7.9 Soliciting, Receiving, Recording, and Administering Grants and Contracts for Sponsored Projects

7.9.1 Introduction

In meeting its obligations for teaching, research, and public service, the KCTCS frequently enters into contractual arrangements with other entities such as the federal government, state and local governments, industry, and private foundations. Faculty and staff participate in these arrangements and KCTCS facilities are used. The following policies and procedures are provided to govern these activities.

7.9.2 Definition of Grants and Contracts for Sponsored Projects

Grants and contracts for sponsored projects represent a contractual obligation between the grantor and the KCTCS for the performance of a specific activity through which the grantor, or sponsor, is entitled to receive some consideration or benefits. The contractual obligation is normally documented by a proposal/award combination, contract, or a written memorandum of agreement. Funds are classified as a grant or contract when any of the following characteristics or conditions exist:

1. KCTCS is required to provide a detailed technical report of the sponsored activity the results of which become the property of the sponsor;
2. Testing or evaluation of products is involved;
3. An activity results in the preparation, synthesis, or separation of a product;
4. KCTCS is required to provide direct consideration or benefits to the sponsor;
5. An activity is directed to satisfying specific sponsor requirements (e.g., terms and conditions stating a specific scope of work to be done); and
6. A specified period of performance is prescribed and termination is at the discretion of the sponsor.

The KCTCS assumes full legal responsibility for complying with all requirements imposed by the grantor or sponsor upon acceptance of grants and contracts for sponsored projects.
7.9.3 Scope

The following policies and procedures shall govern all grants and contracts for sponsored projects undertaken by the KCTCS, with the following exceptions:

1. Earmarked or dedicated state taxes or appropriations;
2. Student aid funds (but not government-funded graduate fellowships, traineeships, research assistantships, etcetera);
3. Major construction and renovation funds; and
4. Private gifts from corporations and foundations requiring a report of expenditures to verify compliance with the donor's intended purpose.

7.9.4 Office of Sponsored Projects and Contracts

The responsibility for the coordination of grants and contracts procurement and management, consistent with KCTCS policies and procedures, of all sponsored projects is primarily assigned to the KCTCS Office of Institutional Advancement.

The Office of Sponsored Projects and Contracts (OSPC), a unit in the Office of KCTCS Institutional Advancement, serves KCTCS colleges in the procurement, review, approval, and submission of proposals. OSPC also has responsibility for ensuring compliance with the terms and conditions of grants and contracts including the issuance of progress, final, and other appropriate reports, excluding financial reports, and for providing general grant, contract, and agreement administration with project sponsors.

7.9.5 Director of the Office of Sponsored Projects and Contracts

The Director of the Office of Sponsored Projects and Contracts (OSPC) is delegated the responsibilities of the Office, and shall, for these purposes, be responsible to the KCTCS Vice President for Institutional Advancement.

The Director of OSPC is delegated responsibility for negotiation of all grants and contracts for sponsored projects, including fixed-price program support agreements, and is authorized to execute contractual documents and accept grants, after consultation; when appropriate, with the unit performing the work of the grant or contract, with the concurrence of the KCTCS Vice President for Institutional Advancement.

This delegated responsibility and authority shall be performed in accordance with established policies and procedures of the KCTCS.
7.9.6 Solicitation of Agreements

A. The Office of Sponsored Projects and Contracts (OSPC), with the concurrence of the KCTCS Vice President for Institutional Advancement and the individuals having responsibilities named in "C" below, and in support of the principal investigator or project director, shall submit all proposals for grants and contracts for sponsored projects in the name of the Kentucky Community and Technical College System (KCTCS). This policy does not prohibit the freedom of members of the faculty and staff to discuss possible projects with potential sponsors; however, discussions with potential grantors or sponsors should be confined to professional and technical matters. KCTCS employees must exercise caution to avoid committing the KCTCS to any action, as only the Director of OSPC, with the concurrence of the KCTCS Vice President for Institutional Advancement, is authorized to execute contractual documents or accept grants or contracts.

B. The KCTCS Vice President for Institutional Advancement, KCTCS Chancellor, other KCTCS Vice Presidents, and KCTCS college presidents/chief executive officers shall establish procedures to ensure that all proposals for grants and contracts, including fixed-price program support agreements and projects not awarded on the basis of a formal proposal, are submitted through OSPC.

C. Funds for a sponsored project usually are awarded on the basis of a formal proposal prepared by a principal investigator. Such proposals shall be reviewed and endorsed on the Internal Approval Form by any affected college president/chief executive officer, division chairperson, director, dean, KCTCS Vice President for Institutional Advancement, KCTCS Chancellor, or KCTCS other Vice Presidents, and then forwarded to OSPC for final review and submission to the sponsor. Proposals which include new courses, unusual financial commitments, new degrees, additional space, experimental animals, human subjects, biohazards, etcetera, shall require approval by the appropriate KCTCS administrator or office with responsibility for each of these activities.

D. After a proposal has been received by the sponsor, OSPC shall conduct all negotiations regarding budget changes, etcetera, with the advice and assistance of the principal investigator and appropriate KCTCS officials.

E. The general policy governing grants and contracts for sponsored projects is that all costs are to be reimbursed by the grantor/sponsor, including salaries of faculty and staff working on the project, fringe benefits, all other direct costs, and full indirect costs as determined with established cost principles for educational institutions.

F. Policy and procedures for approval of sponsored projects are as follows:

1. All proposals for sponsored projects, including fixed-price program support projects and written memoranda of agreements, shall include a
complete budget reflecting full costs of the project. The principal investigator, by signing the Internal Approval Form, certifies that the budget represents the best estimate of full costs, including all salaries of faculty and staff applicable to the project, fringe benefits, full indirect costs, facilities requirements, supplies, equipment, etcetera. All costs not to be reimbursed by the sponsor shall be clearly indicated together with the internal sources of funds to cover these.

2. Chairpersons, chief administrative officers, college presidents/ceos, Vice President for Institutional Advancement, Chancellor and other KCTCS Vice Presidents, as appropriate, shall certify that they have reviewed and approved the proposal, including the full cost budget and sources of internal funds as required to cover un-reimbursed costs.

3. Awards or agreements that provide for reimbursement of full costs of the sponsored project may be accepted and approved by the Director of OSPC, under specific written delegation from the KCTCS Vice President for Institutional Advancement.

4. Awards or agreements for grants and contracts with matching requirements; those involving special competitive situations wherein the KCTCS makes significant concessions in cost sharing; and those involving significant contributions of space and equipment; or obligations to continue a program beyond the extramural funding period must be approved by the KCTCS Vice President for Institutional Advancement.

5. All other awards or agreements for grants and contracts that do not provide for reimbursement of full costs of the sponsored project may be accepted and approved by the Director of OSPC, after review and approval by the appropriate sector budget staff, as may be designated by the KCTCS Vice President of Institutional Advancement.

### 7.9.7 Acceptance

Upon receipt of contractual documents for grants and contracts, the Office of Sponsored Projects and Contracts (OSPC) staff shall review the terms of the contract and compare them with the proposal originally submitted. The contract then shall be reviewed with the principal investigator and the appropriate KCTCS administrator(s), at which time any unusual requirements shall be discussed and specific contract requirements brought to their attention. After this review, any changes shall be negotiated with the sponsor. Significant changes in scope of work, budget, or KCTCS costs shall require the concurrence of those who initially reviewed and approved the proposal under this policy. When all points of disagreement are resolved to the mutual satisfaction of all parties, the contract shall be executed on behalf of the KCTCS by the Director of OSPC.
Quarterly reports shall be prepared by OSPC and submitted to the KCTCS President, the Vice President of Institutional Advancement, KCTCS Chancellor, and other KCTCS Vice Presidents:

1. A report listing all contracts and grants accepted with full cost recovery; and

2. A report listing all contracts and grants accepted with less than full cost recovery, showing amounts and categories of expense, sources and amounts of internal funds to cover unreimbursed costs, and the reasons for acceptance.

Occasionally, proposed contractual documents or agreements are not acceptable. If the differences cannot be negotiated with the sponsor, OSPC shall formally reject the project.

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(SIGNED)                  12-15-09 (SIGNED)                                 12-15-09

Recommended by Date

President, KCTCS Date