clauses. MSU must ensure that applicable clauses are incorporated into each subaward agreement and that subrecipients understand their obligations under them. Examples of FAR Clauses considered are in the table below:

FAR Clause Example	Description / Requirement
FAR 52.204-21	Basic Safeguarding of Covered Contractor Information Systems
FAR 52.222-54	Employment Eligibility Verification (E-Verify)

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FAR 52.203-13	Contractor Code of Business Ethics and Conduct
FAR 52.227	Intellectual Property and Data Rights Clauses
FAR 52.219	Small Business Subcontracting requirements (when applicable)

8.1 E-Verify Requirements

Subrecipients under applicable federal contracts are required to use E-Verify to confirm the employment eligibility of all new hires and any existing employees assigned to work under the subaward. This is a federal mandate, not an institutional preference.

8.2 Research Security and Export Controls

Subrecipients must comply with all applicable research security and export control requirements. This includes ITAR, EAR, and any sponsor-specific provisions identified in the prime award. ORA works with the Office of Research Compliance to ensure these requirements are properly flowed down and understood by subrecipients before work begins.

9. CORRECTIVE ACTIONS

When monitoring identifies deficiencies or noncompliance, MSU has both the authority and the obligation to act. The response is proportional to the severity and nature of the issue. Available corrective measures may include:

- Imposing additional reporting requirements
- Withholding payment pending resolution of identified concerns
- Increasing monitoring frequency
- Requiring a formal corrective action plan with specific timelines
- Suspending or terminating the subaward

9.1 Noncompliance Procedures

When noncompliance is identified, ORA notifies the subrecipient in writing and documents the findings in the award file. The subrecipient is given a defined window of time to respond and present a remediation plan. The process is formal because the consequences for MSU and for the subrecipient can be significant.

9.2 Corrective Action Plans

A corrective action plan (CAP) must identify specific remediation steps, name the parties responsible for each, and include target completion dates. Vague commitments to ‘improve processes’ are not acceptable. ORA tracks progress against the CAP until all items are resolved and documented.

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9.3 Suspension or Termination

In cases of material noncompliance or repeated failure to remediate, the subaward may be suspended or terminated. This step is taken seriously and follows the procedures established under the award terms, 2 CFR Part 200, and applicable FAR clauses. It is a last resort, but it is a real one.

10. CLOSEOUT REQUIREMENTS

Subaward closeout is not complete until the subrecipient has submitted all required deliverables. MSU does not close out a subaward with outstanding items. Required submissions may include:

- Final invoice
- Final technical report
- Invention and property reports (where applicable)
- Cost share documentation (where applicable)
- Final compliance certifications

11. RECORD RETENTION

All monitoring documentation must be retained in accordance with the following requirements. Retention failures can jeopardize MSU's standing in federal audits and reviews.

- Federal record retention requirements under 2 CFR Part 200 (generally 3 years after submission of the final expenditure report)
- FAR record retention requirements, as applicable to contract-funded subawards
- State of Maryland mandated record retention requirements (generally 7 years after submission of the final report)
- Morgan State University institutional records management requirements

REFERENCES

- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Federal Acquisition Regulation (FAR)
- SAM.gov – System for Award Management
- Federal Audit Clearinghouse