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UNIT: Office of Research and Sponsored Programs	Effective Date: January 1, 1988	
SUBJECT: Regulations Governing External Grants and Contracts	Revised Date: July 1, 2007	
TITLE: Proposal and Budget Submission to an External Funding Source	Number 001	Page 1 of 2
<p>OVERVIEW: The Office of Research and Sponsored Programs is responsible for providing professional resources and services to enhance the ability of faculty and staff in providing quality instruction, conducting research, delivering public services, and promoting professional growth through external funds in accordance with the authority delegated by the President of Morehead State University. (KRS 164.350 provides the authorization for MSU to receive grants. (The full text of KRS 164.350 is available at http://www.lrc.state.ky.us/KRS/164-00/350.pdf. Attachment A).</p> <p>PURPOSE: The Office of Research and Sponsored Programs staff is authorized to review and recommend approval of all proposals and budgets for compliance with University (as outlined in the Human Resources Personnel Policy Manual) and external funding source policies and procedures (as outlined in specific program guidelines) and in accordance with federal and state regulations (OMB A-21, etc.), as applicable. The Office of Research and Sponsored Programs staff is responsible for directing the institutional review and recommending approval of proposals and budgets (preliminary and final) to the Associate Provost for Research and Sponsored Programs for submission to external funding sources.</p> <p>ELIGIBLE PROGRAMS: A proposal is defined as a request for funds from an external funding source for a program initiated by either Morehead State University or the external funding source. All external funds excluding gifts are governed by this procedure and each proposal is classified according to one of the following classifications as outlined in Attachment B.</p> <ul style="list-style-type: none"> I. Instruction II. Research-Applied II. Research-Basic III. Public Service IV. Library V. Academic Support VI. Student Services VII. Institutional Support VIII. Operations and Maintenance IX. Student Financial Aid <p>PROCEDURES: Prior to review and recommending proposals and budgets for appropriate institutional review and approval to the Associate Provost for Research and Sponsored Programs, the Office of Research and Sponsored Programs staff is responsible for directing all proposal development functions according to the Proposal Development Guide outlined in Attachment C. The institutional review and approval process is required for each proposal prior to submission to an external funding source. The Office of Research and Sponsored Programs staff is responsible for directing this institutional review. After completion of the review and approval process, the proposal and budget are submitted to the external funding source by the Office of Research and Sponsored Programs staff according to the external funding source guidelines.</p>		

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Preliminary Proposals and Budgets

Occasionally, an external funding source requires a preliminary proposal and budget as part of the submission process. When this occurs, the preliminary proposal and budget must be submitted to the Office of Research and Sponsored Programs for institutional review prior to submission.

Final Proposals and Budgets

The Internal Review and Approval for External Proposals form is routed to conduct the required institutional review and approval and obtain the President's signature prior to submission for final proposals and budgets. This review begins by submitting the final proposal and budget to the Office of Research and Sponsored Programs according to the Proposal Development Guide (see **Attachment C**).

SUMMARY: All project directors of proposals and budgets (preliminary and final) must comply with the institutional review and approval process prior to submission to an external funding source. The Office of Research and Sponsored Programs staff is authorized to implement this procedure on behalf of Morehead State University.

The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 1988	
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: July 1, 2007	
TITLE:	Authorized Signature Required on Proposals and Budgets Submitted to an External Funding Source	Number 002	Page 1 of 1
OVERVIEW:	Each external funding source and Morehead State University require all proposals (preliminary or final), that may result in a grant or contract, to be signed by a University official who is authorized to act on behalf of the governing board.		
PURPOSE:	The President of Morehead State University has designated the Associate Provost for Research and Sponsored Programs as the authorized official to sign all proposals submitted to external funding sources. When the Associate Provost for Research and Sponsored Programs is away from campus, the Director of Pre-Award Administration is authorized to sign for the Associate Provost.		
PROCEDURE:	The Director of Pre-Award Administration in the Office of Research and Sponsored Programs is authorized to review all proposals and budgets for compliance with University and external funding source policies and procedures and in accordance with federal and state regulations, as applicable, and is responsible for directing the institutional review and approval process prior to submission.		
SUMMARY:	The Associate Provost for Research and Sponsored Programs is the authorized official of Morehead State University to sign each proposal submitted to an external funding source, which allows the project director/principal investigator to apply for external funds on behalf of Morehead State University. When the Associate Provost for Research and Sponsored Programs is off campus, the Director of Pre-Award Administration for Research and Sponsored Programs is authorized to sign proposals. The Office of Research and Sponsored Programs is responsible for directing all institutional reviews and obtaining the authorized signature before proposals are submitted to external funding sources.		
The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.			

UNIT: Office of Research and Sponsored Programs	Effective Date: February 1, 1983	
SUBJECT: Regulations Governing External Grants and Contracts	Revised Date: July 1, 2007	
TITLE: Facilities and Administrative (F & A) Costs	Number 003	Page 1 of 1
<p>OVERVIEW: The Office of Research and Sponsored Programs is responsible for providing professional resources and services essential for all phases of proposal and budget development that may result in a grant or contract between an external funding source and Morehead State University.</p> <p>PURPOSE: The Office of Research and Sponsored Programs staff is authorized to establish a consistent and acceptable method for determining the facilities and administrative cost rate in proposal budgets in accordance with the approved F & A Cost Rate Agreement and external funding source guidelines.</p> <p>PROCEDURE: The Office of Research and Sponsored Programs staff is responsible for charging each project budget facilities and administrative costs, either 8% of total direct costs or the negotiated rate, which currently is 49.5% (on campus) or 20.5% (off campus) of salaries and wages, or a special rate allowable by a specific funding source. The facilities and administrative cost rate may be adjusted with the approval of the Associate Provost for Research and Sponsored Programs.</p> <p>The Office of Research and Sponsored Programs staff will partially charge or not charge facilities and administrative costs when:</p> <ul style="list-style-type: none"> A. facilities and administrative costs are not an allowable cost; B. proposals have a fixed, as well as limited, total cost by the funding source; C. funding sources require matching costs for which facilities and administrative costs can be assigned, and/or; D. facilities and administrative costs for salaries, which are considered occasional, are generally small. <p>The Office of Research and Sponsored Programs staff will charge, not charge or partially charge facilities and administrative costs in the best interest of Morehead State University.</p> <p>SUMMARY: The Office of Research and Sponsored Programs staff is responsible for charging each project budget facilities and administrative costs, either 8% of total direct costs or the negotiated rate, which currently is 49.5% (on campus) or 20.5% (off campus) of salaries and wages, or a special rate allowable by a specific funding source.</p> <p>Morehead State University's current Facilities and Administrative Cost Rate Agreement is attached (Attachment F). Disbursement of the Facilities and Administrative Cost Rebate will be in accordance with Regulations Governing External Grants and Contracts Number 009, Facilities and Administrative Cost Distribution Plan.</p> <p>The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.</p>		

UNIT:	Office of Research and Sponsored Programs	Effective Date: September 14, 1988	
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: July 1, 2007	
TITLE:	Regulations Governing Supplemental Pay and Reassigned Time for Faculty/Staff Through External Grants and Contracts	Number 004	Page 1 of 4

OVERVIEW:

The Office of Research and Sponsored Programs is responsible for providing professional resources and services essential for all phases of proposal development including budgets that may result in a grant or contract between an external funding source and Morehead State University.

Developing budgets is one of the major parts of proposal development. The method of determining supplemental pay and/or reassigned time in a proposal budget varies due to federal regulations, funding source requirements, and Morehead State University policies.

Grant-supported supplemental compensation must comply with Circular A-21: Cost Principles for Educational Institutions regulations and the Office of Research and Sponsored Programs Regulations Governing External Grants and Contracts to determine the base rate of pay in accordance with sponsored grant and contract guidelines. These regulations and procedures enable the University to consistently apply the method of computing the base salary rate for academic administrators, faculty, and staff seeking grants and contracts. *Reference: Report on Grant-Supported Supplemental Compensation Policies and Procedures at Morehead State University, 2004.*

Monitoring of grant-supported supplemental compensation for academic administrators is the responsibility of the Provost; faculty by the chair and deans; and staff by immediate supervisors. *Reference: Report on Grant-Supported Supplemental Compensation Policies and Procedures at Morehead State University, 2004.* The Office of Research and Sponsored Programs provides personnel information upon request. **In addition to monitoring compensation, all individuals working on externally sponsored grants and contracts MUST comply with PAC-15: Time and Effort Reporting.** The Grants and Contracts Accountant in the Office of Accounting and Budgetary Control distributes and tracks the Activity Report to ensure accurate and timely compliance with sponsored grants.

Office of Management and Budget Circular A-21 (Revised 8/8/00), Section J.8.d.(1).

In accordance with OMB A-21, "Charges for work performed on sponsored agreements by faculty members during the academic year will be based on the individual member's regular compensation for the continuous period which, under the policy of the institution concerned, constitutes the basis of his salary. Charges for work performed on sponsored agreements during all or any portion of such period are allowable at the base salary rate. **In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period. This principle applies to all members of the faculty at an institution.** Since intra-university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full-time base salary, **the principle also applies to faculty members who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member of the same institution.** However, in unusual cases where consultation is across departmental lines or involves a separate or remote location, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency." In addition, arrangements have been approved by the appropriate University administrator (chair, dean, and associate provost for research). This approval is obtained during the institutional review and approval process coordinated by the Office of Research and Sponsored Programs.

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PURPOSE:

The Office of Research and Sponsored Programs staff is responsible for establishing a consistent and acceptable method in accordance with federal and University regulations to determine supplemental pay and/or reassigned time in proposal budgets and provide this information on the Internal Review and Approval for External Proposals.

"Compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits. These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly on sponsored agreements and for other work allocable as F&A costs are determined and supported as provided ..." OMB A-21, J.8.a.

"An educational institution's practices used in estimating costs in pricing a proposal shall be consistent with the educational institution's cost accounting practices used in accumulating and reporting costs." OMB A-21, C.10.a.

PROCEDURE:

- A. All personnel listed in a budget **MUST** be identified on the Internal Review and Approval for External Proposals, **Attachment D**. Personnel, salary and effort summary, must be itemized on the Internal Review and Approval for External Proposals.
- B. The following example is the correct format to be used in preparing budgets:

INTERNAL BUDGET
Title of Proposal
Funding Source Name
Project Dates

ITEMS	FUNDING SOURCE ¹		MSU ²		TOTAL ³
	HB 145	SBDC	INKIND	CASH	

¹ Always use **Funding Source** as the major heading for the agency. If the funds are requested from two funding sources, use two separate columns.

² **MSU** will be the major heading for the second column with Inkind and Cash in separate columns. Inkind represents Reallocated Cash; Cash represents Unallocated Cash.

³ Always use a **Total** column.

- C. In the salary and effort section of the Internal Review and Approval for External Proposals, a note must be made if the funds are to be reimbursed to the department for reassigned time.

Example: Salary paid by funding source. (Funds to be reimbursed to department for reassigned time.)

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D. List the *account number* and the *name of the account* on the Internal Review and Approval for External Proposals when unallocated cash is required as a match.

E. Calculating supplemental pay for faculty.

Faculty earning supplemental pay during the **academic year** must receive approval from the chair and dean prior to submission of the proposal or contract. **Supplemental pay and reassigned time are not allowable for the same period of time.**

Faculty may consult four days per month, with approval of chair and dean, according to University policy (PAC-5). In addition to consulting days, faculty may use weekends, evenings, and holidays to earn supplemental pay. *Percentages cannot be used to calculate supplemental pay during an academic year. The per day base rate must be used.*

1. **Academic year:** During the academic year, supplemental pay is calculated at a per day rate. To determine the per day rate, divide the academic year salary by 195 days (9-month employee); 217 days (10-month employee); 238 days (11-month employee); 260 days (12-month employee). Then, multiply the per day rate by the number of days to be paid by the funding source.

Example: Faculty "X" earns \$48,000/9 months divided by 195 days/year = \$246 base salary rate per day x 10 days = \$2,460 supplemental pay to be charged to the funding source (appropriate fringe benefits must be included).

2. **Summer: During the summer, a faculty member may earn 62 days at a per day rate or 33.3% of annual salary for grant-supported supplemental compensation.** *Reference: Report on Grant-Supported Supplemental Compensation Policies and Procedures at Morehead State University, 2004.*

F. Calculating supplemental pay for staff.

Academic administrators (see PG-2 and PAd-8 for full descriptions) and exempt staff can earn 20% of their annual salary on grant-supported supplemental compensation. *Reference: Report on Grant-Supported Supplemental Compensation Policies and Procedures at Morehead State University, 2004.*

Staff may receive supplemental pay, but it must be for weekends, evenings, vacation, or holidays. To determine the per day rate, divide the twelve month salary by 260 days. Then, multiply the per day rate by the number of days to be paid by the funding source.

Example: Staff "Y" earns \$30,000/12 months divided by 260 days/year = \$115 base salary rate per day x 5 days = \$575 supplemental pay to be charged to the funding source (appropriate fringe benefits must be included).

G. Compensation Rate When Determined by an External Funding Source. Some funding sources specify a fixed daily compensation rate that is independent of an individual's annual salary. This information is provided in the funding source guidelines. This method will be applied as appropriate and in compliance with OMB A-21 and University policies.

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H. Compensation Rate When Determined by Other Means. When a funding source does not specify a method to calculate per day payment rates, the base salary method is used. Additionally, however, if the funding source is state or private, the funding source may allow a different per day payment rate. When determining the per day payment rate for several University employees performing the same work on the same project, a single per day rate may be applied to these employees providing the original funding source is state or private. This method will be applied as appropriate and in compliance with OMB A-21 and University policies.

I. Calculating reassigned time for faculty.

Academic year reassigned time is determined by multiplying a faculty member's nine-month salary by the percentage of time allowed for the following course credit hours:

Academic Year (24 credit hours)		Semester (Fall or Spring) (12 credit hours per semester)	
1 credit hour	= 4.166%	1 credit hour	= 8.333%
2 credit hours	= 8.333%	2 credit hours	= 16.666%
3 credit hours	= 12.5%	3 credit hours	= 25%
4 credit hours	= 16.666%	4 credit hours	= 33.333%

Examples:

1. Faculty "X" earns \$48,000/9 months and requests 3 hours reassigned time for the fall semester. Budget entry: Fall Semester/3 hours reassigned time at \$24,000 x 25% effort = \$6,000 (paid by funding source or an inkind match).
2. Faculty "Y" earns \$48,000/9 months and requests 3 hours reassigned time for both the fall and spring semesters (academic year). Budget entry: Academic year/6 hours reassigned time at \$48,000 x 25% effort = \$12,000 (paid by funding source or an inkind match).

J. Stipends. The procedures for stipends are outlined in the Office of Support Services Policy Title – Stipend, Number 2.65. The policy states (stipends) "Payments cannot be made to University employees" (see **Attachment G**).

K. Line of authority to monitor supplemental compensation: Academic administrators will be monitored by the provost; faculty by chairs and deans; and staff by immediate supervisors.

The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.

UNIT: Office of Research and Sponsored Programs	Effective Date: July 1, 1984	
SUBJECT: Regulations Governing External Grants and Contracts	Revised Date: July 1, 2007	
TITLE: Fringe Benefits Costs for Externally Funded Grants and Contracts	Number 005	Page 1 of 1
<p>OVERVIEW: The Office of Research and Sponsored Programs is responsible for providing professional resources and services essential for all phases of proposal and budget development that may result in a grant or contract between an external funding source and Morehead State University.</p> <p>Developing budgets is one of the major parts of proposal development. The method for calculating fringe benefits varies due to Payroll Classification Categories (PG-2), and Type of Appointment (PG-3).</p> <p>PURPOSE: To establish a consistent and acceptable method for calculating fringe benefits costs for externally funded grants and contracts.</p> <p>PROCEDURE: Fringe benefits categories and rates for use in proposal submission and funded grants or contracts were developed through a cooperative effort between the Office of Research and Sponsored Programs, the Office of Accounting and Budgetary Control, the Office of Planning, Budgets, and Technology, and the Office of Human Resources. The rates outlined on the attached chart, Attachment H, and support documentation, Attachment I, are effective July 1, revised annually, and supersede any rates previously issued by these offices.</p> <p>Funded grants or contracts will be charged the current rates as provided to the Office of Research and Sponsored Programs by the Office of Accounting and Budgetary Control each year in accordance with each employee's appointment status, <u>not</u> the rates used in the original submission budget. The rates used in an original proposal and budget were estimates at the time of submission. In order to properly charge funded grants or contracts, current rates need to be used. The fringe benefits rate is like any other cost category (travel, salaries, supplies, etc.) estimated in a budget. In order to follow the federal regulations regarding consistency, estimates are not to be used when actual costs are available. Estimated rates will be used when developing the budget for a multi-year proposal.</p> <p>The Office of Research and Sponsored Programs staff assists faculty and staff with the proposal budget development process, and the Office of Human Resources staff assists in determining an employee's official appointment status.</p> <p>For funded grants or contracts currently on-going, which have a beginning date prior to July 1, the fringe benefits rates will not change. These projects will use the new rates when the next grant or contract begins.</p> <p>REGULATIONS: Morehead State University Policies PG-2 and PG-3 are available on the Human Resources web page.</p> <p>The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.</p>		

UNIT: Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
SUBJECT: Regulations Governing External Grants and Contracts	Revised Date: July 1, 2007	
TITLE: Compliance Regulations and Requirements	Number 006	Page 1 of 6
<p>OVERVIEW: Each external funding source and Morehead State University require compliance with policies and procedures and applicable federal, state and local regulations.</p> <p>PURPOSE: The Office of Research and Sponsored Programs staff is responsible for ensuring that all proposal and contract submissions are in accordance with University policies and procedures; federal, state, and local regulations; and funding source guidelines. The Office of Research and Sponsored Programs staff is responsible for directing all institutional reviews and obtaining authorized signatures before proposals or contracts are submitted to external funding sources.</p> <p>PROCEDURE: <i>KRS 164.350 General Powers and Duties of Boards of Regents:</i> The statute states, in part, that (1) the government of each of the state universities is vested in its respective board of regents. Each board may (a) receive grants of money and expend the same for the use and benefit of the university or college. (see Attachment A)</p> <p><i>Proposal and Budget Submission:</i> <i>The Office of Research and Sponsored Programs Regulations Governing External Grants and Contracts Number 001</i> states that the institutional review and approval process is required for proposals PRIOR to submission to an external funding source. The Office of Research and Sponsored Programs is the administrative unit charged with the responsibility for directing this institutional review.</p> <p><i>Proposal Submission Deadline Date:</i> The proposal submission date is established by the external funding source. It is the responsibility of the project director/principal investigator to forward the final proposal and budget developed according to external funding source guidelines to the Office of Research and Sponsored Programs seven business days prior to the submission deadline date to allow sufficient time for institutional review and approval.</p> <p><i>Authorized Signature:</i> <i>The Office of Research and Sponsored Programs Regulations Governing External Grants and Contracts Number 002</i> states that the Associate Provost for Research and Sponsored Programs shall serve as the authorized official of Morehead State University to review, approve, and sign each proposal submitted to an external funding source. In the absence of the Associate Provost for Research and Sponsored Programs, the Director of Pre-Award Administration is authorized to review, approve, and sign proposals on behalf of the Associate Provost. The Director of Pre-Award Administration is responsible for directing all institutional reviews and obtaining the authorized signature before proposals and budgets are submitted to external funding sources.</p> <p><i>Facilities and Administrative Costs:</i> <i>The Office of Research and Sponsored Programs Regulations Governing External Grants and Contracts Number 003</i> states that facilities and administrative costs will be recommended on a project-by-project basis by the Office of Research and Sponsored Programs. The current facilities and administrative rates, approved for inclusion in proposals, are identified in the Office of Research and Sponsored Programs Regulations Governing External Grants and Contracts Number 003.</p>		

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Calculating Faculty/Staff Consultant Pay in Proposal Budgets: *The Office of Research and Sponsored Programs Regulations Governing External Grants and Contracts Number 004* states that one of the following methods will be used to determine faculty and staff consultant pay when developing proposals for submission to external funding sources: Consultant Pay Based on Employee's Annual Salary, Consultant Pay When Determined By An External Funding Source, or Consultant Pay When Determined By Other Means.

Instructions for Preparing Budgets Involving Supplemental Pay and/or Reassigned Time for Faculty/Staff: *The Office of Research and Sponsored Programs Regulations Governing External Grants and Contracts Number 004* states that a consistent and acceptable method for determining supplemental pay and/or reassigned time in proposal budgets will be established and this information will be provided on the Internal Review and Approval for External Proposals. All personnel listed in a budget must be listed under one of the budget categories. Personnel must be itemized on the Internal Review and Approval for External Proposals.

Fringe Benefits Costs for Externally Funded Grants and Contracts: *The Office of Research and Sponsored Programs Regulations Governing External Grants and Contracts Number 005* states that fringe benefits categories and rates for use in proposal submission and funded grants or contracts will be developed on an annual basis through a cooperative effort between the Office of Research and Sponsored Programs, the Office of Accounting and Budgetary Control, the Office of Planning, Budgets, and Technology, and the Office of Human Resources. Funded grants or contracts will be assessed or charged the rates in accordance with each employee's appointment status.

Travel Regulations: Travel regulations in effect at Morehead State University are those prescribed by the Commonwealth of Kentucky. The Office of Accounting and Budgetary Control is the unit responsible for implementing the regulations. Travel regulations include, but are not limited to: meals, lodging, registration fees, transportation, and personal expenses. Travel regulations are available from the Office of Accounting and Budgetary Control Web page located at: <http://www.morehead-st.edu/abc/index.aspx?id=1878>.

Purchasing: The Office of Support Services is the unit responsible for implementing regulations regarding all purchases made by faculty and staff at Morehead State University. The Purchasing Manual can be accessed at <http://www.morehead-st.edu/files/units/support/purchasingmanual.pdf>. The On-Line Requisition Manual can be accessed by logging into your faculty/staff account and choosing "On Line Processing." Click the question mark (?) next to "Purchase Requisitions" and the manual will open.

Award Document and Contract Review: The Office of Research and Sponsored Programs staff reviews all award documents and contracts to ensure compliance with applicable federal and other funding source regulations, state and local laws, and institutional policies and procedures.

Budgets: The project director/principal investigator is responsible for providing a detailed budget according to funding source regulations and institutional policies and procedures. The Office of Research and Sponsored Programs staff will assist the project director/principal investigator to develop the detailed budget in accordance with the approved budget and in compliance with funding source regulations and institutional policies and procedures.

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The Office of Accounting and Budgetary Control staff requires a detailed budget to ensure compliance with all applicable regulations, policies and procedures, reporting requirements, and internal and external audit requirements. **The Office of Accounting and Budgetary Control staff will freeze any externally funded account for which no detailed budget has been received within 45 days after the receipt of the award notification.**

Matching Funds: The project director/principal investigator is responsible for maintaining records for all matching funds except Morehead State University personnel and cash matches and for forwarding copies of all matching funds to the Office of Accounting and Budgetary Control. **The Office of Accounting and Budgetary Control staff is responsible for maintaining the records and reporting Morehead State University personnel and cash matches.**

Progress and Final Reports: The project director/principal investigator is responsible for completing and transmitting all progress and final reports to the external funding source according to the due dates set forth in the grant award. The Office of Research and Sponsored Programs staff is responsible for maintaining all records pertaining to grant awards. It is the responsibility of the project director/principal investigator to forward copies of all progress and final reports to that office.

Financial Reports: The Office of Accounting and Budgetary Control staff is responsible for completing and transmitting all financial reports to the external funding source. A copy of all reports must be forwarded to the Office of Research and Sponsored Programs for the permanent file.

Time and Effort Reporting (PAC-15): The purpose of PAC-15 is to provide reports of time and effort on externally funded projects. Full text of PAC-15 is available at <http://www.morehead-st.edu/hr/policies/index.aspx?id=1735>.

Misconduct in Research (PAC-32): The purpose of PAC-32 is to establish and maintain institutional compliance with applicable federal, state and local regulations regarding misconduct in research. This policy applies to research, research-training, or research-related activities conducted at Morehead State University or sponsored by the institution. Full text of PAC-32 is available at <http://www.morehead-st.edu/hr/policies/index.aspx?id=3822>.

Conflict of Interest (PG-12): The purpose of PG-12 is to avoid the possibility of any misunderstandings concerning the appropriate conduct of faculty and staff members in regard to all transactions touching upon their University duties and the property of the University. Full text of PG-12 is located at <http://www.morehead-st.edu/hr/policies/index.aspx?id=1613>.

The National Institutes of Health has recently established a Web site for information on objectivity in research and on financial, as opposed to ethical, conflicts of interest. The Web site is located at <http://grants.nih.gov/grants/policy/coi/index.htm>.

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Ownership of Inventions and Copyright Materials (PG-18): The purpose of PG-18 is to provide procedures and guidelines for the resolution of questions that arise regarding the rights and responsibilities of ownership of inventions, discoveries, and copyright materials that result from activities carried out by faculty, staff, and students of the University. Full text is available on the web at <http://www.morehead-st.edu/hr/policies/index.aspx?id=1625>.

Human Subjects – Institutional Review Board (IRB) for the Protection of Human Subjects in Research: Whenever a researcher engages in a research project that involves human subjects, Morehead State University must guarantee that the researcher will comply with federal policies safeguarding human subjects of research. Consult the IRB Web for additional information.

Animal Subjects – Institutional Animal Care and Use Committee (IACUC): Whenever a researcher/instructor affiliated with Morehead State University engages in a project that involves animal subjects, Morehead State University must guarantee that the researcher will comply with federal policies or guidelines which affect the use of animals in research and teaching. Consult the IACUC Web page for additional information.

Occupational Health for Animal Care Workers (UAR 118.02): The Public Health Service of the U.S. Department of Health and Human Services has directed teaching/research institutions to develop programs to promote the health and safety of employees who have substantial animal contact. All employees with animal contact are required to read this material. Verification from the researcher/instructor or supervisor that workers have been given this information is required in the IACUC protocol application. Full text of UAR 118.02 is available at <http://www.morehead-st.edu/files/units/daa/uar/uar118-02.pdf>.

Morehead State University must ensure compliance with federal regulations. Non-compliance can result in the loss of all federal funds. The following regulations govern funding at Morehead State University.

EDGAR (Education Department General Administrative Regulations): EDGAR provides the following regulations:

- A. Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- B. Direct Grant Programs
- C. State-Administered Programs
- D. Definitions That Apply to Department Regulations
- E. Intergovernmental Review of Department of Education Programs and Activities
- F. Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments
- G. General Education Provisions Act-Enforcement
- H. New Restrictions on Lobbying
- I. Government-wide Debarment and Suspension (Nonprocurement) and Government Requirements for Drug-Free Workplace (Grants)
- J. Drug and Alcohol Abuse Prevention
- K. Protection of Human Subjects

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: July 1, 2007	
TITLE:	Compliance Regulations and Requirements	Number 006	Page 5 of 6

L. Student Rights in Research, Experimental Programs, and Testing
M. Family Educational Rights and Policy

Full text of EDGAR is available at <http://www.ed.gov/policy/fund/reg/edgarReg/edlite-table.html#table>.

Office of Research Integrity: Information regarding handling misconduct in research, programs, publications, resources, and policies/regulations/statutes is available on the ORI Web page located at <http://www.ori.dhhs.gov>.

OMB Circular A-21, Cost Principles for Educational Institutions: The purpose of OMB Circular A-21 is to establish principles for determining costs applicable to grants, contracts, and other agreements with educational institutions. Full text of OMB A-21 is available at <http://www.whitehouse.gov/omb/circulars/index.html>.

OMB Circular A-110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations: The purpose of OMB Circular A-110 is to set standards for obtaining consistency and uniformity among federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations. Full text of OMB A-110 is available at <http://www.whitehouse.gov/omb/circulars/index.html>.

OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations: OMB Circular A-133 was issued pursuant to the Single Audit Act of 1984, P.L.98-502, and the Single Audit Act Amendments of 1996, P.L.104-156. It sets forth standards for obtaining consistency and uniformity among federal agencies for the audit of states, local governments, and non-profit organizations expending federal awards. Full text of OMB A-133 is available at <http://www.whitehouse.gov/omb/circulars/index.html>.

Institutional Eligibility Under the Higher Education Act of 1965, as Amended: The purpose of this act is to establish the rules and procedures that the Secretary uses to determine whether an educational institution qualifies in whole or in part as an eligible institution of higher education under the Higher Education Act of 1965, as amended (HEA). An eligible institution of higher education may apply to participate in programs authorized by the HEA programs. Full text is available at <http://ifap.ed.gov/regcomps/attachments/600.pdf>.

Kentucky Intergovernmental Review Process: The Kentucky State Clearinghouse is responsible for the coordination of the Kentucky Intergovernmental Review Process. The Intergovernmental Review Process has been designed to subject any federal activities within the Commonwealth to a comprehensive review at both the state and local levels of government. The Kentucky State Clearinghouse has been designated as the state single point of contact and is charged with providing state and local input to the appropriate federal agency. The State Clearinghouse identifies those state and local agencies that should be involved in the planning and development of activities covered by Presidential Executive Order 12372, and provides those agencies with the opportunity to evaluate and comment on proposed federal activities. *Source:* <http://gold.ky.gov/clearinghouse/>.

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Drug-Free Workplace Act: Morehead State University is required to provide assurance of a drug-free workplace. Full text of the act is available at <http://www4.law.cornell.edu/uscode/41/ch10.html>. The full text of the act regarding Drug-Free Workplace Requirements for Federal Grant Recipients is available at <http://www4.law.cornell.edu/uscode/41/702.html>.

Lobbying Disclosure Act of 1995: The purpose of this Act is to provide for the disclosure of lobbying activities to influence the federal government, and for other purposes. Full text of the Act is available at <http://www.senate.gov/reference/resources/pdf/contacting10465.pdf> and 34CFR82, New Restrictions on Lobbying is available at http://www.access.gpo.gov/nara/cfr/waisidx_01/34cfr82_01.html.

The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: July 1, 2007	
TITLE:	Post-Award Administration	Number 007	Page 1 of 4
OVERVIEW:	The project director/principal investigator is responsible for the implementation, administration, and reporting requirements for the project according to the terms and conditions of the external funding source award notification and the approved budget. All award notifications must be forwarded to the Office of Research and Sponsored Programs for processing.		
PURPOSE:	The Office of Research and Sponsored Programs staff is responsible for reviewing all award documents to ensure compliance with all applicable federal and funding source regulations, state laws, and institutional policies and procedures governing grants and contracts. The Office of Research and Sponsored Programs staff interface with the University's general counsel and federal and state agency officials to ensure compliance with grant requirements.		
PROCEDURES:	<p><i>All grants and contracts awarded to Morehead State University must comply with applicable mandated regulations. See Regulations Governing External Grants and Contracts Compliance Regulations and Requirements Number 006 for details.</i></p> <p><i>Award Notification:</i> The Office of Research and Sponsored Programs staff will review the award notification to ensure compliance, obtain signatures, transmit the signed notification to the agency, and forward copies to the project director and appropriate administrative offices on campus.</p> <p><i>Budget Negotiation:</i> The Office of Research and Sponsored Programs staff serves as the liaison between the project director/principal investigator and the external funding source. If budget negotiations are necessary, staff members will work with the project director/principal investigator and funding source personnel to resolve the issue.</p> <p><i>No-Cost Extension:</i> The Office of Research and Sponsored Programs staff serves as the liaison between the project director/principal investigator and the external funding source. If a no-cost extension is necessary, staff members will work with the project director/principal investigator and funding source personnel to obtain an amendment to extend the project ending date.</p> <p><i>Progress and Final Reporting Requirements:</i> It is the responsibility of the project director/principal investigator to complete programmatic and final reports according to the terms and conditions of the award notification. When the project director/principal investigator forwards the report to the Office of Research and Sponsored Programs, a staff member will obtain administrative signatures and transmit the report to the funding source. A copy of the report will be retained in the Office of Research and Sponsored Programs for the permanent file.</p> <p><i>Financial Reporting Requirements:</i> It is the responsibility of the grants and contracts accountant in the Office of Accounting and Budgetary Control to prepare and submit all financial reports according to the terms and conditions of the award notification. A copy of all reports must be forwarded to the Office of Research and Sponsored Programs for the permanent file.</p>		

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
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TITLE:	Post-Award Administration	Number 007	Page 2 of 4

Accounting and Budgetary Control: The Office of Accounting and Budgetary Control is the unit responsible for the financial administration of all grants and contracts. The objective is to ensure routine financial matters are completed in accordance with University policies and procedures. The Policies and Procedures Manual for Grants and Contract Accounts is available on the Web at <http://www.morehead-st.edu/files/units/abc/policiesandproceduresmanual.pdf>.

The Office of Accounting and Budgetary Control staff reviews all documentation to determine that policies and procedures are established to meet the requirements of the funding source and that the budget is sufficiently detailed to ensure expenditures comply with all applicable regulations, policies, and procedures; comply with reporting requirements; and provide internal and external auditors with the information necessary to conduct a review of externally funded accounts.

The Office of Accounting and Budgetary Control staff will establish an account for each externally funded grant or contract according to the approved detailed budget.

The Office of Accounting and Budgetary Control staff will not accept and will return any budget to the project director/principal investigator that does not provide the detail necessary to ensure that expenditures comply with all applicable regulations, policies, and procedures; comply with reporting requirements; and provide internal and external auditors with the information necessary to conduct a review of externally funded accounts.

*In order to ensure compliance with all applicable regulations, policies, and procedures, the Office of Accounting and Budgetary Control staff has established a 45-day timeline for receipt of detailed budgets. **The Office of Accounting and Budgetary Control staff will freeze any externally funded account for which no detailed budget has been received within 45 days after receipt of the award notification.***

Time and Effort Reports: The project director/principal investigator is responsible for providing Time and Effort Reports for all designated personnel employed under an externally funded project in accordance with PAC-15. Full text of PAC-15 is available at <http://www.morehead-st.edu/hr/policies/index.aspx?id=1735>.

The Office of Accounting and Budgetary Control is the unit responsible for maintaining the Time and Effort Reports. The Office of Accounting and Budgetary Control staff is responsible for submitting the financial reports that include data from the Time and Effort Reports. **The Office of Accounting and Budgetary Control staff will freeze externally funded accounts if the Time and Effort Reports are not submitted in a timely manner.**

The procedures to assure University compliance with federal regulations follows:

Office of Accounting and Budgetary Control

1. Notify the project director when a grant or contract account is established of the Time and Effort Reporting Policy: PAC-15, requirements for personnel working on the funded project.

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
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2. Notify the project director at the end of each semester (Fall, Spring, Summer I, and Summer II) of the project personnel required to submit Time and Effort Reports by the annual due dates.
3. Conduct two annual Post-Award Grant and Contract Support Services workshops with emphasis on Time and Effort Reporting for grant and contract personnel.
4. Recommend to the Office of Human Resources to modify the Separation Clearance Form to include the status of grant and contract reports and time and effort report forms as a reference check to assure completion of these required reports and forms before departing from the University.
5. If warranted, the Grants and Contracts Accountant, Office of Accounting and Budgetary Control, will forward an e-mail to the project director requesting immediate submission of past due Time and Effort Reports with notification to the project director's chair and dean or unit administrator. Unresolved noncompliance issues will be referred by the Grants and Contracts Accountant to the appropriate Vice President for recommended action.

Office of Research and Sponsored Programs

1. Outline in the grant Award Notification letter the project director's responsibility for submitting Time and Effort Reports to the Office of Accounting and Budgetary Control for all personnel employed by the grant or contract, whether paid from the funding source or through University or other matching support.
2. Provide a link to the Time and Effort Reporting Policy: Pac-15 on the Post-Award Administration Web page of the Office of Research and Sponsored Programs for project director reference.
3. Provide a link to the Time and Effort Form on the Post-Award Administration Web page of the Office of Research and Sponsored Programs for project director use.

In summary, these procedures will establish clear lines of communication between the Office of Accounting and Budgetary Control and the project director regarding the need to comply with OMB Circular A-21 and the Education Division General Administrative Regulations (EDGAR) for the time and effort of University personnel working on externally funded projects. With support from the Offices of Accounting and Budgetary Control and Research and Sponsored Programs in advising the project directors of compliance requirements, noncompliance by University personnel will be reduced significantly over the next fiscal year.

Source: Audit Report for Time and Effort Reporting, April 15, 2004.

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Matching Funds: The project director/principal investigator is responsible for maintaining records for all matching funds, except Morehead State University personnel and cash matches, and forwarding copies of all matching funds to the Office of Accounting and Budgetary Control. The Office of Accounting and Budgetary Control staff is responsible for maintaining the records and reporting Morehead State University personnel and cash matches.

Support Services: The Office of Support Services staff is responsible for providing quality goods and services in a legal, timely, and cost-effective manner. The unit ensures the guidelines are followed per federal, state and local laws, and policies including the Kentucky Model Procurement Code which is maintained and distributed through the Policies and Procedures Manual. The establishment of an approval list on all awarded grant and contract accounts, approval of purchase orders, and provision of guidelines for the use and submittal of all personal service contracts are the responsibility of this office. For additional information, visit the Support Services Web page located at <http://www.morehead-st.edu/support>.

Human Resources: The Office of Human Resources staff is responsible for overseeing the hiring process for all full- and part-time/temporary positions. The University is committed to recruit, employ, retain, and promote in compliance with the principles of equal employment opportunity and affirmative action. Once the proposal or contract has been funded, the project director/principal investigator is responsible for contacting the Office of Human Resources staff to determine appropriate hiring procedures. Contact the Office of Human Resources if the project will provide supplemental pay or pay to hire personnel. For additional information, visit the Human Resources Web page located at <http://www.morehead-st.edu/hr/>.

The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.

UNIT: Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
SUBJECT: Regulations Governing External Grants and Contracts	Revised Date: June 1, 2007	
TITLE: Revised, Detailed Budget	Number 008	Page 1 of 2
<p>OVERVIEW: The project director/principal investigator is responsible for the implementation, administration, and reporting requirements for the project according to the terms and conditions of the external funding source award notification and approved budget. The project director/principal investigator is responsible for providing a revised, detailed budget according to the approved budget to the Office of Research and Sponsored Programs.</p> <p>PURPOSE: The Office of Research and Sponsored Programs staff will assist the project director/principal investigator to develop the revised, detailed budget in accordance with the approved budget and in compliance with funding source regulations and institutional policies and procedures.</p> <p>The Office of Accounting and Budgetary Control staff is responsible for establishing an account for each externally funded project in accordance with funding source regulations and institutional policies and procedures. The Office of Accounting and Budgetary Control staff requires a detailed budget to ensure compliance with all applicable regulations, policies, and procedures.</p> <p>PROCEDURES: Award Notification Requiring a Revised Budget: The project director/principal investigator will contact the Office of Research and Sponsored Programs staff immediately upon receiving an award notification from an external funding source that requires a revised budget.</p> <p>The Office of Research and Sponsored Programs staff will assist the project director/principal investigator to develop a revised, detailed budget according to the approved external funding source budget and complying with all applicable agency and University regulations, policies, and procedures. The Office of Research and Sponsored Programs staff will forward the revised, detailed budget to the Office of Accounting and Budgetary Control staff to review and process.</p> <p>The Office of Accounting and Budgetary Control staff will review all documentation to determine that policies and procedures are established to meet the requirements of the funding source and that the budget is in sufficient detail to ensure expenditures comply with all applicable regulations, policies, and procedures; comply with reporting requirements; and provide internal and external auditors with the information necessary to conduct a review of externally funded accounts.</p> <p>The Office of Accounting and Budgetary Control staff will establish an account for each externally funded grant or contract according to the approved budget and the revised, detailed budget.</p> <p>The Office of Accounting and Budgetary Control staff will not accept and will return any budget to the project director/principal investigator that does not provide the detail necessary to ensure that expenditures comply with all applicable regulations, policies, and procedures; comply with reporting requirements, and provide internal and external auditors with the information necessary to conduct a review of externally funded accounts.</p>		

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: June 1, 2007	
TITLE:	Revised, Detailed Budget	Number 008	Page 2 of 2

In order to ensure compliance with all applicable regulations, policies, and procedures, the Office of Accounting and Budgetary Control staff has established a 45-day timeline for receipt of revised, detailed budgets. **The Office of Accounting and Budgetary Control staff shall freeze any externally funded account for which no revised, detailed budget has been received within the 45-day timeline.**

The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.

UNIT:	Office of Research and Sponsored Programs	Effective Date: July 1, 2006													
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: June 1, 2007													
TITLE:	Facilities and Administrative (F&A) Cost Distribution Plan	Number 009	Page 1 of 2												
OVERVIEW:	The Facilities and Administrative (F&A) Cost (formerly Indirect Cost) Distribution Plan provides a rebate to colleges/administrative units and departments/offices of principal investigators/project directors who earned facilities and administrative costs from external grants and contracts.														
PURPOSE:	<p>The Facilities and Administrative (F&A) Cost Distribution Plan establishes an equitable distribution of the facilities and administrative costs earned to colleges/administrative units, departments/offices, the Camden-Carroll Library, the Office of Research and Sponsored Programs, and the University General Fund. The base distribution year will be FY 2004-2005 with the first disbursement of funds beginning July 1, 2006.</p> <p>The distribution of facilities and administrative funds provides an incentive to promote, encourage, and facilitate the development of new proposals, scholarly activities, and program enhancements which are not existing in University budgetary line items, e.g., research lecture series, student research support, adjunct or temporary faculty instructional support or equipment.</p> <p>The plan was developed cooperatively between the Office of Research and Sponsored Programs, the Office of the Provost and Executive Vice President for Academic Affairs, and the Office of the Vice President for Planning, Budgets and Technology.</p>														
FORMULA:	<p>All F&A cost funds earned from external funding source grants and contracts during a fiscal year will be distributed annually through the Office of Research and Sponsored Programs.</p> <p>The Office of the Vice President for Planning, Budgets, and Technology will determine the total F&A annual distribution amount and will notify the Office of Research and Sponsored Programs.</p> <p>1. Any F&A related recurring costs from the F&A earned will not be a part of the annual distribution plan. Recurring costs will be deducted from the total F&A earned. The remaining balance will be distributed according to the following F&A Cost Distribution Plan.</p> <table style="margin-left: 40px;"> <tr> <td>a. University General Fund</td> <td style="text-align: right;">50%</td> </tr> <tr> <td>b. Academic Colleges/Administrative Units*</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>c. Academic Departments/Offices*</td> <td style="text-align: right;">35%</td> </tr> <tr> <td>d. Camden-Carroll Library</td> <td style="text-align: right;">5%</td> </tr> <tr> <td>e. Office of Research and Sponsored Programs</td> <td style="text-align: right;">5%</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black;">100%</td> </tr> </table> <p>* F&A cost distribution funds will be allocated proportionately to the colleges/administrative units and departments/offices based on F&A cost funds <u>earned</u> through grants and contracts.</p>			a. University General Fund	50%	b. Academic Colleges/Administrative Units*	5%	c. Academic Departments/Offices*	35%	d. Camden-Carroll Library	5%	e. Office of Research and Sponsored Programs	5%		100%
a. University General Fund	50%														
b. Academic Colleges/Administrative Units*	5%														
c. Academic Departments/Offices*	35%														
d. Camden-Carroll Library	5%														
e. Office of Research and Sponsored Programs	5%														
	100%														

UNIT:	Office of Research and Sponsored Programs	Effective Date: July 1, 2006	
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: June 1, 2007	
TITLE:	Facilities and Administrative (F&A) Cost Distribution Plan	Number 009	Page 2 of 2
<p>2. The Office of Research and Sponsored Programs, the Office of the Provost and Executive Vice President for Academic Affairs, and the Office of the Vice President for Planning, Budgets and Technology will review the Facilities and Administrative (F&A) Cost Distribution Plan after the first year of implementation to determine whether adjustments are necessary. Thereafter, annual reviews will be conducted by the Office of Research and Sponsored Programs.</p>			
<p>Overexpenditures <u>rarely occur</u>. In the event of an overexpenditure, F&A college/administrative unit and department/office funds <u>must</u> be used to reimburse the University for overages on a grant or contract budget.</p>			
EXPENDITURE GUIDELINES:	<ol style="list-style-type: none"> 1. Each fiscal year, based on eligible grants and contracts funded, F&A cost distribution funds will be transferred to the general fund, colleges/administrative units, departments/offices, the Camden-Carroll Library, and the Office of Research and Sponsored Programs budgets as a separate line item. 2. The percentage allocated to the general fund, colleges/administrative units, departments/offices, the Camden-Carroll Library, and the Office of Research and Sponsored Programs will be based on the formula outlined. The distribution will be the total amount of F&A cost earned annually, excluding fixed recurring costs paid from the F&A cost funds. 3. The administrative unit head, e.g., department chair or director, <u>must</u> involve the project director/principal investigator within the department/office in planning expenditure of the funds. 4. All expenditures <u>must</u> be made in accordance with current University regulations. 5. When co-project directors/co-principal investigators come from two or more departments/offices, the F&A cost distribution funds will be divided equally between the participating departments/offices. 6. Funds cannot be used for recurring costs. 		
SUMMARY:	<p>It is understood that not all grants or contracts generate F&A cost funds. F&A cost funds are identified as a separate line item in proposal budgets and funds are earned as expenditures are reimbursed by the funding source. A portion of the F&A cost funds earned from a project during a University fiscal year will be distributed according to the F&A Cost Distribution Plan no later than January 1 of the next fiscal year. In essence, F&A cost funds earned during one fiscal year will not appear as a budget line item of the appropriate administrative units until the following fiscal year. The Office of Research and Sponsored Programs staff will work cooperatively with the Office of the Provost and Executive Vice President for Academic Affairs, the Office of the Vice President for Planning, Budgets and Technology staff, and the Office of Accounting and Budgetary Control staff to implement this plan.</p> <p>The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.</p>		

UNIT: Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
SUBJECT: Regulations Governing External Grants and Contracts	Revised Date: June 1, 2007	
TITLE: Salary Buyout or Salary Replacement Cost Paid By External Funding Sources	Number 010	Page 1 of 3
<p>OVERVIEW: External grants and contracts are important to Morehead State University in meeting its mission. When external funding sources allow salary buyout or salary replacement cost, these funds will be requested through the proposal development process directed by the Office of Research and Sponsored Programs.</p> <p>PURPOSE: Salary buyout or salary replacement cost related to a grant or contract must be approved by the department chair/dean or immediate supervisor during the proposal development process. The Internal Review and Approval for External Proposals routing form identifies the buyout and/or replacement cost. Details of the requested buyout and/or replacement cost are delineated in the funding source budget.</p> <p>PROCEDURES: The University defines salary buyout as faculty/staff reassigned time paid by an external funding source. Salary replacement cost is defined as external funds used to hire a replacement for faculty/staff reassigned to devote time and effort to a funded grant or contract.</p> <p>When a grant or contract has been funded, the Office of Research and Sponsored Programs staff is responsible for notifying the Office of Accounting and Budgetary Control. The Grants and Contracts Accountant will transfer the salary buyout or salary replacement funds, which include salary and fringe benefits, to the department/administrative unit salary and fringe benefit budget line items upon receipt of the approved Time and Effort Reports. In addition, the faculty/staff member's salary and fringe benefits budget account numbers must be provided in order to complete the transfer. <i>According to the Office of Accounting and Budgetary Control, a budget transfer constitutes the audit requirement for a grant or contract.</i></p> <p>The department chair or administrative supervisor will be responsible for the payment of adjunct or replacement costs. Once a transfer has been processed, reimbursement will be made to the administrative unit that paid the cost of the adjunct or replacement costs. According to UAR Number 305.02, MSU Fiscal Operating Guidelines, Budget Transfers, Item D: "Transfers of Externally Generated Funds--Grant funds are often deposited in unrestricted personnel accounts to reimburse the University for work performed in accordance with the grant contracts. Since these are usually unbudgeted reimbursements, departments may have access to the reimbursement funds, after consideration of any related costs such as overload pay or adjunct salaries. Departments wishing to use these funds must submit a written request to the Budget Office through the appropriate Vice President detailing the amount of grant reimbursement funds received, the related costs, and the planned use of funds. If approved by the Vice President and the Director of Budgets, the Budget Office will process the required budget transfers. This same policy applies to all externally generated funds (i.e., including fund raising efforts). Departments should request the use of these funds in a timely manner to avoid the need to carry forward any unexpended funds at the end of the fiscal year."</p>		

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
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The written request submitted to the Office of Accounting and Budgetary Control through the appropriate Vice President will include the adjunct or replacement costs. Any remaining transfer funds will be distributed as follows:

- A. 50% to the department that originated the grant for grant-related needs and/or other departmental needs.
- B. 50% to the Office of the Provost and Executive Vice President to assist other colleges/departments where reassigned funds are not available or allowable.

Any salary buyout or salary replacement cost not expended by the end of the fiscal year following the termination of a grant or contract will revert to the general fund for use by the University in meeting all salary needs.

EXAMPLES: **Calculation of Salary Buyout**

Salary buyout is determined by multiplying a faculty member's nine-month salary by the percentage of time allowed for the following course credit hours:

Academic Year (24 cr hrs):	Semester (Fall or Spring) (12 cr hrs semester):
1 credit hour = 4.166%	1 credit hour = 8.333%
2 credit hours = 8.333%	2 credit hours = 16.666%
3 credit hours = 12.5%	3 credit hours = 25.0%
4 credit hours = 16.666%	4 credit hours = 33.333%

Examples:

1. Faculty "X" earns \$48,000/9 months and requests 3 credit hours reassigned time for the fall semester. Budget entry: Fall Semester/3 credit hours reassigned time at \$24,000 x 25% effort = \$6,000 (salary paid by funding source). \$6,000 salary x 38% fringe benefits = \$2,280. Total salary and fringe benefits = \$8,280. (Contact the Office of Research and Sponsored Programs for current salary and fringe benefit rates.)
2. Faculty "Y" earns \$48,000/9 months and requests 3 credit hours reassigned time for both the fall and spring semesters (academic year). Budget entry: Academic year/6 credit hours reassigned time at \$48,000 x 25% effort = \$12,000 (salary paid by funding source). \$12,000 salary x 38% fringe benefits = \$4,560. Total salary and fringe benefits = \$16,560. (Contact the Office of Research and Sponsored Programs for current salary and fringe benefit rates.)

Calculation of Salary Replacement Cost and Fringe Benefits for Faculty

The salary replacement cost for a 3 credit hour course and appropriate fringe benefits calculation is (examples, actual salary and fringe benefits to be determined):

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1. Salary for 3 credit hours = \$2,400. \$2,400 salary x 10% fringe benefits = \$240.
Total salary and fringe benefits = \$2,640.
2. Salary for 6 credit hours = \$4,800. \$4,800 salary x 10% fringe benefits = \$480.
Total salary and fringe benefits = \$5,280.

Disbursement of the Difference Between Faculty Salary Buyout and Fringe Benefits and the Salary Replacement Cost from Faculty Example Above (in accordance with UAR Number 305.02)

Total salary buyout and fringe benefits for faculty	=	\$8,280
Total salary replacement cost and fringe benefits	=	<u>\$2,640</u>
Difference	=	\$5,640

\$2,820 (50%) of the \$5,640 will remain in the original department/administrative unit for project or departmental needs not allowed in the original proposal.

\$2,820 (50%) of the \$5,640 will be transferred by the department/administrative supervisor to the Office of the Provost and Executive Vice President budget to provide assistance to other colleges/departments.

SUMMARY: Payment of salary buyout and salary replacement cost for faculty/staff by an external funding source will be transferred to the department/administrative unit by the Grants and Contracts Accountant after the Office of Research and Sponsored Programs provides copies of the award notification. The project director/principal investigator is responsible to provide the Time and Effort Reports and the faculty/staff member's salary and fringe benefits budget account numbers to the Grants and Contracts Accountant. It will be the responsibility of the department chair/unit supervisor to pay all adjunct or replacement expenses incurred. Upon approval, the remainder of the funds will be distributed equally between the department/administrative unit and the Office of the Provost and Executive Vice President. Unexpended funds will revert to the general fund at the end of the fiscal year following termination of a grant or contract.

The Office of Research and Sponsored Programs will review this regulation annually for compliance with University and external funding source policies and procedures.

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: June 1, 2007	
TITLE:	Tuition Costs	Number 011	Page 1 of 1
OVERVIEW:	The Office of Research and Sponsored Programs is responsible for providing professional resources and services essential for all phases of proposal and budget development that may result in a grant or contract between an external funding source and Morehead State University.		
PURPOSE:	To determine the allowability for and circumstances under which charges can be included for instructional costs and tuition costs for the same course in an external funding source budget.		
PROCEDURE:	The procedure for charging instructional costs and tuition costs for the same course will be in accordance with the external funding source guidelines. If the guidelines do not specify the allowability of the costs or the circumstances under which both can be charged, the Office of Research and Sponsored Programs staff will contact the external funding source for clarification. The Internal Review and Approval for External Proposals will reflect the allowability of charging for both instructional costs and tuition costs or whether charges for both costs are unallowable. Appropriate signatures will be obtained on the Internal Review and Approval for External Proposals prior to submission.		
SUMMARY:	It will be the responsibility of the Office of Research and Sponsored Programs staff to determine the allowability for and circumstances under which charges can be included for instructional costs and tuition costs in an external funding source budget.		
The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.			

UNIT:	Office of Research and Sponsored Programs	Effective Date: January 1, 2006	
SUBJECT:	Regulations Governing External Grants and Contracts	Revised Date: June 1, 2007	
TITLE:	Record Retention Procedures for External Grants and Contracts	Number 012	Page 1 of 1
OVERVIEW:	The Office of Research and Sponsored Programs is the central grants office for the University and is responsible for maintaining records on all grants and contracts for external funds to the University. Hard copy files are maintained in 901 Ginger Hall.		
PURPOSE:	This regulation was created to ensure that the University adequately maintains all grant and contract files to comply with funding agency and University requirements.		
PROCEDURES:	<p>OMB Circular A-110, Subpart C.53 establishes records retention requirements for grant recipients of federal funds. Other funding agencies (state, local, private, etc.) provide records retention requirements in the grant award documents. In most cases, the following procedures will more than adequately meet the minimum standards set forth by the funding agency. When these standards do not meet the requirements of the funding agency, the funding agency requirements will supersede these internal procedures.</p> <p>The Office of Research and Sponsored Programs will follow the following procedures for the storage and disposal of all proposal, contract and grant award files:</p> <ol style="list-style-type: none"> 1. All files for denied proposals or contracts will be maintained for five (5) years following the date of submission to the funding agency. At the end of the five (5) year period, all items in the project folder will be subject to disposal by appropriate means as determined by the Office of Research and Sponsored Programs staff. Under extenuating circumstances, files may be maintained for a longer period as appropriate. 2. All files for funded proposals or contracts will be maintained for ten (10) years following the expiration date of the grant award. The file will contain a copy of the internal routing forms, budget, proposal or contract, award documents, and other items added to the file during the proposal development and project implementation processes as provided by the project director. These items may include internal and external correspondence, reports, etc. At the end of the ten (10) year period, all items in the project folder will be subject to disposal by appropriate means as determined by the Office of Research and Sponsored Programs staff. Under extenuating circumstances, files may be maintained for a longer period as appropriate. <p>The Office of Research and Sponsored Programs staff will review this regulation annually for compliance with University and external funding source policies and procedures.</p>		

164.350 General powers and duties of boards of regents.

- (1) The government of each of the state universities and the Kentucky Community and Technical College System is vested in its respective board of regents. Each board of regents, when its members have been appointed and qualified, shall constitute a body corporate, with the usual corporate powers, and with all immunities, rights, privileges, and franchises usually attaching to the governing bodies of educational institutions. Each board may:
 - (A) RECEIVE GRANTS OF MONEY AND EXPEND THE SAME FOR THE USE AND BENEFIT OF THE UNIVERSITY OR COLLEGE;
 - (b) Adopt bylaws, rules, and regulations for the government of its members, officers, agents, and employees, and enforce obedience to such rules;
 - (c) Require such reports from the president, officers, faculty, and employees as it deems necessary and proper from time to time;
 - (d) Determine the number of divisions, departments, bureaus, offices, and agencies needed for the successful conduct of the affairs of the university or college; and
 - (e) Grant diplomas and confer degrees upon the recommendation of the president and faculty.
- (2) Each board of regents shall periodically evaluate the institution's progress in implementing its missions, goals, and objectives to conform to the strategic agenda. Officers and officials shall be held accountable for the status of the institution's progress.
- (3) In addition to the duties required in subsections (1) and (2) of this section, the board of regents for the Kentucky Community and Technical College System, upon recommendation of the president of the system, shall:
 - (a) Develop and implement guidelines for the preparation of biennial budget requests by the administrators of the colleges within the system. The guidelines shall define the processes for review and approval by the boards of directors for the colleges;
 - (b) Adopt a biennial budget request for the Kentucky Community and Technical College System upon the recommendation of the president of the system;
 - (c) Adopt an allocation process for distributing funds to the colleges within the system;
 - (d) Consider recommendations from the boards of directors of the colleges to improve the overall budget planning and allocation processes;
 - (e) Designate each college with a name;
 - (f) Encourage and accept donations of land and funds to be used in the acquisition, construction, or operations of colleges in the system. The board may commemorate donations from private persons or corporations with suitable memorials; and
 - (g) Accept federal grants when deemed appropriate to be used in the acquisition, construction, or operations of colleges in the system.

The board of regents shall assure that the budget planning and implementation processes are consistent with the adopted strategic agenda and biennial budget and with the missions of the institutions within the system.

Effective: June 24, 2003

History: Amended 2003 Ky. Acts ch. 56, sec. 3, effective June 24, 2003. – Amended 1997 (1st Extra. Sess.) Ky. Acts ch. 1, sec. 101, effective May 30, 1997. -- Recodified 1942 Ky. Acts ch. 208, sec. 1, effective October 1, 1942, from Ky. Stat. sec. 4527-44.

Source: <http://www.lrc.state.ky.us/KRS/164-00/350.PDF>

Funding Classifications

Classification	Examples of Grants
I. Instruction (<i>credit and noncredit courses. Includes faculty and staff salaries, supplies, travel, printing, instructional equipment and other operating costs. Excludes expenditures for academic administration.</i>)	Nurse Practitioner, Morgan County Works, KPIP, KTIP, Learning Academies, Writing Projects, PCWCP, Adult Learning Centers, Career and Technical Education, KET/GED, Real Estate, Adult Education Academy
II. Research (<i>activities organized to produce research outcomes.</i>)	NIH Area Grants, EPSCoR Research Enhancement Grants, KBRIN, NSF, DoD
III. Public Service (<i>activities which provide non-instructional benefits to individuals and groups external to the institution.</i>)	Nurse residency, Public Works, MSU Corps, Technical Assistance Teams, SBDC, Food Service Programs, Women's Business Symposium, RSVP, Carl D. Perkins Vocational Training Center, MSU Training Resource Center, Economic Education Program, MSU Public Radio, Kentucky Senior Medicare Patrol
IV. Libraries (<i>operation of the University's library including personnel, books and periodicals, and other operating expenses.</i>)	
V. Academic Support (<i>support of the University's primary functions of instruction, research, and public service. Examples include academic computing, the art gallery, the University farm, academic administration, and faculty development activities.</i>)	Vocational Education, GEARUP Kentucky, Fulbright-Hays Seminar Abroad, Career and Technical Education Improvement
VI. Student Services (<i>activities which contribute to the student's emotional and physical well being and to his or her intellectual, cultural, and social development outside the context of the formal instructional program. Expenditures for student activities and organizations, cultural events, student publications, intramural athletics, intercollegiate athletics, personal counseling and career guidance, student financial aid administration, and student health services are included in this functional area.</i>)	Talent Search, Student Technology Leadership Program, Upward Bound, William G. McGowan Scholar, Success Training and Education Planning Services, Future Educators of America Summer Camp
VII. Institutional Support (<i>operational support of the daily functions and management of the University. Examples include executive management [President and Vice Presidents' offices], fiscal operations, staff, administration, public relations and development, and administrative computing support.</i>)	Title III
VIII. Operations and Maintenance of Plant (<i>operations and maintenance of physical plant, net of amounts charged to auxiliary enterprises. Includes expenditures for grounds and facilities, utilities, property insurance, and similar items.</i>)	
IX. Student Financial Aid (<i>scholarships, fellowships and tuition remission funded from the unrestricted operating budget and federal and state student aid programs.</i>)	

PROPOSAL DEVELOPMENT GUIDE

Proposals must be submitted to the Office of Research and Sponsored Programs seven business days prior to submission deadline

STEPS		PROPOSAL WRITER RESPONSIBILITIES	RESEARCH AND SPONSORED PROGRAMS SERVICES
1	<i>Develop Original Proposal Idea</i>	<ul style="list-style-type: none"> ♦ Discuss idea with department chair/ director and dean/unit head ♦ Discuss idea with Office of Research and Sponsored Programs staff ♦ Conduct literature search ♦ Consult with other experts 	<ul style="list-style-type: none"> ♦ Analyze and track legislation ♦ Identify potential funding source(s) ♦ Obtain and interpret proposal guidelines ♦ Identify faculty with similar interests ♦ Assist in proposal planning
2	<i>Preproposal Activities</i>	<ul style="list-style-type: none"> ♦ Study requirements of potential funding source(s) ♦ Prepare a brief, draft preproposal with budget estimates and submit to the Office of Research and Sponsored Programs 	<ul style="list-style-type: none"> ♦ Identify previously funded projects ♦ Assist in preparing draft preproposal budget ♦ Coordinate consultation with potential funding source(s)
3	<i>Proposal Preparation and Coordination</i>	<ul style="list-style-type: none"> ♦ Discuss proposal preparation and coordination with the Office of Research and Sponsored Programs staff ♦ Develop and coordinate with Office of Research and Sponsored Programs staff a realistic proposal preparation schedule 	<ul style="list-style-type: none"> ♦ Plan and coordinate proposal and budget preparation ♦ Assist in planning formal proposal
4	<i>Prepare Formal Proposal</i>	<ul style="list-style-type: none"> ♦ Prepare formal proposal ♦ Review by peers, department chair/ director and dean/unit head ♦ Review by MSU Committees (human subjects, animal use, etc., if applicable) ♦ <i>Proposals must be submitted to the Office of Research and Sponsored Programs seven business days prior to submission deadline</i> 	<ul style="list-style-type: none"> ♦ Assist in preparing formal proposal ♦ Prepare budget ♦ Critique proposal for compliance with external funding source guidelines, federal and state regulations, and University policies and procedures ♦ Prepare assurance, representation, and certification forms ♦ Prepare proposal forms
5	<i>Internal Review and Approval of Proposal</i>	<ul style="list-style-type: none"> ♦ Approve and sign completed proposal ♦ Obtain signatures of department chair/ director and dean/unit head ♦ Be available for last minute discussions to brief deans and other administrative personnel 	<ul style="list-style-type: none"> ♦ Complete proposal forms ♦ Review proposal for completeness prior to submission ♦ Review budget ♦ Recommend proposal to the Associate Provost for Research and Sponsored Programs for submission
6	<i>Transmission of Proposal to External Funding Source</i>	<ul style="list-style-type: none"> ♦ Prepare letter of transmittal if additional technical information is required 	<ul style="list-style-type: none"> ♦ Prepare standard letter of transmittal and duplicate proposal ♦ Transmit proposal to external funding source ♦ Maintain copy of proposal ♦ Disseminate proposal, as appropriate
7	<i>Review of Proposal Funding Status</i>	<ul style="list-style-type: none"> ♦ If funded, be available for program and budget negotiations ♦ If not funded, study reviewer comments ♦ Resubmit, if appropriate 	<ul style="list-style-type: none"> ♦ Determine status of pending proposal ♦ Coordinate proposal negotiations ♦ If funded, disseminate award document, budget, routing form, and proposal, as appropriate, and notify University Communications ♦ If not funded, obtain reviewer comments and assist in revising proposal for resubmission

A Proposal Submitted to

Proposal Title:

Submitted By:

**Morehead State University
Office of Research and Sponsored
Programs
901 Ginger Hall**

Project Director:

Project Dates:

Amount Requested:

**Authorized
Representative:**

Dr. Bruce A. Mattingly, Associate

Date Submitted:

Administrative Contact:

**Shannon Harr, Director
Research Integrity and Compliance
Office of Research and Sponsored Programs
Voice: (606) 783-2307
Fax: (606) 783-2130
Email: s.harr@moreheadstate.edu**

Financial Contact:

**Jim Fluty, Director
Morehead State University
Office of Accounting and Budgetary Control
207 Howell-McDowell Building
Morehead, KY 40351
Voice: (606) 783-2115
Fax: (606) 783-5011
Email: j.fluty@moreheadstate.edu**

Attachment F



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

June 26, 2006

Cohen Building-Room 1067
330 Independence Avenue, S.W.
Washington, DC 20201
PHONE: (202)-401-2808
FAX: (202)-619-3379

Mr. James A. Fluty, CPA
Director of Accounting & Budgetary Control
Morehead State University
207 Howell-McDowell Admin. Bldg.
Morehead, KY 40351-1689

Dear Mr. Fluty:

A copy of an indirect cost Rate Agreement is being faxed to you for signature. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and fax it to me, retaining a copy for your files. Our fax number is (202) 619-3379. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal, together with the supporting information, are required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 06/30/10, is due in our office by 12/31/10.

Sincerely,

Darryl W. Mayes
Director
Division of Cost Allocation

Enclosures

PLEASE SIGN AND FAX A COPY OF THE RATE AGREEMENT

Attachment ORIGINAL

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1611014029A1

DATE: June 26, 2006

INSTITUTION:
 Morehead State University
 207 Howell-McDowell Admin. Bldg.
 Morehead KY 40351-1689

FILING REF.: The preceding Agreement was dated June 22, 2005

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES:		FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)
TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/05	06/30/06	37.2	On-Campus	All Programs
PRED.	07/01/05	06/30/06	12.0	Off-Campus	All Programs
PRED.	07/01/06	06/30/11	49.5	On-Campus	All Programs
PRED.	07/01/06	06/30/11	20.5	Off-Campus	All Programs
PROV.	06/30/11 UNTIL AMENDED		Use same rates and conditions as those cited for fiscal year ending June 30, 2011.		

*BASE:
 Direct salaries and wages excluding all fringe benefits.

Attachment F

INSTITUTION:
Morehead State University

AGREEMENT DATE: June 26, 2006

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the costs of these paid absences.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Fringe Benefits include: FICA, Retirement, Workers' Compensation, Unemployment Insurance, Life Insurance, Medical & Dental Insurance and Terminal Vacation Pay.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of \$1,000 or more per unit.

Attachment F

INSTITUTION:
Morehead State University

AGREEMENT DATE: June 26, 2006

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) only costs incurred by the organization were included in its facilities and administrative cost pools as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) the same costs that have been treated as facilities and administrative costs are not claimed as direct costs; (3) similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from facilities and administrative to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-21 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing facilities and administrative costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of facilities and administrative costs allocable to these programs.

BY THE INSTITUTION:
Morehead State University

ON BEHALF OF THE FEDERAL GOVERNMENT:

(INSTITUTION)

Department of Health and Human Services

(AGENCY)

(SIGNATURE)

(SIGNATURE)

(NAME)

(NAME)

(TITLE)

Director
Division of Cost Allocation
(TITLE)

(DATE)

June 26, 2006
(DATE) 0972

HHS REPRESENTATIVE: Robbin Powell
Telephone: (202) 401-2808

James A. Fluty

Darryl W. Mayes

JAMES A. FLUTY

Darryl Mayes

DIRECTOR OF ACCOUNTING & BUDGETARY CONTROL

7/14/06

OFFICE OF SUPPORT SERVICES

Administration and Fiscal Services



Policy Title Stipend

Policy Number 2.65 Revised 11/94

A stipend is a fixed sum of money typically modest in amount that is paid periodically in compensation for services or to defray expenses.

1. There are primarily two situations wherein stipends are paid:
 - a. For payments authorized by local, state, federal or private grants or contracts to help defray expenses of those attending or participating in workshops or seminars.
 - b. For payment of supervising teachers for participation in student practice teaching programs.
2. General Information:
 - a. Payments cannot be made to University employees.
 - b. Contact the Office of Support Services before committing to payment of stipends that do not fit the above two categories.

FRINGE RATES ARE UNDER DEVELOPMENT BY THE OFFICE OF ACCOUNTING AND BUDGETARY CONTROL. PLEASE CONTACT THE OFFICE OF RESEARCH AND SPONSORED PROGRAMS FOR CURRENT INFORMATION.

Subject

Payroll Classification
Categories

Approval Date: 07/01/85
Revision Date:

PURPOSE:

To define the general payroll classification categories used for faculty and staff members.

DEFINITIONS OF
CLASSIFICATION
CATEGORIES:

Each regular faculty and staff member of the University is classified in one of the following categories.

1. Academic--Those individuals whose primary responsibility is teaching and who are qualified for the titles of Professor, Associate Professor, Assistant Professor, or Instructor. Designation in this category is the responsibility of the Vice President for Academic Affairs.
2. Administrative--Those individuals whose primary responsibility is the administration of the institution or an academic or institutionwide nonacademic unit or function of major scope. It includes the President; those with the titles of Vice President, Dean, and Department Chair; and others designated by the President including, but not limited to, Directors and assistants to the President.
3. Staff Exempt--Those individuals whose primary responsibilities are the performance of professional, administrative, and supervisory work as defined by the Fair Labor Standards Act. Designation in this category is the responsibility of the Director of Personnel Services.
4. Staff Nonexempt--Those individuals who perform technical, paraprofessional, secretarial, clerical, service, maintenance, and/or skilled trades work and who are designated as nonexempt under the Fair Labor Standards Act. Designation in this category is the responsibility of the Director of Personnel Services.

Subject

Types of Appointments

Approval Date: 07/01/85

Revision Date: 06/22/94; 06/06/03

PURPOSE:

The purpose of this policy is to list and define the types of employment appointments that may be made at the University.

Full-time employment appointments will be designated as either Full-Time Standing or Full-Time Fixed. Non-full-time appointments will be designated as either Temporary or Part-Time Appointments. Each employment appointment is defined below.

FULL-TIME
STANDING
APPOINTMENT:

A Full-Time Standing Appointment designates an appointment that is full-time and for which no ending date is specified. Such appointments are terminable in accordance with the appropriate University policy. Full-Time Standing Appointments must be backed with budgeted funds. The position for each Full-Time Standing Appointment appears as a line item on a departmental budget salary schedule and is assigned a budget position number. Full-Time Standing Appointments may be used for all four payroll classification categories namely: 1) Academic; 2) Administrative; 3) Staff Exempt; and 4) Staff Nonexempt (see PG-2). Full-Time Standing appointments may be specified for nine, ten, eleven, or twelve months per fiscal year. This type of appointment is provided all regular University benefits.

STANDING II
APPOINTMENT:

Effective June 6, 2003, no new continuing part-time appointments will be made; however, employees currently categorized as continuing part-time will continue to accrue the same benefits as before 06/06/2003.

FULL-TIME FIXED
APPOINTMENT:

A Full-Time Fixed Appointment designates an appointment that is full-time for a fixed period of time and for which an ending date is specified. Such appointments may be specified for nine, ten, eleven, or twelve months. These appointments do not have to be backed by permanent funds. Full-Time Fixed appointments may be used for all four payroll classification categories noted above. This includes instructors and any other individuals in a classification not covered by the tenure regulations. Such appointments are discontinued automatically at the specified ending date. Appointments may be terminated before the ending date for cause or business necessity. Full-Time Fixed Appointments may be renewed. Persons appointed to Fixed

Term Appointments are not converted to Full-Time Standing Appointments without an appropriate search or search waiver.

This type appointment is provided all regular University benefits.

RETIREMENT SYSTEM
MANDATES:

This policy is based upon current retirement system requirements as mandated by the Kentucky Revised Statutes. Retirement contribution requirements for positions that require a minimum of a Bachelor's degree are mandated by the Kentucky Teachers' Retirement System (KTRS). Retirement contribution requirements for positions that do not require a minimum of a Bachelor's degree are mandated by the Kentucky Employees' Retirement System (KERS). Retirement contributions are required for all positions listed as full-time.

NON FULL-TIME
APPOINTMENTS:

Non full-time appointments can be either Temporary or Part-Time as defined below. All legally mandated benefits, including FICA, Unemployment, Workers' Compensation, and liability insurance must be provided.

Whether retirement benefits must be provided is determined by the percentage of time or number of hours to be worked and whether the position requires a minimum of a Bachelor's degree. Retirement eligibility parameters are explained in each non full-time appointment category defined below.

Calculations for determining percentage of time worked during the period of employment assume a 40-hour workweek or actual workdays in the month.

TEMPORARY APPOINTMENT
(BACHELOR'S DEGREE
REQUIRED):

Temporary Appointment - For positions that require a minimum of a Bachelor's degree: This appointment category is designated for any assignment that is at least 70% but less than 80%, based upon normal, full-time employment. Retirement contributions and other mandated benefits are provided.

Academic instructors who teach 10.5 credit hours or more during one semester will be placed in this employment category. Retirement contributions are provided.

TEMPORARY APPOINTMENT
(BACHELOR'S DEGREE
NOT REQUIRED):

Temporary Appointment - For positions that do not require a minimum of a Bachelor's degree: This appointment category is designated for any assignment that averages 100 hours or more per month during the period of employment for a maximum of nine months. This appointment will not be eligible for retirement benefits.

PART-TIME APPOINTMENT
(BACHELOR'S DEGREE
REQUIRED):

Part-Time Appointment-For positions that require a minimum of a Bachelor's degree. This appointment category is designated for assignments that are less than 70% based upon normal, full-time employment. Academic lecturers who teach less than 10.5 credit hours in any semester will be placed in this employment category. Retirement contributions will not be provided.

PART-TIME APPOINTMENT
(BACHELOR'S DEGREE
NOT REQUIRED):

Part-Time Appointment- For positions that do not require a minimum of Bachelor's degree: This appointment category is designated for assignments that are less than an average of 100 hours per month for the period of employment. Retirement contributions will not be provided. Any months during that period of employment in which the employee does not work any time will not be included in the calculation for average number of hours worked.

EXCEPTION: Any employee working more than an average of 100 hours per month but less than an average of 139 hours per month for more than 9 months for the period of employment are considered part-time. Retirement contributions **are provided.**

EXCESSIVE HOURS
WORKED BY A
NON-FULL-TIME
EMPLOYEE:

If an individual employed on a less than full-time basis works a schedule that meets full-time employment conditions, the supervisor shall: (a) reduce the individuals work schedule to a less than full-time load, or (b) request that the position be established as a full-time position, or (c) terminate the employment of the incumbent. If a position is established, that position shall be filled in accordance with normal search and/or promotion procedures. The incumbent employee shall not be given preference for the position.

SUPPLEMENTAL
APPOINTMENT:

A Supplemental Appointment designates an appointment which is supplementary to a Full-Time Standing or Full-Time Fixed Appointment and has the effect of providing an additional contractual provision beyond the terms of the Standing or Fixed Appointment. For example, a Supplemental Appointment may be used if an individual whose regular appointment is for nine months but whose appointment is extended for one to three additional months. Supplemental Appointments will also be used to designate those appointments which are supplementary to Full-Time Standing or Full-Time Fixed Appointments to compensate for approved additional services normally outside the scope of regular duties. For example, a Supplemental Appointment can be used when an eligible employee is employed to teach a course for additional compensation. Regular University benefits, except sick leave and vacation accrual, continue with a Supplemental Appointment.

INTERIM SUPPLEMENTAL
APPOINTMENT:

An Interim Supplemental Appointment designates an appointment in which an employee serves in a temporary capacity while maintaining his/her original full-time position.

INTERIM FULL-TIME
APPOINTMENT:

An Interim Full-Time Appointment designates an appointment in which an employee serves in a temporary capacity and vacates his/her previous full-time position to do so.

APPOINTMENT WITHOUT

An Appointment Without Remuneration designates an appointment of an individual

REMUNERATION:

An individual who does not receive remuneration for the appointment. Such individuals include those designated as Clinical Faculty Appointments outlined in PAc-1 or those visiting faculty who are not being paid by the University. The position does not appear as a line item on the departmental budget salary schedule and is not assigned a budget position number on the payroll record.