Overview of the Proposal Submission Process, Award Negotiation, Award Approval, and Set-Up

Assessment 3 will cover materials in Module 3.00 of the tutorial including information in referenced guides. Definitions and acronyms referred to in this module and found in the definition or acronym list provided as part of this tutorial (see Module 1.00) may be included in the assessment. The assessment will not cover information found in external web sites.

Multiple Choice
When preparing a grant application what are some of the most important things to remember?

1. To follow the directions of the sponsor
2. To refer back to previous grant applications to see how to complete the application
3. To follow University policies and procedures
4. 1 and 3
5. All of the above

Correct Response The PI must prepare the grant application, including the preparation of the budget and technical portions according to the sponsor’s instructions and UCD|AMC’s policies and procedures.

True/False
Is the following statement true or false?

All contract proposals are subject to review and negotiation as necessary by G&C to ensure compliance with UCD|AMC, State, and Federal rules and regulations governing sponsored projects. (TRUE)

Correct Response Contract proposals often have more restrictive and problematic terms and conditions. Therefore, all contract proposals are subject to review and negotiation as necessary to ensure compliance with UCD|AMC, State and Federal rules and regulations governing sponsored projects.

Multiple Choice
Often, proposed research that is to be conducted at UCD|AMC is performed in part at UCD|AMC affiliated sites. What needs to be addressed when this is the case?

1. A discussion with the primary physician at each affiliated site needs to occur to ensure agreement (at least verbally) to collaborate with UCD|AMC
2. Nothing needs to be addressed unless G&C requires written documentation
3. Activities at affiliated sites (such as patient care) require affiliate institutional approval(s) independent of UCD|AMC’s approval processes
4. None of the above

Correct Response All institutional, affiliated hospital, regulatory and safety approvals need to be obtained by the PI for all proposal arrangements. These approvals may need to be obtained from the affiliated hospital where work such as patient care will be performed, separate from approvals required by UCD|AMC. For example, University of Colorado Hospital (UCH) is a separate entity with an independent approval process for patient care activities.
Multiple Choice
If affiliated sites are included as part of a proposal, at what point of the proposal process do affiliated sites need to be involved?

1. A discussion with the primary physician at each site needs to occur to ensure agreement (at least verbally) to collaborate with UCD|AMC
2. All issues related to affiliate participation can be addressed after the PI has received an award from the sponsor
3. **At the proposal stage, the PI is required to obtain all approvals from affiliated sites that are separate from UCD|AMC approvals**
4. Nothing needs to be addressed unless G&C requires written documentation
5. None of the above

Correct Response All affiliated hospital approvals need to be obtained by the PI for all proposal arrangements.

Multiple Choice (1 points)
Why does it take more time to get contract proposals approved by G&C than it does to get a grant application approved?

- It is G&C policy that contract proposals not be reviewed in the first week it was received
- Contract proposals may take longer because they are harder to read
- **Contract proposals often have more restrictive and problematic terms and conditions to negotiate**
- None of the above
- All of the above

Correct Response Contract proposals often have more restrictive and problematic terms and conditions, which make it more likely that it will takes more time to negotiate and approve than a typical grant application.

True / False
The budget in a proposal should not be higher or lower than what it would reasonably cost to perform the work. **(True)**

Correct Response The budget must be realistic and reasonable, it should not be higher or lower than what it would reasonably cost to perform the work. UCD|AMC is a non-profit organization, we are not here to make a profit.

Multiple Choice
When preparing a proposal budget, how do you determine the amount of detail to include?

- UCD|AMC requirements
- Sponsor guidelines
- Whatever works at the time, depending how busy you are
- All of the above
Correct Response  The best source for information on how much detail to include in the proposal budget will be the guidelines supplied by the sponsor. The minimum budget requirements of UCD|AMC must also be followed, even if it means providing a more detailed budget for G&C's internal use (e.g. NIH modular grant applications).

Multiple Choice
When does OMB Circular A-21 apply to budgeting practices?

- When the prime sponsor is a pharmaceutical company
- When the prime sponsor is a private foundation
- When the prime sponsor is a foundation, but UCD|AMC receives the funding from another university via a contract
- When the prime sponsor is the State of Colorado

**When the sponsor is a federal agency (including proposals being submitted to federal sponsors through another institution or agency)**

Correct Response  Proposal budgets to federal sponsors (including proposals being submitted to federal sponsors through another institution or agency) must adhere to the federal cost principles found in Office of Management and Budget (OMB) Circular A-21, “Cost Principles for Educational Institutions”.

Multiple Choice
The Cost Principles covered in OMB Circular A-21 include four tests of allowability. What are the four tests?

- Cost Accounting Standards; Direct Costs vs. Facilities and Administrative Costs; Reasonableness; Allocability
- Reasonableness; Allocability; Consistency; Allowability
- Reasonableness; Allocability; Consistency; Conformance with the terms and conditions of the award
- None of the above

Correct Response  The cost principles for allowability address four tests, reasonableness, allocability, consistency, and conformance with the terms and conditions of the award.

Matching
Match each word to the correct definition.

- Allocable  Budgets should only include the estimated costs that can be assigned to the project, in reasonable and realistic proportion to the anticipated benefit.
- Allowable  Budgets should only include anticipated costs need to perform the scope of work and would be consistent with the cost principles.
- Reasonable  A cost that is necessary to and supports the specific performance of the sponsored project. A cost is reasonable if a prudent person would purchase a given item for the same purchase price.
Consistent  
Setting up budgets to ensure that estimated costs will be incurred for the same purpose in like circumstances so costs are treated consistently as either direct or F&A costs.

None  
Planned expenditures that would be made using federally sponsored funds for direct costs that are allowable under the terms and conditions of the award.

Correct Response  
Allocable - Budgets should only include the estimated costs that can be assigned to the project, in reasonable and realistic proportion to the anticipated benefit. Allowable - Budgets should only include anticipated costs need to perform the scope of work and would be consistent with the cost principles. Reasonable - A cost that is necessary to and supports the specific performance of the sponsored project. A cost is reasonable if a prudent person would purchase a given item for the same purchase price. Consistent - Setting up budgets to ensure that estimated costs will be incurred for the same purpose in like circumstances so costs are treated consistently as either direct or F&A costs.

Multiple Choice  
What are the primary budget categories?

- Total Costs
- Facilities and Administrative Costs (F&A)
- Personnel
- Direct Costs
- Travel

Correct Response  
Budgets are to be broken into two broad categories, Direct Costs and Facilities and Administrative (F&A) costs (sometimes referred to as “indirect costs” or “overhead” by sponsors).

True/False  
To ensure compliance with the Cost Accounting Standards, begin by making the distinction between what budgetary items can be covered by direct costs or F&A costs. (True)

Correct Response  
Any planned purchases for a project should be identified by category in the proposal budget under direct costs, described in the budget justification as appropriate. Compliance with the cost accounting requirements starts with budget preparation and determining what costs are considered direct costs as opposed to F&A.

Multiple Choice  
Direct Costs are defined as costs that can be identified specifically with a particular sponsored project, relatively easily and with a high degree of accuracy. Applying this definition, which of the following would not be considered a direct cost(s) on a federally funded project?

- Adding machine for entire office
- Advertising for patient recruitment for one project
- UCD|AMC janitorial services
- Lab glassware used for one project
- Pager fees for patient care and coordinating project

Correct Response  
1 and 3
Correct Response: Direct costs can include personnel costs for PI, co-PI, technical staff, and collaborators relative to the level of effort expended on the project, laboratory supplies, long-distance telephone toll-charges, animal and animal care costs, scientific equipment, travel costs, and specialized shop costs.

Multiple Choice
If a proposals budget to a federal agency includes clerical and administrative support as a direct cost, G&C may start asking questions. Why?

- Clerical and administrative support is generally considered to be a cost that is incurred by the institution for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project.
- Clerical and administrative support is generally covered under F&A.
- The federal government and many other sponsors define, by regulation, that these costs should not be funded as direct costs.

All of the above

Correct Response: Administrative and clerical expenses, such as office supplies, postage, local telephone costs, and memberships, the salaries of administrative and clerical staff should normally be treated as F&A. In general, those costs related to the general operation of a department, division, or lab should not be charged as a direct cost to a federally sponsored project.