

## Grant Policies

The staff and administration of Artemis One Health Research Foundation are encouraged to obtain external funding in the form of grants for various projects and programs. This funding allows the institute to carry out its objectives more adequately and to expand and enhance the variety of opportunities available in the institute. The policies shown here should establish responsibility and accountability during the grant program.

Grants for approved research and sponsored projects are the fiscal responsibility of Artemis One Health Research Institute. The project director/project investigator is held individually responsible by the institute for the proper management of the grant and for meeting the objectives of the grant. The Institute will ultimately be held responsible for the overall administration of funded projects. Therefore, all funds related to grants, regardless of source, shall be administered as research funds in accordance with the European law, Board of Governor policies and University policies and procedures.

### Basic Definitions

Allocable Cost: A cost is allocable to a sponsored agreement if it is incurred solely to advance the work under the sponsored agreement; it benefits both the sponsored agreement and other work of the institution, in proportions that can be approximated through use of reasonable methods, or it is necessary to the overall operation of the institution.

Authorized Officials: The members of the board of directors of Artemis One Health Research Foundation are authorized to accept grant funding and waive indirect costs.

Effort: The amount of time spent on an activity is expressed as a percentage of time.

Grantee: The entity receiving the money for the grant (Artemis One Health). Artemis One Health Research Institute should be listed as the grantee, not the staff writing the grant proposal because they are the Project Investigator.

Grantor (also known as Awarding agency or Sponsoring Agency): The entity giving the money for the proposed grant. This is the external funding source.

Indirect Costs (also known as overhead or Facilities and Administrative (F&A) costs): Costs associated with conducting sponsored projects that are over and above the direct costs attributed to specific projects.

In-Kind Contributions: Project costs represented by services, equipment, real property or the use thereof that is donated by sponsors other than the grant award sponsor. An in-kind contribution's value is considered to be what the cost to the institute would have been if the institute had paid for the item or service itself. In-Kind contributions may also include the cost share borne by the grants subcontractor.

Mandatory Cost Sharing: Cost sharing due to a written requirement of the grantor and the ability to apply for and receive the award is contingent upon the institute's willingness to comply with this requirement. Mandatory cost sharing requirements will often be stated in the Request for Proposal (RFP), Request for Application (RFA), or Request for Quotation (RFQ). The mandatory match may be stated as a percentage of total costs, a required dollar/euro amount, or may be required due to limitations of costs that the grantor will reimburse, such as grantors that will not pay for researchers' salaries.

Program Income: Income earned as a result of grant-funded activity.

Project Investigator (also known as Project Director or Researcher) for Grantee: Artemis One Health Research Foundation or staff member overseeing the grant operations.

Reasonable Cost: A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefore, reflects the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.

Sponsored Agreement (also known as a Grant or Contract): A written agreement representing the voluntary transfer of money or property by a sponsor in exchange for the specifically enumerated performance of services, often including rights and access to results of this performance, and always including some formal financial and/or technical reporting by the recipient as to the actual use of money or property provided. The agreement is enforceable by law, and performance is usually to be accomplished under time and fund use constraints with the transfer of support revocable for cause.

### **Purchasing Policies and Procedures**

As a foundation, Artemis One Health may publish a request for proposals (RFP) for certain projects. Contractors who assist in drafting specifications for RFP must be excluded from competing for those opportunities. In addition, RFP specifications cannot have unreasonable requirements that are meant to limit competition. Also, procurements must be conducted in a manner that prohibits the use of geographical preferences in the evaluation of proposals, except in certain case where the law explicitly requires or encourages geographic preference, provided that specifying geographic location leaves an appropriate number of qualified firms.

### **The Uniform Guidance outlines five methods of procurement: purchase procedure for Artemis follows the Uniform Guidance model**

- **Micro-purchase:** Purchases where the aggregate amount does not exceed 3,000 euro. When practical, the entity should distribute micro-purchases equitably among qualified suppliers. No competitive quotes are required if management determines that the price is reasonable. Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-governmental entity's small purchase procedures. The non-governmental entity uses such procedures in order to

expedite the completion of its lowest-euro small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set at 3,000 euro except as otherwise stipulated, but this threshold is periodically adjusted for inflation.

- **Small purchase:** Includes purchases up to the Simplified Acquisition threshold, which is currently 150,000 euro. Informal purchasing procedures are acceptable, but price or rate quotes must be obtained from an adequate number of sources.
- **Competitive proposals:** Used for purchases over the Simplified Acquisition Threshold, which is currently 150,000 euro. This procurement method requires formal solicitation, fixed-price or cost-reimbursement contracts, and is used when sealed bids are not appropriate. The contract should be awarded to the responsible firm whose proposal is most advantageous to the program, with price being one of the various factors.
- **Noncompetitive proposals:** Also known as sole-source procurement, this may be appropriate only when specific criteria are met. Examples include when an item is available only from one source, when a public emergency does not allow for the time of the competitive proposal process, when the federal awarding agency authorizes, or after a number of attempts at a competitive process, the competition is deemed inadequate.
- **Methods of procurement to be followed:** The non-governmental entity must use one of the following methods of procurement:(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold . To the extent practicable, the non-governmental entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-governmental entity considers the price to be reasonable.(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. If this method is used, the following requirements apply: (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical; (2) Proposals must be solicited from an adequate number of qualified sources; (3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients; (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and (5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable

compensation. (e) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply: (1) The item is available only from a single source; (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; (3) The awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or (4) After solicitation of a number of sources, competition is determined inadequate.

### **Indirect (Facilities and Administrative) Cost Recovery**

Indirect costs include the Institute's general operating expenses that are incurred in support of sponsored activities. For example, buildings, use of equipment that is not purchased by sponsored project budgets, operations and maintenance of facilities, and administrative support costs (accounting, purchasing, facilities management, etc.).

Most funding agencies recognize the existence of indirect costs and have policies in place to provide for their funding. It is the Institute's policy to recover the maximum amount of indirect cost allowable by the funding agency that is consistent with successful grant applications. It is the responsibility of the proposal writer to include indirect costs in the grant proposal. If the sponsoring agency does not allow indirect costs, then project director must attach documentation requesting a non-standard rate and gain advance approval in writing from the board. Project Investigators do not have authority to make financial commitments to potential sponsors.

Contracts or grants from commercial firms are expected to provide for recovery of full indirect costs (i.e. Facilities & Administrative). Except where explicitly limited by law or other standard written sponsor policy, contract or grant proposals to non-commercial sponsors must include full applicable indirect costs in the proposal budget. In some cases, sponsor policies will limit administrative costs without limiting facilities costs. In those instances, an Institute's contribution toward the administrative costs may be made without a contribution toward the facilities costs.

### **Cost Sharing and Matching**

Cost sharing or matching is the portion of project or program costs not borne by the sponsoring agency. Cost sharing is the process of incurring and documenting direct costs relating to a project that are not reimbursed by a sponsoring agency. Cost sharing is normally a cost paid by the University, but any funding outside of the grantor's and the University's funding may count as cost sharing, provided it is stated and approved in the grant proposal documentation. Two primary types of cost sharing are mandatory cost sharing and voluntary committed cost sharing, which are defined in the definition section of this policy. All cost sharing must be recorded in the institute's computerized financial system, if it is part of the negotiated grant agreement.

All matching and cost sharing resources must meet the following general criteria:

- They must be verifiable from the University's accounting records
- They may not be included as contributions for any other federally assisted project or program in either the current or any prior period
- They must be necessary and reasonable for proper and efficient accomplishment of project or program objectives
- They must be allowable under the applicable cost principles . A matching contribution must be for something for which the organization or institution could have spent federal funds.
- They must be provided for in the approved project budget.

Unrecovered indirect costs may also be included as part of cost sharing and matching, with the prior approval of the awarding agency. Some sponsoring agencies prohibit this.

Cost sharing and matching met with cash outlays must be from non-federal sources and the outlay must benefit the funded project in some fashion.

For cost sharing and matching met with in-kind contributions, the University must:

- Assert a value of the service or asset provided (current fair market value)
- Volunteer Services-value at a rate consistent with those paid for similar work in the institute (the rate should be based on the TYPE of work, not the skill level of the volunteer)
- Donated Supplies-use the fair market value for the supplies, but be careful to base that valuation on the condition and quantity of the assets received.
- Donated Space-use the fair rental value, established by an independent appraisal.

### **Review and Approval of Revisions of Budget and Sponsored Project Plan**

Project Investigators are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions to the sponsoring agency. Approval must be obtained from the Program Director, or other authorized official, with the grantor agency.

Prior approvals must be requested from sponsoring agencies for one or more of the following program or budget related reasons.

- Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).
- Change in a key person specified in the application or award document.
- The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved Project Director or Project Investigator.
- The need for additional funding.
- The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the awarding agency.
- All pre-award costs are incurred at the recipient's risk (i.e., the awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).
- Programmatic reasons may require the period of performance of a grant or contract to

be extended with no additional funding from the sponsor. This action is called a No-Cost Time Extension and is typically up to 12 months in length. This time extension must be requested of the sponsor. They do not happen automatically.

## **Verification of Allowable Costs Charged to Grants**

### General tests for allowable costs

Costs must be reasonable. Major considerations involved in the determination of the reasonableness of a cost are:

- whether or not the cost is of a type generally recognized as necessary for the operation of the institution or the performance of the sponsored agreement;
- whether or not the individuals concerned acted with due prudence in the circumstances, considering their responsibilities to the institution, its employees, its students, the grantor, and the public at large;
- and, the extent to which the actions taken with respect to the incurrence of the cost are consistent with established institutional policies and practices applicable to the work of the institution.

Costs must be allocable to sponsored agreements :

- A cost is allocable to a particular cost objective (i.e., a specific function, project, sponsored agreement, department, or the like) if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received or other equitable relationship. Where the purchase of equipment or other capital items is specifically authorized under a sponsored agreement, the amounts thus authorized for such purchases are assignable to the sponsored agreement regardless of the use that may subsequently be made of the equipment or other capital items involved.
- Any costs allocable to a particular sponsored agreement may not be shifted to other sponsored agreements in order to meet deficiencies caused by overruns or other fund considerations, to avoid restrictions imposed by law or by terms of the sponsored agreement, or for other reasons of convenience.

## **Equipment**

Equipment is defined as items of non-expendable tangible personal property having a useful life exceeding one year and a unit acquisition cost exceeding 5,000 euro. For sponsored projects, items costing under 5,000 euro will be considered supplies, but computer equipment will still be tagged for tracking purposes. The award budget must clearly allow for the purchase of and any equipment should be received at least 30 days prior to the grant's expiration date.

Minimum standards for the management of equipment purchased with funds include the following:

The institute is to use the equipment for project purposes as long as it is needed whether or not the project continues to be supported. When not needed for the original project or program, equipment may be used in connection with other sponsored activities with a priority for those activities sponsored by the awarding agency that

funded the original project. There is also nothing to preclude the use of equipment purchased with funds on other projects or programs which are not funded so long as it will not interfere with the work on the project or program under which the equipment originally was acquired. When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the awarding agency.

Equipment records must be maintained on all grant-acquired equipment :

- Description of the equipment
- Manufacturer's serial number, model number, federal stock number, national stock number, or other identification number
- Source of the equipment including the award number
- Whether title vests in the recipient or the federal government
- Acquisition date or date received if the equipment was furnished by the federal government and costs if purchased by the recipient
- Information which would permit the calculation of the percentage of federal participation in the cost of the equipment
- Location and condition of the equipment and date the information was reported
- Unit acquisition cost
- Ultimate disposition data including date of disposal and sale price or method used to determine fair market value where a recipient compensates the federal awarding agency for its share of the residual amount.

A physical inventory of equipment must be taken and the results reconciled with the equipment records at least once every two years. The inventory process must verify the existence, current utilization, and continued need for equipment. Any loss, damage or theft must be promptly investigated and fully documented and, if the equipment is owned by the government or other institution, the recipient must promptly notify the awarding agency or owner. Maintenance procedures must be in place to keep equipment in good working order.

### **Program Income**

Program income should be used in a manner consistent with program and project purposes and should be expended if necessary." Reporting of the program income is done in accordance with the requirements of the award either as an addition to the award, cost-sharing on the project, or as a deduction from the award.

### **Cost Overruns**

A cost overrun occurs when the total costs recorded in the grant fund (4-digit identifying number for the grant project) exceed the total budgeted for the project period. If future funding has been awarded, and this is only a matter of timing, no action is necessary. If the overrun is determined to be an error, the excess expenditures need to be identified and transferred to another fund, which will be identified by the grant Office of the institute.

The Project Investigator is primarily responsible for monitoring the grant to ensure that cost overruns do not occur and if they do he/she is responsible for initiating corrective action. However, the Project Investigator should reconcile their expenses with the institute's financial system on a monthly basis because they are ultimately responsible for grant staying within its budget.

### **Reconciling Grant Funds**

All financial activity related to a sponsored project shall be reconciled on a monthly basis to ensure that expenditures and revenues are within appropriate limits and guidelines.

### **Record Retention**

Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of submission of the quarterly or annual financial report.

Exceptions include:

- When litigation, claim, or audit is started before the expiration of the three-year period, records must be maintained until everything is resolved and final action is taken. Records for real property and equipment shall be retained for three years after final disposition.
- Indirect cost rate proposals, cost allocation plans, etc. may have three-year retention periods with different start dates if the rates are, or are not, submitted for negotiation
- Technical and programmatic data (research data) is typically defined as information, regardless of form or the media on which it may be recorded, including computer software. In practice, scientific data generally is defined to include material contained in laboratory notebooks or other media such as computer disks and machine printouts and includes both intangible data (ex. Statistics, findings, conclusions) and tangible data (ex. Notebooks, printouts). Retention of this data is generally delegated to the Project Investigator. The Project Investigator should hand over this data to the institute if they leave the institution.

Questions about this policy should be addressed to the head of Research & Development (Byron Martina) or the Chief financial officer (Guido Meartens). Individuals wishing to recommend changes to the policy should contact the Guido Maertens.