



GUIDE FOR PROPOSAL PREPARATION

**Office of Sponsored Programs
Updated July 22, 2009**

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. It should include space for approval signatures for Penn State and a list of items such as title, PI(s) name(s), submitting department, unit or campus, funding request, and performance period.

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. Agencies often use abstracts in their annual reports.

The **proposal text** should include a clear statement of the project goals and objectives as well as a description of the proposed work. Your preliminary studies or those by other investigators should be summarized. In the text, care should be taken to explain the need for unusual or large expenses such as equipment, special travel or use of facilities. **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 (including staff support), 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 to the University 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 are made 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 are 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.
- Project performance is monitored by the sponsor.
- Technical reports are required.
- Detailed financial reports are required.

Normally, all three types of awards are negotiated by the University on behalf of faculty.

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 3.0% annual increase (3% if NIH) each July 1 (some federal agencies require special justification for annual increases in excess of 3% for multi-year). 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.

STANDARD BUDGET NOTES available at:
<http://www.research.psu.edu/osp/proposal/other.html>

FRINGE BENEFITS are expenses directly associated with employment and are applicable to **all** University salaries and wages.

F&A costs are calculated based on the project's Modified Total ' Direct Cost (MTDC). To find MTDC, use the following formula:

MTDC = Total Direct Costs, Excluding:

1. Graduate Assistant Tuition Remission,
2. Portion of each subcontract/subaward over \$25,000 (regardless of period)
3. Equipment Purchases (life > 2 yrs. and costing over \$5,000),
4. Plant Construction,
5. Building Amortization.

Fringe Rates:

Category I: (All full-time salaries):	29.9%
Category II: (Graduate Assistant stipends):	15.9%
Category III: (Part-time staff & wage payroll):	8.3%
Category IV: (Student Wage):	0.7%

If required by the sponsor, a more detailed breakdown follows.

FRINGE BENEFITS Rates – rates for July 1, 2009 through June 30, 2010 are listed below:

Elements	Grad.		Student	
	Salary	Assist.	Wages	Wages
	I	II	III	IV
Grad. Assist. Health Ins.	N/A	15.8	N/A	N/A
Employee Benefits Office	0.1	0.1	0.1	N/A
Workers' Compensation	0.6	0.6	0.6	0.6
Group Insurance	14.4	N/A	N/A	N/A
Soc. Security/Medicare	6.8	N/A	7.7	N/A
Retirement	7.5	N/A	N/A	N/A
Faculty Graduate Study	0.1	N/A	N/A	N/A
Staff Dependents				
Grant-In-Aid	N/A	N/A	N/A	N/A
Staff Members				
Grant-in-Aid	0.3	N/A	N/A	N/A
(Over) Under-recovery prior years	<u>0.1</u>	<u>-0.6</u>	<u>-0.1</u>	<u>0.1</u>
2009-10 Rates	29.9%	15.9%	8.3%	0.7%

F&A Rates: On Campus Off Campus

RESEARCH - Non DOD

7/1/08 - 6/30/09	47.5%	26.0%
7/1/09 - 6/30/10	48.0%	26.0%

RESEARCH -DOD

7/1/08 - 6/30/09	51.4%	29.9%
7/1/09 - 6/30/10	52.5%	30.6%

INSTRUCTION/CONTINUING ED

7/1/08 - 6/30/09	44.1%	21.3%
7/1/09 - 6/30/10	44.1%	21.4%

HERSHEY COLLEGE OF MEDICINE

7/1/08 - 6/30/09	54.1%	26.0%
7/1/09 - 6/30/10	55.1%	26.0%

See <http://www.research.psu.edu/osp/PSU/Rates/allrates/Rates09-10F.pdf> for ARL/EOC rates.

Industry Proposals (with no federal flow-through)

Additional 5%

GRADUATE ASSISTANT TUITION RATES (full time)

<u>Fall '09/Spring '10</u>	<u>Summer '10</u>
\$6,580/semester	\$3,290

INFLATION FACTORS FOR 2009-2010

- 3.0% - all categories except tuition
- 7.0% - Tuition

Bases:

- (I) *All Salaries excluding Graduate Assistants, Fixed Term II, and Visiting Faculty appointments not receiving full benefits.*
- (II) *Graduate Assistant Salaries*
- (III) *Wages and those Salaries not receiving full benefits, exclusive of Graduate Assistants and Student Wages.*
- (IV) *Student Wages*

FACILITIES AND ADMINISTRATIVE (F&A) are expenses essential to the conduct of sponsored activities but which cannot be readily attributed and direct charged to specific individual projects.

PROPOSAL PROCESSING CHANNELS

Approval is evidenced by signatures on the proposal and on the University's Proposal Internal Approval Form (PIAF). After the Principal Investigator (PI) and any co-investigators have signed the final version and signed the PIAF, the proposal must be approved by both the Department Head and Director/Dean of the associated College/Unit and/or the Campus Chancellor (CC) and the Director of Academic Affairs (DAA) for the Commonwealth Campus.

After Campus/Unit review & approval, proposals (w/PIAF) are submitted to the Office of Sponsored Programs (OSP).

OSP reviews the proposal and budget and obtains the required authorized University signatures.

OSP assigns a number to the proposal for data entry and submits the proposal to the sponsor as per instructions on the PIAF.

NEGOTIATIONS

All awards received by faculty as members of Penn State are actually made to the University on the individual'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 and Department Head/Director/Dean/Campus Chancellor 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 and Department Head/Director/Dean/Campus Chancellor verifies budget details and confirms 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.

START DATE

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.

FUND NUMBERS

Once the start date is determined, the College/Unit/FO requests a fund number from Research Accounting. Project expenditures are processed using this assigned unique code which identifies the correct fund.

SUBCONTRACTS/SUBAWARDS

If a subcontract is included in the project, the College/Unit must submit to OSP a "Subcontract/Subaward Request Form" available at <http://www.research.psu.edu/osp/PSU/Toolbox/subrequest07.pdf>. OSP will prepare a subcontract or subaward between Penn State and the third party with applicable terms and conditions.

EXPENDITURES

The PI with the cooperation of the appropriate Financial Office manages award funds and initiates all expenditures. The Research Accounting Office monitors expenses and 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, your College/Unit/FO can generate an Advance Fund Number prior to an award's acceptance if there is a solid commitment from the sponsor. The College/Unit assumes all risk in covering advance fund number expenditures should the award never become fully executed.

INVESTIGATORS RESPONSIBILITIES

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 technical monitor and comply with all technical 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 OSP for appropriate approval signatures.

COMMONLY REQUESTED FACTS

Additional information is available at OSP's Web Site:
<http://www.research.psu.edu/osp>.

When applications request... **Penn State suggests...**

Submitting Organization The Pennsylvania State University

Address for all Official Correspondence Office of Sponsored Programs
110 Technology Center Building
University Park, PA 16802-7000
Phone: (814) 865-1372
FAX: (814) 865-3377

Email: osp@psu.edu

Type of Organization State Related Institution of Higher Education

Congressional District 5th
Senate District 34th
Representative District 77th

Authorized University Official for all Proposals and Certifications
David W. Richardson, Associate VP for Research

Authorized University Officials to Sign Listed Agreements

David W. Richardson, Associate VP for Research, Office of Sponsored Programs:

- ✓ 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.

- ✓ Standard Affiliation Agmts.: **Campus Chancellor/College Dean**
- ✓ Standard Tuition Agmts.: **Campus Chancellor/FO/Dir. of Finance**
- ✓ All Agreements: **Susan J. Wiedemer**
 Assistant Treasurer

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

Payment To: The Pennsylvania State University

Commonwealth Vendor SAP ID No.: 141597-216
(NOTE: Payments addressed to Research Accounting, University Park location. Each campus has a different code for tuition payments.)

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

Campus Address Faculty/Campus Address

Federal Identification Numbers:

Employer ID Number (Fed. Tax ID) 24-6000376
DUNS Number 00-340-3953
Contractor Establishment Code 003403953
CAGE Code 7A720
FICE 006965
NAICS 611310
SIC 8221
J-1 VISA Designation (INS Code) P10329

Sponsor Specific ID Number/Code:

(Note: Each campus location has a different code.)

NIH: 1246000376A1
NSF: 0033290000

PA Department of Education:

4-10-14-720-1 (Administrative Unit Number)

Tax Exempt Status Letter:

<http://www.research.psu.edu/osp/proposal/other.html>

NIH Human Subjects Assurance FWA00001534

Signed: 12/03/07, Expires: 1/39/11

NIH Animal Welfare Assurance A3141-01 (10/31/2010)

Navy Addendum N-A0105

Cognizant Agency/Contract Administration Office Office of Naval Research
Chicago Regional Office
230 South Dearborn Street
Room 380
Chicago, IL 60604-1595
(312) 886-2094

Date of Negotiation Agreement -

Indirect Cost Rate (F&A) February 6, 2008

CASB-DS-2 original filing date: November 4, 1996

Last revision date: March 9, 2006

Local Audit Office Defense Contract Audit Agency
304 James Building
123 S. Burrows Street
University Park, PA 16801
(814) 865-2331

Travel Rate: Standard mileage allowance, go to:

<http://abs.psu.edu/TravelRates>