



COLLEGE OF EDUCATION

**GUIDE FOR PROPOSAL PREPARATION**

**Include the Office of Educational Research (OER) as early as possible in the proposal process. Our staff will provide assistance with budget preparation, interpretation of Sponsor guidelines, completion of all required forms, secure authorized approvals and submission of proposal. It is also important to involve your Department Head or Director at the beginning of your proposal preparation.**

**PREPARING YOUR PROPOSAL**

Sponsoring agencies generally have guidelines for proposal preparation. In an RFQ, RFP or other type of formal request, these guidelines can be very detailed with specific forms required to accompany proposal text. Often there are limitations for page length, type size, title length, or supporting documents.

When no guidelines are provided, there are some general rules of thumb. A **cover page** should always accompany your proposal.

**Page numbers** are essential and a **table of contents** is helpful to the reviewers.

An **abstract** accompanying the proposal should be both concise and complete.

The **proposal text** should include a clear statement of the project goals and objectives as well as a description of the proposed work.

**References** should be included and, when necessary, a full **bibliography**.

The **budget** is often reviewed separately from the proposal. You should provide **budget notes**, which identify the role of each person included in the project budget, and that detail the use of all funds requested. This is your opportunity to justify the funds you are requesting.

**GIFTS, GRANTS AND CONTRACTS**

**GIFTS (No F & A):** Support broad faculty activities. Three general features of gifts include:

- No deliverables are required from the activities supported.
- No formal technical reports are required.
- No formal financial reports are required.

**GRANTS (Research Grant = Full F&A; Unrestricted Grant <\$50K = 15% F&A):** Awarded to the University on behalf of faculty to perform a specific project. The sponsor generally supports the project

as outlined in a proposal. Grant characteristics include:

- Project usually has stated goals and objectives.
- The sponsor has expectations about how the funds will be spent.
- Grant deliverables may include formal project reports.
- A financial report is required.

**CONTRACTS (Full F&A):** The most formal type of award made to the University. Under a contract, the sponsor supports clearly defined activities. Contract characteristics include:

- Specific deliverables are stipulated.
  - The sponsor monitors project performance.
  - Technical reports are required.
  - Detailed financial reports are required.
- Normally, the University on behalf of faculty negotiates all three types of awards.

**ESTIMATING YOUR BUDGET**

**SALARY** compensation should be based on the percent of time the PSU employee will spend on the project. Example: monthly salary rate x \_\_\_% of effort x no. of months. If the project is multi-year, include a 3.5% annual increase (3% if NIH) each July 1. Salary requests for non-University people should be listed under the category of "Purchased Services" or "Consultants".

**HOURS** and/or hourly rates are occasionally a requirement for proposals. Always include the following note when reporting hours and/or rates:

**HOURS** – *The estimate of hours and/or hourly rates are furnished solely for the purpose of this proposal. It is understood that the University will not be required to maintain a record of hours of effort under any resultant award.*

A similar note should be included in proposals that require a cost by task or project breakdown.

**INFLATION FACTORS FOR 2007 - 2008**

- 3.5%** - All categories except tuition
- 7.0%** - Tuition

**FRINGE BENEFITS** are expenses directly associated with employment and are applicable to all University salaries and wages. All full-time salaries (**Category I**) carry a fringe benefit rate of **25.8%**. Graduate Assistant stipends (**Category II**) carry a rate of **15.7%**. Part-time staff and wage payroll personnel benefits (**Category III**) are **8.2%** and Student Wages (**Category IV**) are **0.4%**.

The following budget note may be used:

**Fringe Benefits** are computed using the fixed rates of 25.8% applicable to Category I Salaries, 15.7% applicable to Category II Graduate Assistants, 8.2% applicable to Category III Salaries and Wages and 0.4% applicable to Category IV Student Wages for the current fiscal year – July 1, 2007 through June 30, 2008. If this proposal is funded, the rates quoted above shall, at the time of funding, be subject to adjustment for any period subsequent to June 30, 2008 if superseding Government approved rates have been established. The fringe benefit rates are negotiated and approved by the Office of Naval Research, Penn State's cognizant federal agency.

Only if required by the sponsor, a more detailed breakdown should be used:

**Fringe Benefits** – Rates for July 1, 2007 through June 30, 2008 are listed below:

<u>Elements</u>	<u>Salary</u>	<u>Grad. Assist.</u>	<u>Wages</u>	<u>Student Wages</u>
Salary/Wage Bases	I	II	III	IV
Grad. Assist. Health Ins.	----	14.8	----	----
Employee Benefits Office	0.1	0.0	0.0	----
Worker's Compensation	0.5	0.5	0.5	0.5
Group Insurance	12.8	----	----	----
Soc. Security/Medicare	6.8	----	7.7	----
Retirement	7.0	----	----	----
Faculty Graduate Study	0.0	----	----	----
Staff Dependents	----	----	----	----
Grant-In-Aid				
Staff Members	0.3	----	----	----
Grant-In-Aid (Over)/Under recovery – prior years	-1.7	0.4	0.0	-0.1

#### **FRINGE BENEFIT RATES**

**2007-2008      25.8%    15.7%    8.2%    0.4%**

**Facilities and Administrative (F&A)** are expenses that are essential to the conduct of sponsored institutional activities but cannot be easily attributed and directly charged to specific individual projects.

The following budget note may be used:

**Facilities & Administration** rates are negotiated and approved by the Office of Naval Research, Penn State's cognizant federal agency. Penn State's **provisional** on-campus rate for research is 47.0% of

Modified Total Direct Cost (MTDC) from July 1, 2007 to June 30, 2010. New awards and new competitive segments with an effective date of July 1, 2010 or later shall be subject to adjustment when superseding Government approved rates are established. Per OMB Circular A-21, the actual F&A rates used will be fixed at the time of the initial award for the duration of the competitive segment.

Facilities and Administrative costs are calculated based on the project's Modified Total Direct Costs (MTDC). To find MTDC, use the following formula:

#### **MTDC = Total Direct Costs Excluding:**

1. Graduate Assistant Tuition Remission
2. Subcontract Costs in excess of \$25,000
3. Equipment Purchases (life > 2 yrs. and costing over \$5,000)
4. Plant Construction
5. Building Amortization

#### **Penn State's Provisional F&A rates are:**

**2007-2010 Research:    On-Campus:    47.0%**  
**Off-Campus:    25.1%**  
**2007-2010 Inst./CE:    On-Campus:    44.0%**  
**Off-Campus:    21.1%**

**Industry Proposals – Additional            5%**  
*(with no-federal flow-through)*

#### **GRADUATE ASSISTANT TUITION RATES**

**Fall 2007/Spring 2008                            \$5,935**  
601 & 611 Courses for Audit (up to 3 cr.) \$1,370  
601 & Courses up to 3 credits                \$1,930  
**Summer 2008                                        \$2,968**

#### **TRAVEL**

Personally owned vehicle rate: \$.505/mile  
Lodging and Meal Estimator:  
<http://abs.psu.edu/TravelRates/>

#### **College Buy-Out Guidelines for Course Release**

- 1) Course releases need to be negotiated as early as possible in the budget building process between faculty members & the relevant Department Head (DH). Vicki will encourage faculty members to talk with the DH before building an initial budget and will share the initial budget with the DH once it is prepared.
- 2) It is appropriate to provide course releases to faculty members as a means of freeing up needed time for sponsored projects. Generally speaking, there is a maximum allowance of two course releases per year to ensure Program quality and continuity. It is the prevailing practice in the College to charge 15% of a faculty member's time for a course buyout.
- 3) Faculty time charged to a project needs to correspond to when the time is actually being spent. In particular, it is not appropriate to load time in the

summer when the actual work is occurring during the academic year.

4) The prevailing practice in the College is to charge a 5% minimum time commitment from the faculty member's research effort before any summer effort or course buyouts are included in a funding request (assuming this is permissible according to the sponsor's budget guidelines). Vicki and the DH's will remind the faculty of this prevailing practice.

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### **PROPOSAL PROCESSING CHANNELS**

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Approval is evidenced and required by signatures on the University's **Proposal Internal Award Form (PIAF)**. After the Principal Investigator/s (PI/s) have reviewed and approved the proposal, the PIAF (which includes the Assignment of Credit form) must be completed and signed by the PI and all co-PIs, investigators and faculty. The proposal must be reviewed and approved by the appropriate Department Head/s and the Office of Educational Research (OER). If faculty from other Colleges are collaborating on a proposal, their Department Head's and Dean's approval and signature are also required on the PIAF.

*Documentation of approval of Department and/or College **cost-sharing** must be provided to OER prior to final review, approval and submission by OER.*

OER reviews and approves proposals and distributes copies of the proposal to the PIs, Departments and the Office of Sponsored Programs (OSP).

Note: If an award is received and a proposal was not processed through OSP an **Award Internal Approval Form (AIAF)** should be completed.

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### **NEGOTIATIONS**

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All awards received by faculty as members of Penn State are actually made to the University on the faculty's behalf. Penn State assumes all financial responsibility and guarantees that the project will be completed.

To accept an award, a number of steps are required. First, OSP receives notification that the sponsor wishes to support the project.

For a grant, if necessary, the Principal Investigator, Department Head, and OER should review the award's terms and conditions and recommend that the University either accept the award as offered or with changes as outlined in their recommendations.

For a contract, the process begins before an award is made. During pre negotiations, the sponsor and faculty discuss technical details. The Principal Investigator, Department Head and OER verify budget details and confirm all rates quoted in the proposal.

After this phase, OSP enters into formal negotiations with the sponsor by reviewing the contract's terms and conditions. After all parties agree upon the contract's content, the University accepts the award.

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### **Start Date**

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Funds are not released to the University until after the project's official start date is established. This date is predicated upon acceptance of all terms of the award by both parties.

Grant start dates are set by the sponsor in the award. Contracts are not as predictable since in some cases the start date is specified before both parties sign and in others it is determined by the final signature date. The final signatory may be the University or the sponsor, depending on the contract.

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### **FUND NUMBERS**

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Once the start date is determined, the OER requests a fund number from Research Accounting. Project expenditures are processed using this assigned unique restricted account number which identifies the correct fund. IRB Protocol number for Human Participants must be secured before a fund number is issued.

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### **SUBCONTRACTS**

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If a subcontract is included in the project, the PI must submit a "Subcontract Request Form" (<http://grants.psu.edu/PSU/Res/substart.htm>) to OSP via OER as soon as possible. OSP will prepare a subcontract agreement between Penn State and the third party with applicable terms and conditions.

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### **EXPENDITURES**

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The PI with the cooperation of the appropriate College and Department financial staff manages award funds and initiates all expenditures. The Department staff processes and monitors expenses. The Research Accounting Office submits any official financial reports to the sponsor as required.

For some sponsors, the PI will need to expend funds before the award process is completed. In these cases, OER can request an advance fund number prior to an award's acceptance if there is a solid commitment from the sponsor. The Department assumes all risk in covering advance fund number expenditures should the award never become fully executed.

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### **INVESTIGATOR'S RESPONSIBILITIES**

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The University assumes legal responsibility for funded projects and the PI is responsible for the management, activities and technical reporting activities. The PI must maintain contact with the sponsor's program officer and comply with all technical/program reporting requirements. The PI must also initiate correspondence with the sponsor's administrative or contract monitor to request programmatic or budgetary changes. All such requested revisions should be routed through OER for appropriate approval signatures.

## COMMONLY REQUESTED FACTS

Additional information is available at OSP's Web Site:

<http://grants.psu.edu>

### When applications request: Provide:

**Submitting Organization** The Pennsylvania State University  
**Address (for all Official Correspondence)** The Pennsylvania State University  
Office of Sponsored Programs  
110 Technology Center Bldg.  
University Park, PA 16802-7000  
Phone: (814) 865-1372  
FAX: (814) 865-3377  
E-Mail: [osp@psu.edu](mailto:osp@psu.edu)

**Type of Organization** State Related Institution of Higher Education

**Congressional District** 5th

**Senate District** 34th

**Representative District** 7th

### Authorized University Official for all Proposals and Certifications

David Richardson, Assistant Vice President for Research, Director of Sponsored Programs

### Officials Authorized to Sign Listed Agreements David Richardson

- ✓ Modifications
- ✓ University Standard Agmt. Formats
- ✓ Master Tuition Payment Awards
- ✓ Federal Bi-Lateral Agmts. < \$1,000,000/yr.
- ✓ State Standard Agmts. < \$1,000,000/yr.
- ✓ Foundation/Non-Profit Agmts. < \$1,000,000/yr.
- ✓ Non-Financial Agmts.

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✓ Standard Affiliation Agmts. **College Dean/Chancellor**

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✓ All Agreements **Susan Wiedemer  
Assistant Controller**

**Financial Contact** James A. Mattern, Director  
Research Accounting  
The Pennsylvania State University  
227 W. Beaver Ave., Suite 401  
State College, PA 16801-4819  
Phone: (814) 865-7525  
FAX: (814) 865-3910  
E-mail: [Res-Acct@psu.edu](mailto:Res-Acct@psu.edu)

**Payment To:** The Pennsylvania State University

**Commonwealth Vendor SAP ID No:** 141597-216  
**Administrative Unit Numbers** 4-10-14-720-1  
(PA Department of Education)  
**Federal School Code:** 003329

**Principal Investigator** Faculty Name (or investigator to serve as project correspondent if there are co-investigators)

**Campus Address** Faculty/Campus Address

**Employer ID Number** 24-6000376  
(Federal Tax ID) (NIH: 1246000376A1)  
(NSF: 0033290000 for UP)

**DUNS Number** 00-340-3953  
**Contractor Establishment Code** 003403953  
**Cage Code** 74720  
**FICE** 006965  
**NAICS** 611310  
**J-1 VISA Designation (INS Code)** P10329  
**NCES- IPEDS ID:** 214777

**NIH Animal Welfare Assurance** A3141-01 (10/31/10)  
**Human Subjects FWA** FWA00001534 (12/03/07)  
**DHHS Assurances** August 18, 1994

**Cognizant Agency/Contract Administration Office** Office of Naval Research  
(for rate approvals) Chicago Regional Office  
230 South Dearborn St.  
Room 380  
Chicago, IL 60604-1595  
Phone: (312) 886-2094

**Date of Last Negotiation of Indirect Cost Agreement(F&A)** February 7, 2008

**CASB-DS-2 filing** November 4, 1996  
(last revised March 9, 2006)

**Local Audit Office** Defense Contract Audit Agency  
429 Rider Bldg.  
120 S. Burrowes St.  
University Park, PA 16801  
Phone: (814) 865-2331

**Office of Educational Research**  
**240 Chambers Building**  
**Office Fax: (814) 865-8733**  
**<http://www.ed.psu.edu/research/>**

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