

Office of Sponsored Programs
Procedure 10000 Defined Terms in
Office of Sponsored Programs Procedures

Revision Date: 10/01/2016



Table of Contents

1.	INTRODUCTION	4
2.	SCOPE	4
3.	PROCEDURE STATEMENT	4
4.	REASON FOR THE PROCEDURE	4
5.	DEFINITIONS	4
	Academic Partnership Programs (APP).....	4
	Academic Period.....	5
	Account Holder.....	5
	Accounts Receivable	5
	Adjustment Period.....	5
	Administrative and Clerical Salaries	6
	Administrative Documents	6
	Advertising and Public Relations.....	6
	Air Travel	6
	Alcoholic Beverages and Business Meal Reimbursements	6
	Attachment A	7
	Award.....	7
	Bad Debts	7
	Banner.....	7
	Business Class Airfare or Upgraded Economy.....	8
	Business Meals	8
	Closeout	8
	Cognizant Agency (ONR).....	8
	Commonwealth Facility and Equipment Fee	9
	Communication Expenses Cell Phones or Internet Access—Mobile Communication Devices.....	9
	Compensation (Extra Service Pay, Fringe Benefits, Leave, Severance).....	9
	Comprehensive Fees.....	9
	Computer Software.....	9
	Computing Device.....	10
	Conferences.....	10
	Contract	10
	Contractor	10
	Contractor Acquired Property	11
	Contributions and Donations.....	11
	Cooperative Agreement	11
	Cost Accounting Standards.....	11
	Cost Sharing Commitment.....	12
	Cost Transfer	12
	Credit Worthiness.....	12
	Cut-off Date.....	12
	Data Use Agreements	12
	Delinquent Receivables.....	12
	Depreciation	13
	Direct Cost or Expense	13
	Drawdown.....	13
	Dunning Letter.....	13
	Equipment.....	13
	Equipment on Loan to the University.....	14
	Equipment Purchases at the End of Award	14
	Exchange Rates.....	14
	Extra Service Pay.....	14

F&A Rate Reduction	14
F&A Waiver	14
Facilities and Administrative Indirect or Overhead Costs	15
Federal Award	15
Federal Financial Assistance	16
Fines, Penalties or Settlements.....	16
Fixed Price Award	16
Fraud.....	16
Fringe Benefits.....	17
General Purpose Equipment.....	17
Government Property	17
Government Furnished Property	17
Grant Agreement.....	17
Handbooks	18
Improper Payments	18
Indirect Costs or Overhead.....	18
Industrial Affiliate Programs (IAP).....	18
Industry/University Cooperative Research Center (IUCRC)	19
Institutional Base Salary (IBS)	19
Intangibles.....	19
Late Proposal or At-Risk Proposal	20
Leave.....	20
Letter of Credit (LOC)	20
Letter of Guarantee (LOG).....	20
Library Fees	20
“Like Circumstances” Criteria	21
Local Business Meals.....	21
Lowest Economy Fare Class.....	21
Master Agreements	21
Material Transfer Agreements.....	22
Materials & Supplies (books, journals, periodicals and subscriptions, computing devices, copier charges and copy cards)	22
Memberships, Dues and Professional Activity Expenses	22
No-Cost Time Extension	22
Non-Disclosure Agreements	22
Non-Federal Entity.....	22
Off Campus, Adjacent	23
Off Campus, Remote.....	23
On Campus.....	23
Original Source Documents	23
OSP Award File	23
OSP Office Hours.....	23
OSP Official Electronic File.....	24
Other Unfunded Agreements (UFA).....	24
Out of State Fee Waiver	24
Overdraft.....	24
Parking Fees and Tolls	25
Participant	25
Participant Support Costs (excluding training grants)	25
Participant Support Fees	25
Passports and Visas.....	25
Pass-Through Entity	26
Past Due Receivables	26
Pending Award Period.....	26
Period of Performance.....	26
Peripheral Devices	26
Personal Property	27
Policies	27

Postage, Freight, Cartage, and Express Delivery	27
Pre-Award Expenses	27
Prime Recipient	27
Principal Investigator (PI)	28
Prior Written Approval	28
Procedures	28
Procurement.....	29
Professional Service Expenses	29
Program Income	29
Proposal	29
Proposal Team Member.....	30
Real Property.....	30
Rebudgeting	30
Recipient	30
Recruiting Expenses (including Short-term visas)	30
Relocation Costs of Employees	30
Research Records.....	31
Reserve for Unallowable	31
Reserve for Uncollectables	31
Residual Fund	31
Residual Revenue.....	31
Retention Begin Date	31
Retention End Date (or Retention Date)	32
Science and Technical documents	32
Severance.....	32
Short-Term Visas for Recruiting	32
Small Business Subcontract	32
Special Purpose Equipment	33
Specialized Service Facilities or Service Centers.....	33
Sponsor	33
Sponsor Deadline.....	34
Sponsored Program Award.....	34
Sponsored Research.....	34
Statement of Work (SOW).....	34
Stipend.....	35
Subaward	35
Subcontract	35
Subrecipient	35
Substantive Effort	36
Subsistence Allowance.....	36
Summit.....	36
Target Submission Date.....	36
Taxes.....	36
Teaming Agreements	37
Technical Performance Report (TPR)	37
Technology Service Fees.....	37
Travel and Related Expenses	37
Unallowable or Dis-allowed Costs.....	37
Unfunded Agreements	38
University Property	39
Working Day.....	39
Write-off of Receivables.....	39
6. REFERENCES.....	39
7. CONTACTS	40
8. DISSEMINATION	40
9. APPROVAL AND REVISIONS	40

1. Introduction

Responsible Officials: Assistant Vice President of Sponsored Programs

Effective Date: October 1, 2016

Revision Date:

IMPORTANT: For federal awards/subawards issued to Virginia Tech with a start date prior to December 26, 2014, 2 CFR Part 215 (OMB Circular A-110) and 2 CFR, Part 220 (OMB Circular A-21) apply. For all new funds (new awards and new monies, such as continuation awards, supplements, etc. received for existing awards) with a start date on or after December 26, 2014, these new funds are subject to [2 CFR Part 200](#) (commonly referred to as Uniform Guidance—Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) but hereinafter referred to as “[2 CFR Part 200](#)”).

Due to the change in federal regulations the language in this procedure specific to the new regulations, [2 CFR Part 200](#), is highlighted in red font below.

2. Scope

This procedure is a compilation of definitions contained in Office of Sponsored Programs (OSP) Procedures.

3. Procedure Statement

The Office of Sponsored Programs functions as the steward of Virginia Tech’s research portfolio and is responsible for assuring that all research proposals and **sponsor funded awards projects** comply with university, federal, and sponsor regulations, policies, and procedures. This listing of definitions is compiled to hold all **procedural** definitions in one location and to reference their various **associated** procedure numbers.

4. Reason for the Procedure

Listing the definitions like this provides for an index (see the end of this procedure) and a central repository of all procedural definitions. Additionally, each definition is linked within the Table of Contents. Whenever an addition, change or deletion is made to a definition within a procedure, it must be updated here, or likewise updated when altered, the associated procedure is updated. If a definition is used in a new procedure, it is also included here. The procedure links are stated parenthetically at the end of each definition and hyperlinked as well.

5. Definitions

Academic Partnership Programs (APP)

APP enhance dialogue between commercial or non-profit members and the university and can educate academia on important business and technological needs and issues in the private sector. Virginia Tech’s academic partnership programs are designed to fund academic initiatives and learning experiences in a general area of interest to members, enhance the flow of information between the university and the commercial or non-profit members, provide members with access to

students as potential future employees, and provide other potential benefits as a result of ongoing contact between creative individuals. Instructional and other academic opportunities and projects supported by membership fees can lead to new ideas and strategies for meeting the needs of the private sector while simultaneously preparing students to succeed in today's global economy. These programs also provide an effective means for the private sector to contribute to and sustain the teaching, learning, and outreach of departments and programs in which they have long-term interests. The programs involve members in various areas of interest and each program may have different terms and conditions of membership. No intellectual property rights are conveyed. ([OSP 10007 Membership Fee Supported & Other Affiliated Programs](#))

[Back to top](#)

Academic Period

An academic period is a portion of an academic year, the time during which Virginia Tech holds classes. The university adheres to the semester academic period division of an academic year (see [Dates and Deadlines](#)). ([OSP 10002 Tuition and Related Fees on Sponsored Awards](#))

[Back to top](#)

Account Holder

The individual controlling an account within VTF. Similar to a Principal Investigator as referred to in OSP or Fund Manager in the Banner Finance System. ([OSP 30003 Virginia Tech Foundation Funds Handling](#))

[Back to top](#)

Accounts Receivable

Accounts Receivable (A/R) or billings are monies due to the university for effort performed under sponsored awards which have not yet been received but have been invoiced or had a cash drawdown initiated. Receivables include billings for expenditures on a reimbursement basis, for a prepaid contract or a fixed price contract. Credit which has been extended to funding agencies of sponsored awards is a receivable regardless of federal, commercial, foundation or other non-federal stature. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#))

[Back to top](#)

Adjustment Period

An "Adjustment Period" is provided after the expiration of an award for the purpose of ensuring all final accounts payable transactions, payroll, recharge center (or service center) and other final adjusting entries that could not be processed previously, are posted to the Banner Financial System prior to preparing the Final Financial Report. The Adjustment Period is used to record any additional award expenses that were previously incurred, encumbered or otherwise obligated during the performance period but not posted, as only these transactions can be included on the Final Financial Report. The Adjustment Period begins the day after the award expiration date (budget period end date) and concludes at the end of the second full month after the award's expiration date. ([OSP 30005 Sponsored Award Files – Closeout](#))

[Back to top](#)

Administrative and Clerical Salaries

([2 CFR Part 200.413\(c\)](#)) Administrative and clerical personnel provide non-technical support services that benefit departmental, institute, center, or departmental activities. The services of these individuals could include: clerical support, financial management, procurement of materials and services, budget and planning, and personnel management. The university policy governing these costs is [Consistency in Charging Administrative and Clerical Costs \(3240\)](#). ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Administrative Documents

Budgets, and other required proposal documentation (such as Forms B, C, and sponsor required forms). ([OSP 10014 Records Retention](#), [OSP 20002 Proposal Submission](#))

[Back to top](#)

Advertising and Public Relations

([2 CFR Part 200.421](#)) The costs of advertising media, including magazines, newspapers, radio and television, direct mail, exhibits, electronic or computer transmittals, and related administrative expenses. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Air Travel

([2 CFR Part 200.474.3\(e and f\)](#)) Federal regulations require that airfare costs in excess of the lowest economy fare class are generally unallowable. See Controller's [Procedure 20335a: Travel Overview](#), the [Fly America Act](#) and [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth discussion of air travel related expenses and their allowability. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Alcoholic Beverages and Business Meal Reimbursements

([2 CFR Part 200.423](#) and [Procedure 20310a: Business Meals and Refreshments](#)) Alcoholic beverages and related expenses are unallowable costs and can only be charged to a federal award if alcohol is specifically necessary for the aim and scope of the project and the agency has provided specific approval in the award notice or if they are approved in writing by the sponsor. The instances where alcohol is approved in the budget are extremely rare. Unless allowed by the sponsor, alcohol purchased during meals, travel, conferences or meetings should be deducted from the amount to be charged to a sponsored research award.

In order to charge a business meal on a federal award, the procedures outlined in [Procedure 20310a: Business Meals and Refreshments](#) on the Controller's Office website apply. Alcohol is never an appropriate expenditure on State funds and all university funds are considered to be public funds, and therefore governed by Commonwealth of Virginia law and university guidelines. Sponsor policies, guidelines or requirements would have ascendancy over university guidelines where the sponsor is more restrictive. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Attachment A

The form provides the necessary information to VTF to transfer monies to the university as an OSP award. This information must be included on the Attachment A:

- Foundation fund number and fund title that is being used to support the sponsored award.
- Indicate if a new sponsored program fund number is needed or if an amendment is being made to an existing Sponsored Programs VTF fund number.
- Name of faculty member conducting the research (principal investigator) and brief description of research/program to be conducted.
- Funding amounts and duration of program with complete budget details.
- Authorized signatures as indicated on the form.

Sponsored Programs will assign a proposal number for new funds. If the Attachment A is an amendment, the proposal number must be indicated in the designated area on the form.

Questions regarding the form can be addressed to the Foundation Accounting Office at 540-231-2858 or the Office of Sponsored Programs. [Downloadable version of Attachment A](#). ([OSP 30003 Virginia Tech Foundation Funds Handling](#))

[Back to top](#)

Award

A legal instrument of financial assistance between a sponsoring/awarding agency or organization (including pass through entities) and a non-federal entity that provides support or stimulation to accomplish a public purpose. Financial assistance is provided through granting of an award and is not considered a purchasing or procurement activity. A state or federal government is not buying something from the university when it gives the university an award; rather it is providing financial assistance necessary to help the university fulfill its own mission or to stimulate new activities at the university. An award is always made to accomplish a public purpose, and can also be referred to as a grant agreement or cooperative agreement. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#), [OSP 30004 Cost Transfers Associated With Sponsored Awards](#), [OSP 30008 Facilities and Administrative Overhead Rate Distribution](#))

[Back to top](#)

Bad Debts

([2 CFR Part 200.426](#)) Bad debt or uncollected billings, including losses (whether actual or estimated) from uncollectable accounts and other claims, are unallowable and may not be charged to a federal award. Collections and legal expenses related to bad debt are also unallowable. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Banner

Banner is the university's business enterprise management software suite with integrated applications for finance, student, and human resources. The system is integrated with other third party software to provide a more comprehensive business model for the university. ([OSP 30005 Sponsored Award Files – Closeout](#))

[Back to top](#)

Business Class Airfare or Upgraded Economy

Allowable under the Controller's [Procedure 20335e: Air Transportation](#), but the upgraded flight fees cannot be charged to the federal award. The traveler may still fly business class or upgraded economy; however, the difference in fare between the least expensive economy fare class and the business class fare must be charged to a non-sponsored account. Business class airfare can only be charged to a federal award if one of the federal exceptions noted above is met. *There are no exceptions to this rule.* An example would be the university's exemption to fly Business Class when a required business meeting regarding the sponsored award (the traveler is charging travel costs to the sponsored award) occurs within three hours of landing. In this case the additional charge for the business class portion of the ticket must be charged to a non-sponsored fund and documentation provided on the reimbursement request to support the breakdown of costs between the sponsored and non-sponsored funds. See Controller's [Procedure 20335e: Air Transportation](#), [Procedure 20335a: Travel Overview](#), the [Fly America Act](#) and [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth discussion of air travel related expenses and their allowability. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Business Meals

Must follow the University Controller's [Procedure 20335c: Meals & Incidental Expenses](#) to be reimbursed on a federal award. Alcohol costs may not be charged to a federal award nor any tip or gratuity cost associated with the alcohol. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Closeout

The process of submitting all the required final administrative and financial reports and certifications required by an award such that the award can be terminated in Banner. For federal awards in accordance with [2 CFR Part 200.16](#), "closeout means the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes actions as described in [2 CFR Part 200.343](#) Closeout." ([OSP 30005 Sponsored Award Files – Closeout](#))

[Back to top](#)

Cognizant Agency (ONR)

The Cognizant Agency for Virginia Tech is the Office of Naval Research (ONR). Cognizant federal agency is defined by [48 CFR 2.101](#) (see cognizant federal agency) as "the federal agency that, on behalf of all federal agencies, is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit." ([OSP 30008 Facilities and Administrative Overhead Rate Distribution](#))

[Back to top](#)

Commonwealth Facility and Equipment Fee

Non-refundable mandatory fee for all non-Virginia residents, as required by the 2003 General Assembly for debt service on bonds issued under the [21st Century Program](#), and for support of the Higher Education Equipment Trust Fund as required by the [2004 General Assembly](#). ([OSP 10002 Tuition and Related Fees on Sponsored Awards](#))

[Back to top](#)

Communication Expenses Cell Phones or Internet Access—Mobile Communication Devices

([2 CFR Part 200 Appendix IV.B.3.b.4.¶2](#)—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations) Due to the difficulty in identifying portions of a communications bill to a specific award or other university activity with a high degree of accuracy and certainty, communication expenses are generally included in the indirect cost (F&A) calculations and treated as indirect costs. Only when a communication expense meets the “unlike circumstances” criteria can they be directly charged to a sponsored award. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Compensation (Extra Service Pay, Fringe Benefits, Leave, Severance)

([2 CFR Part 200.430](#), [200.431](#) or [200.440](#)) Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in [2 CFR Part 200.431](#) Compensation—fringe benefits. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Comprehensive Fees

Non-refundable mandatory student fees paid as a package including the following: Student Activity Fee, Arts Fee, Health Services Fee, Athletic Fee, Transportation Services Fee, Recreational Sports Fee, and Student Services Fee. Comprehensive fees are fees charged for the support of certain self-supporting (auxiliary enterprise) units that provide services for the benefit of all students. ([OSP 10002 Tuition and Related Fees on Sponsored Awards](#))

[Back to top](#)

Computer Software

The programs, programming languages, and data that direct the operations of a computer system. All software is an intangible. Software is a generic term for organized collections of computer data and instructions, often broken into two major categories: system software that provides the basic non-task-specific functions of the computer, and application software which is used by users to accomplish specific tasks. Systems software includes the operating system and all the utilities that enable the computer to function. Applications software includes programs that do real work for users. For example, word processors, spreadsheets, internet browsers and database management

systems fall under the category of applications software. ([OSP 10001 Computers, Peripheral Devices, Software or Intangibles Purchased Using Sponsored Awards](#))

[Back to top](#)

Computing Device

A programmable electronic device designed to accept data, perform prescribed mathematical and logical operations at high speed, and display the results of these operations. Mainframes, desktop and laptop computers, tablets, and smartphones are some of the different types of computing devices. This phrase is used throughout this procedure to refer to computers, peripheral devices, computer software or related intangible items. ([OSP 10001 Computers, Peripheral Devices, Software or Intangibles Purchased Using Sponsored Awards](#), [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Conferences

([2 CFR Part 200.432](#)) A conference fee may be charged as a direct expense if one of the following circumstances is met:

- The researcher and /or research team are presenting results of the research obtained during the course of their work on the project;
- The researcher can confirm that the purpose of the conference is directly related to that of the award being charged; or
- An aim of the award is for the PI to host a conference to disseminate information from the sponsored award.

Conference fees are treated as an indirect cost when the employee attends the conference to gain a general understanding of the topics presented, rather than to receive or present specific information related to a sponsored award. Conference fees are also considered an indirect cost when the PI is attending merely to fulfill continuing education requirements. Conference fees that are not specifically related to an award should be charged to a faculty discretionary, departmental or overhead fund.

Conferences held in university facilities are governed by [University Facilities Usage and Event Approval \(5000\)](#). ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Contract

A legal instrument by which an entity (in this case a federal agency) purchases property or services needed to carry out the project or program. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#))

[Back to top](#)

Contractor

An entity that receives a contract as defined in Contract above. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#))

[Back to top](#)

Contractor Acquired Property

Property acquired or otherwise provided by the university for performing a contract, title to which property is vested in the government unless the contract specifies otherwise. (A category of government property.) ([OSP 10012 Equipment Loans, Donations and Software Licensing Agreements](#))

[Back to top](#)

Contributions and Donations

([2 CFR Part 200.434](#)) Value (either monetary or in-kind) of donated services and property is unallowable and may not be charged as either a direct expense or an indirect cost. The value of donated services and property may be used to meet cost sharing or matching requirements (see [2 CFR Part 200.306](#) Cost sharing or matching). Contributions and donations are handled through university policies: [Definition and Deposit of Private funds \(3630\)](#), [Accepting and Reporting Gifts-in-Kind \(12115\)](#), and [Handling Virginia Tech Foundation Funds \(12110\)](#); and Virginia Tech Foundation procedure on [Donations](#). ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Cooperative Agreement

In accordance with [2 CFR Part 200.24](#), “Cooperative agreement means a legal instrument of financial assistance between a federal awarding agency or pass-through entity and a non-federal entity that, is used to enter into a relationship the principal purpose of which is to transfer anything of value from the federal awarding agency or pass-through entity to the non-federal entity to carry out a public purpose authorized by a law of the United States; and not to acquire property or services for the federal government or pass-through entity's direct benefit or use. It is distinguished from a grant in that it provides for substantial involvement between the federal awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the federal award.” It has the same principal purpose as a grant but is chosen as the instrument of award when conduct of the work involves substantial participation by the federal sponsor. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#))

[Back to top](#)

Cost Accounting Standards

([2 CFR Part 200.419](#)) In addition to the Uniform Guidance, Virginia Tech must comply with federal [Cost Accounting Standards \(CAS\)](#) located in 48 CFR [9905.501](#), [9905.502](#), [9905.505](#), and [9905.506](#). The purpose of the CAS is to ensure consistency in:

- Estimating, accumulating, and reporting costs ([CAS 501](#))
- Allocating costs incurred for the same purpose in like circumstances ([CAS 502](#))
- Accounting for unallowable costs ([CAS 505](#))
- Cost accounting periods ([CAS 506](#))

([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Cost Sharing Commitment

([2 CFR Part 200.306](#), [200.29](#), [200.99](#) and [Cost Sharing on Sponsored Programs \(3245\)](#)) Principal Investigator (PI) and Virginia Tech commit to contribute university resources towards the performance of the project. ([OSP 20001 Facilities & Administrative Waiver or Reduction](#), [OSP 30005 Sponsored Award Files – Closeout](#), [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Cost Transfer

The reassignment of an expense to or from a sponsored award after the expense was initially charged to another sponsored award or non-sponsored fund. Cost transfers include reassignments of salary, wages, tuition and other direct costs. ([OSP 30004 Cost Transfers Associated With Sponsored Awards](#))

[Back to top](#)

Credit Worthiness

Defined as the ability of the agency, person or company to pay for the good or service under negotiation. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#))

[Back to top](#)

Cut-off Date

The final business day of the 2nd month after the award's expiration date (budget period end date). ([OSP 30005 Sponsored Award Files – Closeout](#))

[Back to top](#)

Data Use Agreements

A form of unfunded agreement, a Data Use Agreement (DUA) is needed any time there will be a transfer of data, a dataset or software that is non-public or is otherwise subject to restrictions on its use, a DUA may or may not consist of human subject data. Some examples of DUAs include:

- Data sharing agreements
- Data license agreements
- Access agreements
- Business Associate Agreements (BAA)

([OSP 10006 Documenting Award Negotiations](#))

[Back to top](#)

Delinquent Receivables

Those receivables that remain unpaid 91 days and beyond the initial due date. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#))

[Back to top](#)

Depreciation

([2 CFR Part 200.436](#)) Depreciation should not be charged directly to an award. Virginia Tech is compensated for the use of its buildings, capital improvements, equipment, and software projects capitalized in accordance with the Generally Accepted Accounting Principles (GAAP) through the F&A rate. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Direct Cost or Expense

An expense that can be identified specifically with a particular sponsored project or other activity with a high degree of accuracy. The terms and conditions of the sponsored award must be reviewed prior to determining the appropriateness of expenses for each individual project as these terms and conditions take precedence. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct expenses or indirect costs. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Drawdown

A request to transfer funds to reimburse allowable expenditures that the awardee (Virginia Tech) has accumulated under sponsored awards. ([OSP 30009 Letter of Credit or Federal Drawdown](#))

[Back to top](#)

Dunning Letter

A notification sent to a sponsor, stating that the sponsor is overdue in paying an accounts receivable with the university. Dunning letters typically follow a progression from polite reminders to much stronger in tone as deadlines for payment approach or are passed. Dunning is also the process of methodically communicating with individuals to ensure certain requested action is taken. It follows a similar process of progressive moving from gentle reminders to firmer communications as due dates approach or pass. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#))

[Back to top](#)

Equipment

As defined by [2 CFR Part 200.33](#): “Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000 (*the limit set by Virginia Tech is \$2,000 and this amount prevails—see university policy, Fixed Asset Accounting (3950)*). See also [2 CFR Part 200.12](#) Capital assets, [2 CFR Part 200.20](#) Computing devices, [2 CFR Part 200.48](#) General purpose equipment, [2 CFR Part 200.58](#) Information technology systems, [2 CFR Part 200.89](#) Special purpose equipment, and [2 CFR Part 200.94](#) Supplies.” ([OSP 10012 Equipment Loans, Donations and Software Licensing Agreements](#), [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Equipment on Loan to the University

Includes equipment loaned to the university outside of the terms of a contract, cooperative agreement or grant. Equipment loaned as part of a sponsored project is administered by the assigned project administrator in accordance with the terms of the contract, cooperative agreement or grant. ([OSP 10012 Equipment Loans, Donations and Software Licensing Agreements](#))

[Back to top](#)

Equipment Purchases at the End of Award

Equipment purchases charged directly to an award must be necessary for performance on the project; therefore, equipment purchases near the end of an award period should and will have additional scrutiny and may be subject to project-specific justification and/or sponsor approval. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Exchange Rates

([2 CFR Part 200.440](#)) Expense increases for fluctuations in exchange rates can be treated as a direct expense when existing funding is available to cover the difference. Prior approval from the sponsoring agency for exchange rate fluctuations is required only when the change results in the need for additional federal funding or the increased costs result in the need to significantly reduce the scope of the project. Adequate source documentation from a commonly used source in effect at the time the expense was made must be available to support the exchange rate expense. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Extra Service Pay

([2 CFR Part 200.430](#) and [OSP 10013: Institutional Base Salary for Sponsored Awards Incentive](#)) Extra service, overload pay or bonuses normally represents compensation for any services above and beyond an employee's university appointment or position and its associated IBS. Extra service pay is provided without regard for the source of funds and is not limited to those faculty and staff devoting effort to federal awards. ([OSP 10013 Institutional Base Salary for Sponsored Awards](#), [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

F&A Rate Reduction

The university through OSP accepts a rate lower than the federally-approved F&A rate on the basis of a well-documented and consistently applied sponsor policy **or** a clearly-documented and universally applied limitation to all participants in a specific opportunity. ([OSP 20001 Facilities & Administrative Waiver or Reduction](#))

[Back to top](#)

F&A Waiver

Appropriate university officials and the Assistant Vice President of Sponsored Programs approve the waiver of a share of the maximum allowable F&A rate for a program on the rare occasions when it is prudent for reasons of proposal competitiveness, economic development, experiential learning,

partnership development, meeting cost-sharing requirements, etc. ([OSP 20001 Facilities & Administrative Waiver or Reduction](#))

[Back to top](#)

Facilities and Administrative Indirect or Overhead Costs

The federal government refers officially to indirect costs as facilities and administrative (F&A) costs, sometimes simply called "overhead" costs. F&A costs are costs that are not readily identifiable with individual projects or, those that are incurred for common or joint objectives. In other words, indirect costs cannot be specifically attributed to an individual project. For example, it is difficult to determine how much of a PI's lab space is used for a specific research project when multiple projects are being conducted in the same lab. We know the project benefits from the lab space, but it is impractical to accurately calculate the cost associated with that benefit. Accordingly, F&A costs are estimated for each project using a formula that compares all university project expenditures against all the university facility and administrative costs necessary to support all projects. They include such categories as library operations, utility costs, depreciation of buildings and equipment, operations and maintenance costs, grant and contract administration and accounting, and general administrative expenses for central offices. ([OSP 20001 Facilities & Administrative Waiver or Reduction](#), [OSP 30008 Facilities and Administrative Overhead Rate Distribution](#))

[Back to top](#)

Federal Award

In accordance with [2 CFR Part 200.39](#), "Federal award has the meaning, depending on the context: The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity; or the cost-reimbursement contract under the Federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity. The instrument setting forth the terms and conditions is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of [2 CFR Part 200.40](#) Federal financial assistance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations. Federal award does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal government owned, contractor operated facilities (GOCOs). (See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.)" It is financial assistance that provides support or stimulation to accomplish a public purpose. Financial assistance is provided through granting of an award and is not considered a purchasing or procurement activity. The government is not buying something from the university when it gives the university an award; rather it is providing financial assistance necessary to help the university fulfill its own mission or to stimulate new activities of national interest at the university that is currently not being undertaken. An award is always made to accomplish a public purpose. Also referred to as grant or cooperative agreement. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#), [OSP 10009 Mandatory Disclosure and Unallowable Costs](#), [OSP 30004 Cost Transfers Associated With Sponsored Awards](#))

[Back to top](#)

Federal Financial Assistance

In accordance with [2 CFR Part 200.40](#), “Federal financial assistance means assistance that non-federal entities receive or administer in the form of: grants; cooperative agreements; non-cash contributions or donations of property (including donated surplus property); direct appropriations; food commodities; and other financial assistance.” It is defined as financial support to accomplish a public purpose or further the mission of the agency providing the support. Financial assistance is provided through awards (grants or cooperative agreements). It is the purpose of the award rather than the service provided that distinguishes financial assistance from procurement. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#), [OSP 10009 Mandatory Disclosure and Unallowable Costs](#), [OSP 30004 Cost Transfers Associated With Sponsored Awards](#))

[*Back to top*](#)

Fines, Penalties or Settlements

([2 CFR Part 200.441](#)) Expenses resulting from violations (or alleged violations) of, or failure to comply with, federal, state, local or foreign laws and regulations are unallowable. Examples of items that may not be charged to a federal award include:

- Parking ticket or traffic violation
- Regulatory violation fines
- Late returned book fee

In very rare situations, if the expense is incurred as the result of complying with a specific provision of the federal award or with prior written approval from the federal awarding agency, the expense may be directly charged to the award. See also [2 CFR Part 200.435](#) Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[*Back to top*](#)

Fixed Price Award

Fixed amount awards are a type of contract or agreement under which the sponsor or pass-through entity agrees to a specific level of financial support before the work begins. Under a fixed price award the deliverables, period of performance and price are clearly stipulated, and accountability is based primarily on performance and results. A fair price for the anticipated work is based on a careful cost and price analysis performed at the proposal stage. There is no stipulation or expectation that excess funds be returned to the sponsor. For federal or federal flow-through awards see [2 CFR Part 200.45 and associated sections](#) or the contract’s specific [Federal Acquisition Regulation](#) requirements. ([OSP 30011 Residual Revenue in Fixed Price Awards](#))

[*Back to top*](#)

Fraud

Deceptive acts perpetrated for profit or with reckless disregard for the truth which gain one or one’s organization some unfair or dishonest advantage. In accordance with [2 CFR Part 200.435](#), “Fraud means:

- (i) Acts of fraud or corruption or attempts to defraud the Federal Government or to corrupt its agents,

- (ii) Acts that constitute a cause for debarment or suspension (as specified in agency regulations), and
- (iii) Acts which violate the False Claims Act (31 U.S.C. 3729-3732) or the Anti-kickback Act (41 U.S.C. 1320a-7b(b)).”

([OSP 10009 Mandatory Disclosure and Unallowable Costs](#), [OSP 10013 Institutional Base Salary for Sponsored Awards](#))

[Back to top](#)

Fringe Benefits

([2 CFR Part 200.431\(a\)](#)) Allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in the uniform guidance, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, part of a university employee agreement, or an established policy of the university. Fringe benefits are charged as part of a federally approved and negotiated rate. See the [OSP website](#) for current rates. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

General Purpose Equipment

Equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, telephone networks, information technology equipment and systems, air conditioning equipment, and reproduction and printing equipment. Generally treated as an indirect cost. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Government Property

Property owned by the Federal Government. ([OSP 10012 Equipment Loans, Donations and Software Licensing Agreements](#))

[Back to top](#)

Government Furnished Property

Property in the possession of the government and subsequently delivered to or otherwise made available to the university for use under specified federally sponsored awards or contracts. ([OSP 10012 Equipment Loans, Donations and Software Licensing Agreements](#))

[Back to top](#)

Grant Agreement

In accordance with [2 CFR Part 200.51](#), “Grant agreement means a legal instrument of financial assistance between a federal awarding agency or pass-through entity and a non-federal entity that is used to enter into a relationship the principal purpose of which is to transfer anything of value from the federal awarding agency or pass-through entity to the non-federal entity to carry out a public

purpose authorized by a law of the United States; and not to acquire property or services for the federal awarding agency or pass-through entity's direct benefit or use. It is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the federal awarding agency or pass-through entity and the non-federal entity in carrying out the activity contemplated by the federal award.” It is used when the principal purpose of the award is to accomplish a specified public purpose of support or stimulation authorized by federal statute. Grant is also used by state agencies, local governments, foundations, associations, corporations, and other private entities. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#).)

[Back to top](#)

Handbooks

The employee handbooks of the university provide further guidance and insight into the various rules, guidelines, expectations and procedures governing compensation, extra service pay, fringe benefits, and leave: [Faculty Handbook](#) and [Classified and University Staff Policies and Handbook](#).. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Improper Payments

([2 CFR Part 200.470](#) and [OSP 10009: Mandatory Disclosure and Unallowable Costs](#)) Any payment that should not have been made including those made in an incorrect amount, made to an ineligible party, made for an ineligible good or service, made in duplicate, made for a good or service not received, made without account for credit of applicable discounts, or made with insufficient or lack of documentation.

The costs to recover improper payments are unallowable expenses. If an improper payment has been charged to an award, it should be immediately removed from the sponsored fund. See [OSP 10009: Mandatory Disclosure and Unallowable Costs](#) for additional information. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Indirect Costs or Overhead

Sometimes referred to as facilities and administrative (F&A) costs or overhead, these expenses may not be charged as direct expenses to federal awards unless the costs meet the “[unlike circumstances](#)” criteria: where a sponsored project requires resources beyond those normally expected for a typical research project (see procedure for a more in-depth discussion). ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Industrial Affiliate Programs (IAP)

IAP enhance dialogue between industry and the university and can educate academia on important technological issues in the private sector. Virginia Tech’s industrial affiliate programs are designed to fund research in a general area of interest to members, enhance the flow of information between the university and the industrial members, provide the members with access to students as potential future employees, keep members informed of promising technology developments, and provide other potential benefits as a result of ongoing contact between creative individuals. The industrial

affiliate programs involve various industries in different areas of research and may have different terms and conditions of membership. No intellectual property rights are conveyed. ([OSP 10007 Membership Fee Supported & Other Affiliated Programs](#))

[Back to top](#)

Industry/University Cooperative Research Center (IUCRC)

A membership fee supported program. According to the National Science Foundation, an IUCRC enables industrially-relevant, pre-competitive research via multi-member, sustained partnerships between industry, academia, and government. The NSF supports the development and evolution of IUCRCs, providing a financial and procedural framework for membership and operations and fostering public/private partnerships that provide significant value to the nation, industry and university faculty and students. An IUCRC brings together faculty and students from different academic institutions, companies, State/Federal/Local government and non-profits to perform cutting-edge pre-competitive fundamental research in science, engineering, technology area(s) of interest to industry and that can drive innovation and the U.S. economy. Members guide the direction of IUCRC research through active involvement and mentoring. IUCRCs offer a platform for significant leveraging of financial investment by members to accelerate the knowledge base in emerging technological and manufacturing sectors and develop an industrially savvy workforce to benefit the US economy. ([OSP 10007 Membership Fee Supported & Other Affiliated](#))

[Back to top](#)

Institutional Base Salary (IBS)

IBS is the base annual compensation set by Virginia Tech for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. It includes salary increments, augmentations/bonuses in lieu of a base increase, and paid overtime. It does not include extra service pay (i.e. honoraria, awards and overload payments). IBS also excludes any income that an individual earns outside of duties performed for the university (consulting, etc.). Unless there is prior approval by the federal awarding agency, charges of an employee's salary to a federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award. ([OSP 10013 Institutional Base Salary for Sponsored Awards](#))

[Back to top](#)

Intangibles

[2 CFR Part 200.59](#) defines intangible property as property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible). [2 CFR Part 200.449\(b\)\(2\)](#) also includes patents and computer software in the category of intangibles. This procedure refers to intangible software and its treatment in sponsored awards. ([OSP 10001 Computers, Peripheral Devices, Software or Intangibles Purchased Using Sponsored Awards](#))

[Back to top](#)

Late Proposal or At-Risk Proposal

Proposal packages completed in [Summit](#) less than two working days before a sponsor deadline **and** partial proposal packages that have been uploaded into Summit but are incomplete (not ready to submit) two working days before a sponsor deadline. For electronic submissions, the technical narrative portion can be uploaded to Summit and/or the sponsor's electronic submission system as late as 9:00 a.m. on the sponsor deadline day without being considered at-risk. ([OSP 20002 Proposal Submission](#))

[Back to top](#)

Leave

([2 CFR Part 200.431\(b\)](#)) A cost associated with fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits (maternity leave is not mentioned specifically, but is treated as either sick, short-term disability or other university authorized leave and is allowable as such), are allowable if all of the following criteria are met:

- They are provided under established university written leave policies, and
- The costs are equitably allocated to all related activities, including federal awards.

([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Letter of Credit (LOC)

A letter from the bank that guarantees that wire payments from the sponsor's allocated funds to Virginia Tech will be received on time and for the correct amount. ([OSP 30009 Letter of Credit or Federal Drawdown](#))

[Back to top](#)

Letter of Guarantee (LOG)

Serves as financial commitment from the department head/center director/dean's office requesting a LOG fund be established in advance of a pending award or pending transfer of an award from another institution. A LOG is established with the understanding that, should the award not be received or should the costs end up falling outside of the eventual award terms or performance period, the department will cover all unreimbursed expenditures from a fund source identified at the time the LOG is established. ([OSP 10003 Letter of Guarantee \(LOG\)](#), [OSP 30009 Letter of Credit or Federal Drawdown](#))

[Back to top](#)

Library Fees

Non-refundable mandatory student fees paid to support programs and initiatives that directly benefit students. This includes the addition of new technology and furniture in the commons areas, as well as additional student assistant positions, textbooks for reserve, and campus-wide events, exhibits, and activities. ([OSP 10002 Tuition and Related Fees on Sponsored Awards](#))

[Back to top](#)

“Like Circumstances” Criteria

The CAS consistency standard ([CAS 502](#)) states that costs must consistently be treated as direct expenses or indirect costs when the costs are incurred for similar (“like”) purposes and circumstances. Costs normally considered indirect costs – e.g., administrative salaries, postage and express mail, telephone, copier expenses, general office supplies, and space-related costs – may be allowable as direct costs if they meet all three of the following criteria:

- An unlike circumstance exists in which a sponsored project requires resources beyond those normally expected for a typical research project;
- The cost can be associated with the specific sponsored project with a high degree of accuracy; and
- The awarding agency has approved the cost, if significant, as a direct expense in the awarded budget. If the expense was not included in the awarded budget, sponsor approval should be obtained prior to expenditure for any significant expense.

[\(OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)\)](#)

[Back to top](#)

Local Business Meals

Business meals consumed in the local environs and are rarely allowed to be charged to federal awards (see [Procedure 20310a: Business Meals and Refreshments](#)). ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Lowest Economy Fare Class

Federal regulations require travelers to incur the lowest possible expense to the federal award; in most circumstances, this is a non-refundable (restricted) economy class airfare. See Controller’s [Procedure 20335e: Air Transportation](#), [Procedure 20335a: Travel Overview](#), the [Fly America Act](#) and [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth discussion of air travel related expenses and their allowability. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Master Agreements

A form of unfunded agreement, a comprehensive contract that governs all research activities supported by a particular sponsor. Individual project specific addendums (or task orders) are issued each time a new project is engaged. Each addendum details such aspects as the personnel, funding amount, performance period, and scope of work for the individual project, along with any deviations from the terms of the Master Agreement that may be necessary for performance of the specific project. Also called “umbrella” agreements, this mechanism often takes much longer to establish than a traditional agreement, however it virtually eliminates any need to negotiate the individual project addendums. ([OSP 10006 Documenting Award Negotiations](#))

[Back to top](#)

Material Transfer Agreements

A form of unfunded agreement, use a Material Transfer Agreement (MTA) when sending or receiving physical materials or software to/from a non-Virginia Tech entity. ([OSP 10006 Documenting Award Negotiations](#))

[Back to top](#)

Materials & Supplies (books, journals, periodicals and subscriptions, computing devices, copier charges and copy cards)

([2 CFR Part 200.453, 200.94](#)) General purpose materials and supplies purchased and used by departments for all activities should not be directly charged to federal awards. Examples include copy paper, office supplies, and cleaning materials. See [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth description. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Memberships, Dues and Professional Activity Expenses

([2 CFR Part 200.454](#)) Dues and memberships in professional or civic organizations are normally charged as indirect costs because their purpose is more general in nature – i.e., furthering a PI's knowledge in his/her field – and cannot be identified with a high degree of specificity to an individual research project. Memberships may be charged if it is required for conference attendance where the researcher is presenting his or her research or obtaining, circulating, or distributing information to advance the performance of the project. Costs of membership in any civic or community organization require prior approval by the federal awarding agency or pass-through entity and must be integral to the performance of the project. The membership fee is allowable as a direct cost to the project if it reduces the total cost of attending the conference. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

No-Cost Time Extension

Extends the end date of an award/fund without additional funding from the sponsor. ([OSP 30005 Sponsored Award Files – Closeout](#))

[Back to top](#)

Non-Disclosure Agreements

A form of unfunded agreement, a non-disclosure agreement (NDA) ensures that certain information disclosed in discussions are kept confidential and are only used for the limited purposes defined in the NDA. NDAs might also be referred to as confidentiality agreements (CA), or proprietary information agreements (PIA). ([OSP 10006 Documenting Award Negotiations](#))

[Back to top](#)

Non-Federal Entity

In accordance with [2 CFR Part 200.69](#), “Non-federal entity means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a federal

award as a recipient or subrecipient.” ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#))

[Back to top](#)

Off Campus, Adjacent

An Off Campus Adjacent facility or location is a SPONSOR funded facility or location < 50 miles of Blacksburg, Virginia. ([OSP 30008 Facilities and Administrative Overhead Rate Distribution](#))

[Back to top](#)

Off Campus, Remote

An Off Campus Remote facility or location is a SPONSOR funded facility or location ≥ 50 miles of Blacksburg, Virginia. ([OSP 30008 Facilities and Administrative Overhead Rate Distribution](#))

[Back to top](#)

On Campus

An On Campus location is a Virginia Tech funded facility or location. ([OSP 30008 Facilities and Administrative Overhead Rate Distribution](#))

[Back to top](#)

Original Source Documents

These documents may be in electronic or other form. They verify the validity of the cost, and they often come from the provider of the goods or services and include dates, descriptions, quantities, dollar amounts, etc. They can be a receipt, invoice, travel voucher, statement, contractual agreement, third party cost share statement, packing slip, boarding pass, subcontractor invoice, agenda, brochure, etc. They can also include documents originating from the PI or within OSP, such as the final version of the proposal submission documents, official awarding agreements or subsequent modifying agreements from sponsors, billing invoices to sponsors, or financial reports. ([OSP 10014 Records Retention](#))

[Back to top](#)

OSP Award File

The paper award file including any related sub-folder. The particular sub-folder used is dependent upon internal process manuals. ([OSP 10004 Awards Transfer Between Associates](#), [OSP 10006 Documenting Award Negotiations](#), [OSP 10008 Subrecipient Monitoring and Management Guidelines](#), [OSP 10010 Small Business and Small Disadvantaged Business Subcontracting Plans](#), [OSP 30005 Sponsored Award Files – Closeout](#), [OSP 30007 Banner Freezing Funds or Blocking Charges](#))

[Back to top](#)

OSP Office Hours

Monday through Friday, 8:00 a.m. to 5:00 p.m., except for days the university is officially closed. Proposals cannot be submitted by OSP electronically nor signatures acquired on paper copies

outside of OSP office hours or on days the university is officially closed. ([OSP 20002 Proposal Submission](#))

[Back to top](#)

OSP Official Electronic File

The electronic file is a mechanism for storage of electronic documents regarding awards associated with Virginia Tech sponsored awards. This repository may change its format as technology changes, but the duty of organization, maintenance, upkeep and implementation resides with OSP. ([OSP 10004 Awards Transfer Between Associates](#), [OSP 10006 Documenting Award Negotiations](#), [OSP 10008 Subrecipient Monitoring and Management Guidelines](#), [OSP 10010 Small Business and Small Disadvantaged Business Subcontracting Plans](#), [OSP 20001 Facilities & Administrative Waiver or Reduction](#), [OSP 30005 Sponsored Award Files – Closeout](#), [OSP 30006 Sponsored Award Technical Performance Reports](#), [OSP 30007 Banner Freezing Funds or Blocking Charges](#))

[Back to top](#)

Other Unfunded Agreements (UFA)

Other forms of unfunded agreements, this category is a catchall for UFAs that do not fall into the above categories. Some examples include:

- Memoranda of understanding
- Unfunded collaboration agreements
- Facility access agreements
- Visiting researcher agreements
- International research agreements

([OSP 10006 Documenting Award Negotiations](#))

[Back to top](#)

Out of State Fee Waiver

Graduate students who earn more than \$4,000 in an academic year on assistantship appointment(s) are eligible for a waiver of the out-of-state portion of tuition for the year. Students must be enrolled full-time to qualify for the out-of-state tuition waiver. Summer earnings on assistantship, or wage employment do not count towards meeting the \$4,000 minimum earnings requirement. Refer to the information posted on the Graduate School website concerning [Out of State Tuition Waivers](#) for examples and an explanation of current eligibility requirements. Out-of-state tuition cannot be waived for level 46 simultaneous bachelor's/master's students. ([OSP 10002 Tuition and Related Fees on Sponsored Awards](#))

[Back to top](#)

Overdraft – Expenses incurred in excess of the award amount. ([OSP 30005 Sponsored Award Files – Closeout](#))

[Back to top](#)

Parking Fees and Tolls

May be claimed for reimbursement when specifically related to travel costs on a sponsored award. The name of the facility should be listed on the reimbursement request, and receipts included with the reimbursement request in order to be reimbursed for any expenses greater than \$75.00. The names and reasons for inclusion of a charge for passengers must be listed. See Controller's [Procedure 20335d: Automobile Travel](#) for additional information and [Procedure 20335a: Travel Overview](#), the [Fly America Act](#) and [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth discussion of travel related expenses and their allowability. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Participant

A non-Virginia Tech employee who is the recipient, not the provider, of training associated with a workshop, conference, seminar, symposium, or other short-term instructional or information sharing activity. Participants are not required to provide any deliverable to the university and they are not subject to Virginia Tech human resources policies (e.g., they cannot be terminated for failure to perform). Participants may include students, scholars, and scientists from other institutions, representatives of private sector companies, teachers, and state or local government agency personnel. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Participant Support Costs (excluding training grants)

([2 CFR Part 200.456, 200.75](#)) Direct expenses for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Participant Support Fees

The fees paid by a participant in connection with meetings, conferences, symposia, or training projects are generally allowable costs. These fees may include laboratory fees, passport or visa fees for foreign participants, and registration fees. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Passports and Visas

Reimbursement may be permitted for actual passport and visa fees for business travel; however, the expense may not be eligible as a direct cost to a sponsored program. Since a passport can be used for multiple trips over several years, the cost is not a project specific expense and therefore is not allowed on most sponsored projects as a direct cost. Visas are generally required in relation to a specific trip and therefore the cost is generally allowable as a direct cost for a sponsored project. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Pass-Through Entity

In accordance with [2 CFR Part 200.74](#), “Pass-through entity means a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.” ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#),

[Back to top](#)

Past Due Receivables

Those receivables that remain unpaid from 1 to 90 days beyond the initial due date. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#))

[Back to top](#)

Pending Award Period

90 day period prior to receipt of a duly executed sponsored award. Within this period expenses associated with the unfunded, yet assured, sponsored award may be charged to a LOG fund. These expenses may include only [2 CFR Part 200](#) allowable expenses and must exclude any award specific prohibited expenses outlined in the executed award once funded. ([OSP 10003 Letter of Guarantee \(LOG\)](#))

[Back to top](#)

Period of Performance

Period of performance means the time during which the university may incur new obligations to carry out the work authorized under the federal award (see [2 CFR Part 200.77](#)). The start and end dates of the period of performance are included in the award documents of the federal award (see [2 CFR Part 200.210 Information contained in a Federal award paragraph \(a\)\(5\) and 2 CFR Part 200.331 Requirements for pass-through entities, paragraph \(a\)\(1\)\(iv\)](#)). ([OSP 30007 Banner Freezing Funds or Blocking Charges](#))

[Back to top](#)

Peripheral Devices

Peripheral is a "device that is used to put information into or get information out of the computer." [Laplante, Philip A. (Dec 21, 2000). [Dictionary of Computer Science, Engineering and Technology](#). CRC Press. p. 366. ISBN 0-8493-2691-5. Retrieved June 17, 2014.]

There are two different types of peripherals: input devices, used to interact with or send data to the computer, and output devices, which provide output to the user from the computer. Common input peripherals include keyboards, mouse, graphic tablets, touchscreens, barcode readers, image scanners, microphones, webcams, game controllers, light pens, image scanners, and digital cameras. Common output peripherals include computer displays, printers, projectors, and computer speakers. ([OSP 10001 Computers, Peripheral Devices, Software or Intangibles Purchased Using Sponsored Awards](#))

[Back to top](#)

Personal Property

Property of any kind except real property. Personal property may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities. ([OSP 30001 Program Income Associated with Sponsored Awards](#))

[Back to top](#)

Policies

Statements of management philosophy and direction, established to provide direction and assistance to the university community in the conduct of university affairs. ([OSP 10000 Procedures Guidelines and Template](#))

Postage, Freight, Cartage, and Express Delivery

([2 CFR Part 200.473](#)) Postage, freight, cartage, or express mailing/delivery expenses are generally treated as indirect costs.

If the expenses are required for an award and can be linked to that specific award, the cost may be charged as a direct expense. Examples of expenses that may be charged as direct costs:

- Shipping specimens to a lab facility for processing,
- Postage for surveys,
- Shipment of animals for use on a specific project,
- Sharing model organisms as required by the terms and conditions on the award, and
- Shipping research presentation materials for a conference.

([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Pre-Award Expenses

([2 CFR Part 200.209](#) and [OSP 10003: Letter of Guarantee](#)) Pre-award expenses are expenses incurred on grant awards typically during the 90 days prior to the award start date that are necessary for effective execution of the project. These expenses require sponsor approval and follow the same cost principles as expenses charged during the project period. For some federal sponsors with awards under expanded authorities, such as NSF and NIH, the incurrence of pre-award expenses, up to 90 days, is allowed without sponsor approval.

Any expenditure incurred while an account is in advance of 90 days prior to the award start date is made at the department's or college's risk. See the [OSP 10003: Letter of Guarantee](#) for more information. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Prime Recipient

Prime Recipient can also be called Prime Awardee or Prime Contractor. The recipient is the entity initially receiving the top-level award that launches the project or program. The term “prime” refers to the top rung on the recipient ladder. If Virginia Tech is a subawardee, the prime recipient MAY also be the university's sponsor for a given award. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#))

[Back to top](#)

Principal Investigator (PI)

The Principal Investigator (PI) is the primary individual in charge of an award, grant, contract, cooperative agreement, or other externally sponsored activity. The term "project director" is commonly used in relation to education and public service projects, while the term "principal investigator" is commonly used for research projects. Since the terms are generally used interchangeably by the Office of Sponsored Programs (OSP) and sponsors, we will use the term "PI."

In many cases, there are multiple investigators included in applications for external funding. However, federal agencies and the university require that one individual be designated as the principal investigator since both the sponsor and the university must have one individual designated as ultimately responsible for the conduct of the project. If co-investigators are named on an application without identifying an individual as the PI, the person listed first is considered the PI by the university and the federal agency.

Normally, all faculty at the rank of assistant, associate, and full tenured and tenure-track faculty, as well as Research Faculty in the ranks of research scientist, senior research scientist, project director, and research assistant, associate, and full professor are automatically eligible for PI status. Current information on [Principal Investigator Status](#) can be found on the Research website.

Faculty professionals and Senior Research Faculty ranks not listed above, may be considered for approval for PI status by submitting a completed [Principal Investigator Status Request form](#).

The request may be made for continuous PI status of an active employee or approval of PI status for a specific proposal submission. Criteria for approval is indicated on the [form](#). ([OSP 10014 Records Retention](#), [OSP 20001 Facilities & Administrative Waiver or Reduction](#), [OSP 20002 Proposal Submission](#), [OSP 30006 Sponsored Award Technical Performance Reports](#), [OSP 30008 Facilities and Administrative Overhead Rate Distribution](#))

[Back to top](#)

Prior Written Approval

([2 CFR Part 200.407](#)) Under any given federal award, the reasonableness and allocability of certain items of cost may be difficult to determine. In order to avoid subsequent disallowance or dispute based on unreasonableness or non-allocability, Virginia Tech may seek the prior written approval of the awarding agency in advance of the incurrence of special, or unusual, costs. Prior written approval should include the timeframe or scope of the agreement. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that element, unless prior approval is specifically required for allowability as described further in [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#). ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Procedures

Statements that prescribe specific actions to be taken to conform to established policies -- allowing for the orderly implementation of those policies. ([OSP 10000 Procedures Guidelines and Template](#))

[*Back to top*](#)

Procurement

Refers to purchases of goods and services to accomplish a purpose, and the mechanism for procurement is usually a contract. It is the purpose of the award rather than the service provided that distinguishes financial assistance from procurement. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#), ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[*Back to top*](#)

Professional Service Expenses

([2 CFR Part 200.459, 200.435](#)) Costs of professional and consultant services are allowable as direct expenses when all of the following conditions are met:

- The service has been determined as allowable and necessary for the federal award;
- The professional or consultant is not an employee of Virginia Tech; and
- The expenses are reasonable in relation to the services rendered (i.e., the service cannot be performed more economically by direct employment).

All Virginia Tech employees must be budgeted as salary and cannot be included as consultants, advisors or vendors.

Additional guidelines for consultant services can be found on the university's Procurement website: [Consulting Services Guidelines](#).

Retainer fees for professional services must be supported by evidence of bona fide services available or rendered. Any professional service costs related to defense and prosecution in criminal and civil proceedings are unallowable. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[*Back to top*](#)

Program Income

The gross income earned by a recipient/grantee that is directly generated by a supported activity or earned as a result of the award during the period of performance. For purposes of this procedure, income earned as a result of a sponsored award is considered program income whether an award is funded by federal or non-federal sponsors, or both. Program Income is the property of the sponsor. Guaranteed cost sharing should be avoided on awards that have program income. See also [2 CFR Part 200.80 and 2 CFR Part 200.307 for Uniform Guidance definitions and Program Income specific guidelines](#). ([OSP 30001 Program Income Associated with Sponsored Awards](#))

[*Back to top*](#)

Proposal

A proposal is a request for external funding prepared in accordance with the sponsor's instructions. More than that, it is an official record of what is promised to a sponsor by the university in return for the funding requested in the proposal budget. It includes documentation providing a proposed statement of work and a budget/cost breakdown to a potential external sponsor. [Summit](#) submissions must include final versions of all proposal documents as well as a completed and routed

proposal in Summit and Forms B and C, as applicable. ([OSP 10014 Records Retention](#), [OSP 20002 Proposal Submission](#))

[Back to top](#)

Proposal Team Member

Sponsored award associates, grants administrators, business managers or other department, college, or institute support staff assisting in the development of a proposal. ([OSP 20002 Proposal Submission](#))

[Back to top](#)

Real Property

Land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment. ([OSP 30001 Program Income Associated with Sponsored Awards](#))

[Back to top](#)

Rebudgeting

([2 CFR Part 200.308\(c\)\(5\)](#)), prior sponsor approval is required to transfer funds budgeted for participant support costs to other categories of expenses. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Recipient

An entity that receives a grant, contract, or cooperative agreement directly from a sponsor. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#), [OSP 30001 Program Income Associated with Sponsored Awards](#))

[Back to top](#)

Recruiting Expenses (including Short-term visas)

([2 CFR Part 200.463](#)) Recruiting expenses are those associated with the hiring of staff and are not normally allowed as direct charges. See procedure [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth explanation. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Relocation Costs of Employees

([2 CFR Part 200.464](#)) Relocation costs are allowable as direct expenses if there is a permanent change of assignment of an existing employee or upon recruitment of a new employee. If the relocation of the employee directly benefits and is essential to the award(s), then the costs can be charged as direct expenses to the award(s). See procedure [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth explanation. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Research Records

Research related financial records, supporting documents, statistical records and all other records pertinent to sponsored awards. These records may be either electronic or otherwise. They include such documents as original invoices, boarding passes, Statements of Work (SOW), science and technical documents, transcriptions of meetings or other conversations related to the administration of the award, sponsor proposal submission documents, award administrative documents, and etc. ([OSP 10014 Records Retention](#))

[Back to top](#)

Reserve for Unallowable

A reasonable estimate based on historical experience and/or other rationale used to record a conservative estimate of the amounts charged to governmental accounts that will potentially be deemed unallowable costs. This is done for U.S. state and federal accounts. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#))

[Back to top](#)

Reserve for Uncollectables

A reasonable estimate based on historical collections and/or other reasonable rationale used to record a conservative estimate of the invoiced amounts that will become uncollectible. This is done for non-governmental (U.S. federal and state) accounts. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#))

[Back to top](#)

Residual Fund

A residual fund is a fund made available to a single PI and comprised of the unobligated, unspent direct budget balances remaining at the close of that PI's fixed price sponsored awards. ([OSP 30011 Residual Revenue in Fixed Price Awards](#))

[Back to top](#)

Residual Revenue

Revenue remaining in a fixed-price fund after all obligations to the sponsor have been met and after all allocable costs for performance have been charged to the fund. ([OSP 30011 Residual Revenue in Fixed Price Awards](#))

[Back to top](#)

Retention Begin Date

The start date used to begin counting down to destruction for a record. This date begins at the first fiscal year end date subsequent to the date on which it is based. For effort reports it is based on the report certification date, for proposals the date of notification of denial, and for all award records it is the award end date (latest budget period end date of any Banner fund associated with the Banner grant for the award). ([OSP 10014 Records Retention](#))

[Back to top](#)

Retention End Date (or Retention Date)

The end date used to schedule records destruction. Typically this date is five (5) years from the Retention Begin Date (except for Effort Reports, the retention period is ten (10) years). In the event of litigation or audit query, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. ([OSP 10014 Records Retention](#))

[Back to top](#)

Science and Technical documents

The statement of work, scope of work, project narrative/summary/description portion of the proposal package. These should be uploaded into the Science and Technical documents section of [Summit](#) and the sponsor's electronic submission system, if applicable. ([OSP 10014 Records Retention](#), [OSP 20002 Proposal Submission](#))

[Back to top](#)

Severance

([2 CFR Part 200.431](#)(i)(1)) Compensation in addition to regular salary and wages paid by an institution to employees whose services are being terminated. Refer to the [Severance Benefits Policy for University Employees \(4245\)](#) for specific guidelines and situations. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Short-Term Visas for Recruiting

([2 CFR Part 200.463.d](#)) Expenses, in certain justifiable circumstances and only when associated with recruiting, may be charged as a direct expense on a sponsored award. Short-term visas differ from longer-term immigration visas in that they are issued for a specific period and purpose and therefore can be clearly identified as directly connected to recruitment of personnel for a federal award. For the expenditure to be directly charged to a federal award, the individual applying for the visa must meet both of the following criteria:

- Is critical and necessary for the performance of the project; and
- Is working on the project funding the visa expense when they are hired.

See procedure [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth explanation. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Small Business Subcontract

Various federal agencies often require sponsored awardees to maintain an acceptable subcontracting plan if they are a large institution of higher education (IHE)—including all subrecipients—and the estimated dollar value of the base contract and all option periods exceeds, or is expected to exceed ranges of \$500,000 to \$1,000,000 (this amount can vary up or down by individual federal agency).

The IHEs that meet the federal agency's sponsored award criteria must establish a subcontracting plan with specific dollar and percent goals for subcontracting to small, HUBZone small, small

disadvantaged, small women-owned, veteran-owned small, and service-disabled veteran-owned small business firms. This plan must be in place prior to contract award and is updated based upon the requirements stated in the award documents.

Follows is a list subset of regulations and FAR clauses that may be applicable:

- [Section 8\(d\) Small Business Act – 15 USC 637\(d\)](#) specifies that small businesses will have maximum practicable opportunity to participate in contract performance consistent with efficient performance,
- [Section 15\(g\) Small Business Act – 15 USC 644\(g\)](#) specifies government-wide goals for contracts and subcontracts, awarded to small business concerns.
- The following FAR clauses also apply: [FAR 19.7](#) / [DFARS 219.7](#), Small Business Subcontracting Program, [FAR 52.219-8](#), Utilization of Small Business Concerns, [FAR 52.219-9](#) / [DFARS 52.219-7003 SB](#) Subcontracting Plan (DEVIATION), [FAR 52.219-16](#), Liquidated Damages, [DFARS 252.219-7004, SB](#) Subcontracting Plan (Test). These clauses provide the following, that:
 - Small businesses will have maximum practicable opportunity to participate in contract performance consistent with efficient performance.
 - Outline the federal subcontracting plan requirements.
 - Require compliance in good faith with subcontract plan requirements.
 - Provide imposition of liquidated damages.

[\(OSP 10010 Small Business and Small Disadvantaged Business Subcontracting Plans\)](#)

[Back to top](#)

Special Purpose Equipment

Equipment that is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, genomic sequencers, imaging equipment, and spectrometers. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Specialized Service Facilities or Service Centers

([2 CFR Part 200.468](#)) See the university policy [Service Centers \(3250\)](#). Service Center fees and charges are allowable as a direct charge once the fees meet the service center fee criteria. See procedure [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) and university policy [Service Centers \(3250\)](#) for a more in-depth explanation. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Sponsor

Refers to any third party that issues a grant, contract, or cooperative agreement directly to Virginia Tech. The award document is the agreement processed by the Sponsor and accepted by Virginia Tech specifying the terms and conditions under which the program will be conducted. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#), [OSP 10009 Mandatory Disclosure and Unallowable Costs](#), [OSP 10013 Institutional Base Salary for Sponsored Awards](#), [OSP 10014 Records Retention](#), [OSP 20002 Proposal Submission](#), [OSP 30011 Residual Revenue in Fixed Price Awards](#))

[Back to top](#)

Sponsor Deadline

The date and time by which the sponsor must receive the proposal. This information is found in the Request for Proposal (RFP) or other official communication from sponsor. ([OSP 20002 Proposal Submission](#))

[Back to top](#)

Sponsored Program Award

Legally, sponsored program awards (often referred to as awards) are liabilities of the university. They represent the consequence of a bona fide offer (the proposal) extended to and accepted by an outside entity (the sponsor). Awards typically come in the form of grants, cooperative agreements, and contracts.

- A grant is a funding instrument through which the sponsor is a patron of the project.
- A cooperative agreement implies substantive mutual interaction between the sponsor and the award recipient.
- A contract is the vehicle for procurement of property or services (e.g., drug development, research and development services, evaluation, training, etc.).

OSP accepts sponsor funds on behalf of the university and the researcher. Until the OSP completes the necessary administrative tasks (negotiating awards, establishing the project account, and reporting the award to the university's board of trustees), the award is not legally accepted and costs may not be incurred. ([OSP 10004 Awards Transfer Between Associates](#))

[Back to top](#)

Sponsored Research

A research effort with well-defined deliverables, protocols, cost estimates, and schedules. Normally, a research effort is sponsored by a single sponsor and addresses a specific problem or need of direct interest to the sponsor. Sponsored research agreements should address the rights of the sponsor to receive or exclusively negotiate licenses for any university intellectual property generated under the project. ([OSP 10007 Membership Fee Supported & Other Affiliated Programs](#))

[Back to top](#)

Statement of Work (SOW)

A SOW is attached to a Sponsored Research Agreement or a Sub-recipient Agreement and describes the work to be performed. The SOW should describe the tasks to be performed, the deliverables to be provided to the sponsor and the dates the deliveries are to be made. (Payments may also be associated with the deliverables, particularly if you are working on a fixed-price agreement.) The SOW should also contain a timeline for performance of the project. SOWs that lack specificity in describing the tasks, the deliverables dates, and a measurable timeline for completing tasks and providing the deliverables can often lead to contract disputes because of ambiguities in the agreement and the expectations of the parties. To avoid such disputes, it is important for the parties to be specific in defining tasks, deliverables, timelines, and expectations. If the performance of the project is dependent on any action to be taken by the sponsor, those obligations of the sponsor should also be specifically defined. ([OSP 10006 Documenting Award Negotiations](#))

[*Back to top*](#)

Stipend

A set amount of money to be paid directly to the participant in connection with a short-term training activity. Note that short-term means the appointment period approved by the sponsor. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[*Back to top*](#)

Subaward

An award provided by a pass-through entity to a subawardee for the subawardee to carry out part of a Federal or non-Federal award received by the pass-through entity. In accordance with [2 CFR Part 200.92](#), “Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.” It is a legal agreement between the prime recipient receiving an award (grant or cooperative agreement) and another organization (subrecipient) that will perform research or substantive effort. The agreement is written under the authority of, and consistent with, the terms and conditions of a prime award. A subaward is not an agreement for the procurement or purchase of routine goods or services. This term is often used interchangeably with the terms subagreement, subgrant or subcontract. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#),

[*Back to top*](#)

Subcontract

Technically differs from a subaward in that the original agreement between the federal government and the pass through entity (in this case Virginia Tech) was a legal instrument or contract by which the federal entity purchases services (research, instruction, etc.) and/or property needed to carry out the project or program. Key provisions of the Federal Acquisition Regulations (FAR, DFAR, etc.) must be flowed down within the subcontract if they are included in the original contract. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#))

[*Back to top*](#)

Subrecipient

Refers to a recipient that receives a subaward or subcontract from a pass-through entity to carry out part of a program. The term refers to any rung besides the top rung on the recipient ladder. In accordance with [2 CFR Part 200.93](#), “Subrecipient means a non-federal entity that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.” It is the legal entity to which a subaward is made and which is accountable to the prime recipient for the use of funds provided. Other terms used for subrecipient include subawardee, subgrantee or subcontractor. [2 CFR Part 200.330](#) provides criteria for distinguishing between a subrecipient vs contractor (also known as a vendor) relationship. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#))

[Back to top](#)

Substantive Effort

Refers to essential work which a subrecipient/subawardee directly engages in to carry out the specific aims of the project. The work possesses substance, having practical importance, value, and effect to the project. The prime recipient and subawardee mutually agree on how the subawardee's effort will be carried out and how it will be measured in relation to the overall project's objectives. ([OSP 10008 Subrecipient Monitoring and Management Guidelines](#))

[Back to top](#)

Subsistence Allowance

The cost of a participant's housing and per diem expenses necessary for the individual to participate in the project are generally allowed, provided these expenses are reasonable and limited to the days of attendance. Although they may participate in meals and snacks provided at the meeting or conference, participants who live in the local area are not entitled to subsistence payments. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Summit

The university's electronic proposal [system](#) for use by all university PIs, departments and offices that are involved by any means in sponsored award proposals issued, regardless of the primary source of funding. ([OSP 20002 Proposal Submission](#))

[Back to top](#)

Target Submission Date

The date by which the proposal is to be submitted to the sponsor in cases where there is no official sponsor deadline or when the PI would like it submitted earlier than the sponsor deadline. Automated notices from OSP will be based on this date in [Summit](#). ([OSP 20002 Proposal Submission](#))

[Back to top](#)

Taxes

([2 CFR Part 200.470](#)) There are allowable federal taxes that Virginia Tech is required to pay; in most circumstances, these costs are treated as indirect costs.

In certain instances, taxes, including sales taxes (normally those paid to other states) and Value Added Taxes (VAT), are legally required and are associated with expenditures on federal awards. These taxes can be charged as direct expenses on the associated federal award. When a refund can be requested, due to exemptions, the original charge should not be charged to a federal award.

See the university's [Sales and Use Tax Exemption Form](#). ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Teaming Agreements

Forms of unfunded agreements, which are generally unfunded, and are entered into by parties agreeing to participate in a collaborative effort. The preparation and submission of a single proposal from multiple collaborating institutions is an instance in which a teaming agreement may be utilized. ([OSP 10006 Documenting Award Negotiations](#))

[Back to top](#)

Technical Performance Report (TPR)

Commonly referred to as a Technical Performance Report, Technical Report, Performance Progress Reports, or Research Performance Progress Report (see [2 CFR Part 200.328](#)). A TPR is a report of project accomplishments as required by the award documents or other award governing writ (i.e. Federal law or statute). The TPR highlights progress and/or community impact of the award as it progresses throughout its lifespan. The TPR may include both expense-related data and quantitative information about the award's impact. ([OSP 30005 Sponsored Award Files – Closeout](#), [OSP 30006 Sponsored Award Technical Performance Reports](#))

[Back to top](#)

Technology Service Fees

Non-refundable mandatory student fees for support of technology initiatives. The technology service fee helps support instructional technology and technology advancement and support including the 4-HELP Desk, college technology support (such as the Math Emporium), and academic instructional technology initiatives. ([OSP 10002 Tuition and Related Fees on Sponsored Awards](#))

[Back to top](#)

Travel and Related Expenses

([2 CFR Part 200.470](#)) Travel-related expenses are allowable as direct expenses when they provide a direct benefit to the sponsored award. Includes the costs of transportation and associated costs and must follow sponsor guidelines (e.g., US flag carrier, coach class, most direct route) as well as Virginia Tech's travel policies and guidelines. The sole purpose of the trip must be to participate in the award activity. If a training activity involves field trips, the cost of transportation for participants may be allowable. See the Controller's [Procedure 20335a: Travel Overview](#) and the [Fly America Act](#) and [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#) for a more in-depth discussion of travel related expenses and their allowability. ([OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Unallowable or Dis-allowed Costs

([2 CFR Part 200.410](#) and [OSP 10009: Mandatory Disclosure and Unallowable Costs](#)) Costs expressly unallowable or mutually agreed to be unallowable. Such costs shall be identified and excluded from any billing, claim, application, or proposal applicable to a federal sponsored award administered under the provisions of [2 CFR Part 200.410](#). Similarly, costs which specifically become designated as unallowable as a result of a written decision furnished by an auditor or official pursuant to the sponsored award shall be identified if included in or used in the computation of any

billing, claim, or proposal applicable to a sponsored award. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#), [OSP 30010 Sponsored Award Expenditure General Guidelines \(Allowable Costs\)](#))

[Back to top](#)

Unfunded Agreements

Informally, an unfunded agreement refers to a research-related agreement that does not have incoming dollars attached. Virginia Tech faculty researchers often engage in activities or collaborations that do not involve payment from sponsors. These activities may include preliminary confidential discussions with potential research sponsors, requests for research materials from external sources, or data sharing consortiums made up of one or more scientists or institutions.

Unfunded research activities are generally carried out under written contracts that set out each of the parties' expectations and specific responsibilities. Coordination of unfunded research activities can be complex, and some may require university approvals for the use of university property and space, faculty effort, students, or compliance committee approvals for protocols involving human or animal subjects. OSP reviews draft agreements or other award documents and negotiates mutually acceptable terms and conditions, as necessary. This process can take time.

- *Data Use Agreements* – A DUA is needed any time there will be a transfer of data, a dataset or software that is non-public or is otherwise subject to restrictions on its use, a DUA may or may not consist of human subject data. Some examples of DUAs include:
 - Data sharing agreements
 - Data license agreements
 - Access agreements
 - Business Associate Agreements (BAA)
- *Master Agreements* – A comprehensive contract that governs all research activities supported by a particular sponsor. Individual project specific addendums (or task orders) are issued each time a new project is engaged. Each addendum details such aspects as the personnel, funding amount, performance period, and scope of work for the individual project, along with any deviations from the terms of the Master Agreement that may be necessary for performance of the specific project. Also called “umbrella” agreements, this mechanism often takes much longer to establish than a traditional agreement, however it virtually eliminates any need to negotiate the individual project addendums.
- *Material Transfer Agreements* – Use an MTA when sending or receiving physical materials or software to/from a non-Virginia Tech entity.
- *Non-Disclosure Agreements* – A non-disclosure agreement (NDA) ensures that certain information disclosed in discussions are kept confidential and are only used for the limited purposes defined in the NDA. NDAs might also be referred to as confidentiality agreements (CA), or proprietary information agreements (PIA).
- *Other Unfunded Agreements (UFA)* – This category is a catchall for UFAs that do not fall into the above categories. Some examples include:
 - Memoranda of understanding
 - Unfunded collaboration agreements
 - Facility access agreements
 - Visiting researcher agreements
 - International research agreements

- *Teaming agreements* – Generally unfunded, and are entered into by parties agreeing to participate in a collaborative effort. The preparation and submission of a single proposal from multiple collaborating institutions is an instance in which a teaming agreement may be utilized.

([OSP 10006 Documenting Award Negotiations](#))

[Back to top](#)

University Property

Property to which title is vested in the university whether secured with general university funds or funds derived from extramural sponsors. ([OSP10012 Equipment Loans, Donations and Software Licensing Agreements](#))

[Back to top](#)

Working Day

Monday through Friday 8:00 a.m. – 5:00 p.m., except for days the university is officially closed.

([OSP 20002 Proposal Submission](#))

[Back to top](#)

Write-off of Receivables

This is the transaction which removes a receivable that management has determined to be uncollectible from the university's active accounts receivable balance on the accounting records. This does NOT discharge the debt owed to the university, the Bursar's Office will continue to track the amount in the event that it can be collected from tax set off or other means. This process is only performed after a thorough collection process is followed. ([OSP 30002 Accounts Receivable Associated with Sponsored Awards](#))

6. References

- [2 CFR Part 200](#), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)
- [Cost Accounting Standards \(CAS\)](#), Title 48, Chapter 99, Subchapter B, Part 9905, Cost Accounting Standards for Educational Institutions
- [NIH Research Training FAQs](#)
- [Virginia Tech Policies Page](#)
- [OSP Procedures Page](#)
- [Controller's Office Procedures Page](#)
- Virginia Tech Foundation Procedure: [Donations](#)
- [Faculty Handbook](#)
- [Classified and University Staff Policies and Handbook](#)
- Procurement: [Consulting Services Guidelines](#)
- Procurement: [Sales and Use Tax Exemption Form](#)
- [OSP website](#)

7. Contacts

- Assistant Vice President for Sponsored Programs
Office of Sponsored Programs
North End Center, Suite 4200
300 Turner Street NW
Blacksburg, VA 24061
540.231.5281
 - Director of Pre Award
540.231.8054
 - Director of Contracts
540-231-1216
 - Senior Director of Post Award
540.231.9372
 - Associate Director of Operations
540-231-3193
 - Associate Director of Assurance and Outreach
540.231.0950
-

8. Dissemination

This procedure may be posted on a Virginia Tech internet accessible site. Open public dissemination of this procedure is allowable.

9. Approval and Revisions

This procedure was approved by the Assistant Vice President for Sponsored Programs on October 01, 2016.

The official version of this information will only be maintained in an on-line web format.

Any and all printed copies of this material are dated as of the print date.

Please make certain to review the material on-line prior to placing reliance on a dated printed version.
