

Ohio State University Extension Cost Recovery Policies

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SECTION I: OVERVIEW OF COST RECOVERY

A. Background and Philosophy

This section outlines Extension's basic philosophy toward cost recovery as it relates to program delivery. Terms that are not immediately familiar or clear may be found in the Terminology Appendix.

Extension programs and services benefit society as a whole or as broad cross-sections of that society. (Program areas described at: <http://www-bos.ag.ohio-state.edu/admin/>.) Programs are targeted toward individuals and families, community and government groups, and businesses and industries. Delivery of these programs enhances our social and physical environments.

Extension is frequently asked to provide customized programming for exclusive or private audiences. With its existing resources Extension cannot support the growing demand for this customized programming without compromising its mission of providing educational programs for the public good, however.

To meet this need, Extension is initiating guidelines and strategies for recovering some costs associated with programs and services for the public good as well as recovering full costs for customized programming for exclusive audiences. When a small easily defined exclusive group benefits from Extension's efforts, Extension will take steps to recover the full costs related to providing programs and services.

Recovering costs associated with Extension programs and services is not a new idea for Extension. Extension has been charging fees to cover some of the costs of existing programs for a long time. Sometimes, the costs of some Extension programs and services targeted for specific audiences have been fully recovered through grants, contracts, agreements, and MOUs.

Partial or full cost recovery provides opportunities for Extension to:

- Respond to specific requests from exclusive audiences for customized, high quality programming.
- Assure that Extension does not unfairly undercut private providers of commercial services by providing a "free" publicly subsidized alternative.
- Assure that public funding for Extension programs and services that benefit society as a whole or as broad cross-sections of that society is available for that purpose.

B. Public Good and Private Good

Extension programs and services that are offered for the public good are not always easily distinguished from those offered for the benefit of an exclusive group. Customized programming for exclusive audiences or individuals may be easier to identify, however. The chart below illustrates the major differences between the programs and services available for the public good and those provided for a targeted private or exclusive good.

Public Good	Private or Exclusive Good
Anyone may attend	Attendance is restricted to a specific group by request
The program/content/ delivery development is part of on-going program efforts and may be broadly applied and utilized	Programs/services require customizing the curriculum/product for a specific group beyond what is typical for public Extension programming
Materials developed are available broadly and may be shared with others	Materials are available only to those identified by the specific group
Time needed to develop the program is reasonable and part of the overall plan of work	Time needed to develop the program exceeds what is reasonable and available within the professional's planned work
Time needed to deliver the program is reasonable within the professional's work assignment	Time needed to deliver the program exceeds what is reasonable and available within the professional's assignment
Subject matter expertise fits Extension priorities and is immediately available	Subject matter appropriate for Extension, but current employees may not have the expertise to develop and conduct the program
No formal certification or credits offered	Academic credit and/or some type of Continuing Education Unit's or Certification may be involved

Extension offers many targeted public good programs and services that fall somewhere between these two categories. When an Extension program or service is not defined clearly as a public good, or private or exclusive good, Extension professionals must use their judgment to determine the extent to which costs associated with the program or service should be recovered.

Recovering costs associated with Extension programs and services allows Extension to meet the needs of Ohio residents, and promotes the public good for societal and individual improvement, by extending, expanding, and/or improving program delivery, accessibility, and implementation beyond the public's usual expectations of Extension.

Decisions about recovering costs associated with Extension programs and services should be part of every Extension professional's program planning process. By utilizing cost recovery practices, Extension is able to continue to provide high quality programs and services for the public good, and at the same time, respond to requests from exclusive audiences for customized, high quality programming.

C. Guiding Principles

1. Extension supports the recovery of costs associated with programs and services for the public good and those associated with developing and implementing high quality customized programming and services that result from specific requests from exclusive audiences. Cost recovery efforts must advance Extension's Mission of "Engaging people to strengthen their lives and communities through research based educational programming." Extension supports cost recovery processes that have:
 - Policies and strategies that are consistent with its land grant mission
 - Consistent guidelines and tools for determining costs related to a specific program
 - Flexibility to allow the needs of specific program areas and audiences to be met
 - Consistent practices throughout the organization regardless of the unit or location
 - A fair system of distributing the revenues to benefit participating staff, faculty, and administrative support services, and inspire support for cost recovery efforts throughout the organization
 - Active administrative support and assistance
 - Broad communication on and off campus among faculty, staff, and customers
2. Cost recovery increases program impact as it supports and encourages teamwork and interdisciplinary efforts.
3. Cost recovery practices must be ethical and legal, and not compromise the integrity of the organization.
4. Ohio Extension programs are customer and stakeholder driven. The process is efficient and user-friendly.
5. Cost recovery practices are not intended to limit audience participation, impact, or involvement. Ohio State University Extension programs are open to all regardless of individual ability to pay or source of funding. (Excludes programs for private or exclusive use that are fully funded by that group or audience.)
6. The magnitude of cost recovery practices is not a determining factor in performance appraisals.
7. Cost recovery strategies value and honor current and future partnerships. Strategies are shared with traditional funding sources such as county commissioners and state legislators.
8. All Extension professionals are responsible for recovering costs associated with Extension programs and services.
9. Extension strives to help its employees simplify and standardize the development of budgets that will recover costs through the availability of worksheets, spreadsheets, guidelines, workshops, other training and tools.
10. Decisions regarding a program's future and whether to continue it with base (institutional) funding are made in a timely and informed manner, since programs and services supported by fees do not continue without those fees. The program Assistant Director has the final responsibility for determining whether cost recovery programs are appropriate.
11. The total cost of programming, including costs related to general Extension system (administrative) support, should be identified and considered when determining the cost of programs.
12. Cost recovery efforts may include the use of non-traditional employment models including part-time, short-term, non-tenured, and contract employees.

Private or Exclusive Good Programs - Customized program developed for a specific individual, group, or business that realizes primary economic benefits. This might also include on-going one-to-one advising for a specific individual, group, or business that realizes primary economic benefit.

Examples: Food Safety certification program for restaurant workers; Strategic Planning Retreat conducted for a local non-profit agency; “Be Well, Eat Well” for a company’s employees; Investing; Commercial pesticide applicator training for a company’s employees.

PROGRAM CATEGORIES & LEVELS OF COST RECOVERY				
PROGRAM CATEGORY	RECOVERABLE COSTS			
	Direct Project	Project Personnel	Project Development	Admin/Indirect
Public Good	<input type="checkbox"/>			
Targeted Public Good	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>
Private or Exclusive Good	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

E. Uses of recovered funds

Discussions and agreement about how costs that will be recovered and returned to the Extension unit will be used should occur as the project is being developed. The needs of the Extension unit and the Extension employee responsible for generating the funds need to be balanced.

These funds may be used to:

- Hire backup support for the staff member whose time is released to work on the project;
- Hire temporary personnel to develop and /or teach programs;
- Provide additional travel and professional development funds for the staff member whose time is “released” to work on the project;
- Purchase new equipment or resources for the unit; or
- Supplement the unit’s operating budget.

SECTION II: Externally Funded Projects (Grants and Contracts)

OSU Extension’s priority strategy for cost recovery is to capture salary and benefits whenever possible through projects and that are externally funded through grants and contracts. This section provides guidelines that apply to grants and contracts..

All aspects of an externally funded project need to be thoughtfully considered and planned. The early stages of project idea development need to be as carefully reviewed as the later stages of implementation and evaluation.

A.Proposal Review and Approval

Before the proposal is submitted, issues related to subject matter, budget, personnel, and the involvement of other Extension units need to be reviewed and approved by those individuals who will be responsible for the work. Inadequately funded and supported projects are difficult to implement.

For this reason, Extension professionals must adhere to the following approval process for externally funded projects and proposals that will include a contract. Attachment A, Project and Contract Development Flow Chart, illustrates the process. Attachment B, Proposal Authorization form (See attachment) needs to be completed by the person who initiates the project. This chart identifies those who need to review and approve a project proposal before it is submitted. This form and its signatures may be faxed among the required signors.

Proposal Review and Approval Required Signatures may be faxed or mailed. Emails may be used except as noted.	
Approval via Signature or Email required	What approval represents
Person who will be responsible for the work described	Is aware and prepared to do the work if the project is funded.
Person responsible for coordinating the home unit resources, including budget	Proposed project’s budget, space, and support need have been considered as part of the unit’s operation.
Colleagues & co-workers whose participation is needed to make the project successful	Written approval that acknowledges extent of project involvement.
FINAL SIGNATURE REQUIRED Extension Director/ Business Office	Proposal represents a sound business decision for Extension in terms of budget and risk levels.
Approval by signature or email required when involved	What the approval represents
Com-Tech	Adequate resources are included in the budget to support Com-Tech efforts.
State/District specialists	Agrees to participate as described in the proposal.
Specialists’ department chairs	Adequate resources are included in the budget to support the specialists’ involvement.
Copy on correspondence, emails, etc. related to project	To provide awareness and opportunity for input
District Director	Proposed project is appropriate for this professional
Assistant Director	Subject matter and delivery methods proposed are appropriate.

B. Payroll Information

When developing proposal budgets, it is important to accurately estimate the project's expenses. Extension believes information about an employee's salary is personal information and whenever possible, average salaries available by job classification should be used.

Sometimes a sponsor requires that actual salary information be included in a proposal budget. This may be necessary when:

- Part of a salary will be paid from the project funds, or
- If someone's time will be used as part of an in-kind match.

When this involves more than the proposal writer's personal salary information, permission to release payroll information must be provided by the individual.

Under or over estimating salary costs in a proposal budget may result in a budget that has too little money available to do the work or a budget that has extra money left in the personnel category that cannot be used for other project expenses without obtaining permission from the sponsor.

C. Forms from Partners

Confidentiality Statement - A community or project partner sometimes may ask an Extension employee to sign a confidentiality statement. As a public institution, the extent to which the employee and the university can comply with the terms of the statement may be limited. Such statements should not be signed before being reviewed by OSURF or the Extension Business Office (whichever is administering the project).

Conflict of Interest Form - An Extension employee sometimes may be asked by a community or project partner to complete a conflict of interest form in relation to the project. Because only the employee can be aware of any possible real or perceived conflict with the specifics of the project, only the employee can complete the form. Before signing any form, the employee may want to confer with OSURF or the Extension Business Office (whichever is administering the project).

D. Administering the Project

The decision of whether a project, if funded, will be administered by the OSU Extension Business Office or by the Ohio State University Research Foundation (OSURF) **is not the choice of the person** initiating the proposal. OSURF is structured to support the fiscal, administrative, and legal needs of university professionals who submit proposals and receive external funds. OSURF makes sure projects comply with federal and state requirements, and satisfy sponsor reporting requirements. Extension's proposals and contracts will be submitted and administered by OSURF, whenever possible.

Under some circumstances, the Extension Business Office may need to administer a project. Many factors must be considered before making this choice. These include:

- Type of work to be done,
- Funding source,
- Funding source requirements,
- Type of contract,
- Terms of the contract,
- Reporting and audit requirements, and
- Ownership of product

Certain aspects of a proposal and its subsequent contract will differ depending on whether OSURF or the Extension Business Office is the administrator. The following chart shows how proposal and contract language and processes vary.

DIFFERENCES IN THE DETAILS		
	Projects submitted and administered by the OSU Research Foundation	Projects submitted and administered by the Extension Business Office
TIME FRAME	Contracts can be reviewed and signed <u>within a week</u> .	Contracts review and signature process can take one to four weeks, depending on the need to modify the contract and the workload of the OSU Dept of Legal Affairs.
PROPOSAL SUBMISSION	The submitting party is <u>The Ohio State University Research Foundation on behalf of OSU Extension, XXX County/Office.</u>	The submitting party is <u>Ohio State University Extension, XXX County/Unit.</u>
WHO SIGNS THE PROPOSAL?	OSURF <u>signs</u> any proposal cover page, application, or assurances, etc. that require an authorized signature.	The <u>Extension Director signs</u> any proposal cover page, application, or assurances, etc. that require an authorized signature.
WHO SIGNS THE CONTRACT?	OSURF's authorized representative signs contracts for projects. OSURF works with the Principal Investigator on terms and conditions that are negotiable.	The following signatures are required for contracts that are not processed by the OSU Research Foundation. To avoid delays, local Extension signatures should be on the contract before it is presented for the Director's and the University Vice President's signatures.
		<ol style="list-style-type: none"> 1 Extension professional responsible for the project work 2 Person with initiating unit's budget & coordinating authority 3 Extension Director/recommended by Extension Business Office 4 OSU Vice President of Business and Finance

E. Administrative /Indirect Cost Charges

To achieve cost recovery goals throughout the organization, administrative/indirect costs must be charged to projects in a consistent, equitable manner. Administrative costs are charged to projects funded with contracts for services and grants.

Extension recognizes its traditional and on-going partnerships with the following considerations:

- County appropriations are not charged an Administrative/indirect fee.
- Programs funded by user fees or registration fees are not charged Administrative/indirect fees.
- Distribution of the Administrative/indirect costs is addressed in Section III.
- Administrative/indirect costs for contracts associated with continuing projects and on-going partnerships will remain as previously established.
- Direct funding of agent cost-share by a county funding partner, such as an agency funding an economic development specialist.
- Projects and contracts for less than \$5000 will not be charged an Administrative/indirect fee when the sponsor prohibits such costs.
- Units, such as the Data Center, IPM, LEAD, Pesticide Education Program and the Leadership Center, working toward becoming self-sustaining will not be charged an administrative fee if the funding source does not allow such costs.

For FY 2004, the following administrative/indirect costs apply to projects administered by:

- Ohio State University Research Foundation (for complete details, see <http://www1.rf.ohio-state.edu/pdp/pdp02.cfm>)
 - 49.5% on campus research and teaching
 - 33% on campus “other sponsored activities” (outreach and engagement)
 - 26% off campus research or instruction
 - 24% off campus “other sponsored activities” (outreach and engagement)
 - 10% minimum allowable administrative/indirect cost recovery for projects administered by OSURF or the Extension Business Office. In the event a sponsor does not allow 10%, the home unit is required to provide the 10% from other sources.
- Extension Business Office:
 - 24% maximum (This is based on OSURF’s Administration component. Because Extension does not incur other costs in OSURF’s federally negotiated rate, charging a higher rate is not appropriate.)
 - 10% minimum allowable administrative/indirect cost recovery for projects administered by OSURF or Extension Business Office (see exceptions). In the event a sponsor does not allow 10%, the home unit is required to provide the 10% from other sources.

F. Cost Recovery Fund Categories and Distribution

There are three broad categories of cost recovery funds. Each one is distributed differently.

New project funds

- Uses
 - Salaries and benefits for staff members who are hired specifically for the project.
 - Materials, supplies, travel, equipment, etc., required for the project.
- Distribution
 - New project funds, less any indirect costs, are distributed to the home unit where the costs were incurred (county, district, state unit or department). The staff member coordinating the project receives or retains these funds.
 - When several units work together, the division of any new funds should be determined prior to generating the funds.

Release time funds

- Uses
 - Salary and benefits for staff members who are already funded by OSU Extension on non-grant funds.
 - The employing unit “releases” the staff member to work on this project (in substitution for some of the regular work assignments).
- Distribution
 - **Salary cost recovery for faculty/staff** is divided between the employing unit and OSU Extension. The salary cost recovery funded by OSU Extension state & federal sources is returned as follows:
 - 100% of release time funds for county agents are returned to the county unit.
 - 80% to the employing unit and 20% to OSU Extension, with the exception of county agent positions.

Administrative/Indirect cost recovery funds

- Uses
 - Supports project expenses related to general administrative and support services that cannot easily be determined for each project.
 - May include accounting, payroll, human services, communications, computer support, value of space and utilities, and equipment depreciation, as well as departmental and college administration.
 - Budget category of administrative/indirect costs (percentage of total new project costs and release time for the project, e.g., 10-26%). See earlier section for specific FY 2004 administrative/indirect rates.
- Distribution
 - The funds collected will be returned to the “home unit” and/or “employing unit as follows:
 - Administrative/indirect costs are allowed by the sponsor, recovery will be divided on the following basis and in the following order:
 - 10% to Extension Administration
 - 5% to the program area
 - Remainder to the home unit.
- When a sponsor or funding source does not allow administrative/indirect costs to be charged to a project
 - The home unit must provide the administrative/indirect costs from other sources to cover the 10% minimum of the direct project cost.
 - **Example:** A sponsor pays only 5% administrative/indirect costs. The home unit must provide from other funds the remaining 5% to reach the minimum 10% administrative/indirect charge (Note: this could come from release time funds, if available.)

Section III: User Fees for Extension Programs

Extension professionals have been supporting various local programs with user fees for many years. Generally these fees have covered a program's direct costs such as space rental, printed materials, and meals/refreshments. Along with our focus on new grants and contracts as our primary targets for cost recovery, the strategic and selective implementation of user fees is also being encouraged. Determining when and what a user fee will depend upon:

- the purpose of the program in relation to the public/private good continuum
- the direct costs the unit(s) offering the program must recover
- whether a state program fee exists for that specific program
- whether other funds exist to offset the real costs of delivering the program.
- fees for programs and services of self-sustaining units

Types of User Fees

User fees primarily offset direct costs of programs at the point of delivery. Administrative/Indirect costs are not charged to user fees. Instead, state program fees, self-sustaining unit fees, and personnel time/travel are included *selectively* when establishing user fees for local programs.

1. *State program fees*

Each program area has a committee to identify programs that use a common curriculum or materials across the state that will charge a state program fee, and to determine what the state program fee will be. The state program fee may be set for each participant, as a flat rate for a program, as an additional charge for publications, etc. State program fees may be recovered through fees charged to participants or through sponsorships. State program fees will be returned to Extension Administration and distributed as follows: 90% of the funds go to the specific program area to be reinvested in programs; 10% of the funds are used by Extension Administration to be reinvested in program efforts benefiting the organizational overall. Not all program areas have established state program fees. As these fees are established, information will be distributed to Extension personnel and added to this document.

(web links under construction)

4-H State Program Fees

Family and Consumer Sciences State Program Fees

Agriculture and Natural Resources State Program Fees

Community Development State Program Fees

2. *Self-sustaining unit fees*

So that OSU Extension to continue to provide specialized programs and services, some campus units have been asked to generate a portion of their operating costs with user fees. Each of these units is examining the kinds of programs and target audiences they have served in the past and is establishing fee structures. Among these units are: OSU Extension Data Center, OSU Leadership Center, Plant and Pest Diagnostic Clinic, Pesticide Applicator Training, and OSU Learning Centers. Each of the units is using the public good/private good continuum to determine what costs to recover in their fee structure. Local programs and organizations that work with any of these units to offer programming need to work closely with them to establish a means of recovering costs through participant fees or sponsors. These fees are returned to that unit to support ongoing operations.

B. How user fees are used to support programming

State program fees provide:

- Funding for innovative seed grants that create new programming and applied research efforts
- Continuing professional development to insure cutting edge technical expertise of Extension personnel
- Support for team led program initiatives
- Support for innovative teaching and learning strategies
- New technology to make programs and materials accessible to the public 24 hours per day/7 days a week.

C. Fiscal management of user fees

Generally, the home unit of the individual who plans and conducts a program is responsible for the fiscal management of user fees. When personnel from several units *collaborate* to offer a program, one unit must be identified to handle fiscal management. The **User Fee Remittance Form** is designed to assist in managing user fees and in determining if funds must be sent to the OSU Extension Business office for expenses to be paid to other units. This form is available on the Business Office website. All user fees should be remitted to the Extension Business Office, which will deposit the monies in a fund for the use by the County Extension Office only. Payments made to vendors, academic departments or other campus units will be made by the Extension Business Office upon request by the County Extension Office from the same fund.

Budgeting for personnel time in user fees

Pooled rates for salaries and benefits of Extension personnel will be calculated annually by OSU Extension Human Resources in consultation with the Leader, OSU Extension Business Operations. The list will eventually be posted on a password protected website for personnel access. Until that time, the list may be requested from **Jacqueline LaMuth, Leader, Grants and Contracts**.

District/State Specialist salaries and travel in user fees

There is no interest in recovering 100% of the salaries, benefits, or travel expenses of district and state specialists or all of their travel through local user fees. Each district specialist and state specialist is expected to support local programming and has a budget for that purpose. However, if the program's purpose is defined as private good rather than public good, it is appropriate to recover salary and travel costs through user fees. District Directors, Assistant Directors and Department Chairs should work closely with district and state specialists to determine what kinds of programming support can be expected without cost to the participants. If it is appropriate to charge for salary, benefits, and/or travel, the specialist is expected to specify what expenses must be recovered while the program is in the planning stages so that those costs can be included when user fees are set.

Tools for determining user fees

OSU Extension Local Program Worksheet – For local use to help calculate program costs. This worksheet is available on the Grantsmanship, Contract Development and Resource Development website.

D. Sponsorship of Fees

Program sponsors may be secured to pay some or all of the costs that would otherwise be recovered through user fees. Sponsors may include businesses, agencies, professional organizations, employers, associations, etc. Program sponsors should be recognized appropriately in program publicity and materials. Caution must be used to insure that sponsorship does not imply endorsement of a good or service provided by a donor. A disclaimer statement should be used on printed materials when a sponsor supports a program.

Example: References to program sponsor(s) are made with the understanding that no discrimination is intended nor endorsement implied.

When sponsors contribute to programs as tax-deductible gifts, the monies must be placed in an OSU Development Fund Current Use Fund. Contact the Extension Business Office for assistance.

SECTION IV: GIFTS

OSU uses several indicators to distinguish gifts and donations from other kinds of program support that Extension might receive from individuals or non-governmental groups as contracts for services or grants.

1. The donor specifically intends the award to be a charitable gift as reflected by the absence of any *quid pro quo* (getting something for something).
2. The gift is made to the university without expectation of direct economic or other tangible benefit commensurate with the value of the gift. Indirect benefits such as tax advantages, business or personal goodwill derived from close association with the university, and miscellaneous benefits derived from donor club status are not sufficient to negate gift intent.
3. The conditions or stipulations placed on the use of the award are reasonable and serve to direct the funds to areas such as scholarships, infrastructure, general research or program support of interest to the donor.
4. The donor intends the gift to be irrevocable and, therefore does not expect to reclaim the gift or any unused portion.
5. Gifts need to be placed in an OSU Development fund so the donors will receive appropriate information for their tax returns.

Section V: OTHER METHODS OF COST RECOVERY

Several other methods of cost recovery may be appropriate for some Extension programs and services.

A. Contracts developed with the Office of Continuing Education

The Office of Continuing Education has processes to facilitate delivering courses, workshops, and distance learning for academic credit in non-traditional settings. A contract and pricing formula includes appropriate overhead rates for tuition, Office of Continuing Education, OSU Extension and funds for the unit(s) involved to benefit. Extension's share of overhead charges collected by Continuing Education is 4.33%.

B. Membership Fees

Membership fees, such as a statewide 4-H member fee, are not part of OSU Extension's cost recovery strategies. If, at some point, membership fees are considered a viable option, OSU Extension Administrative Cabinet provide leadership for the development of guidelines and distribution of such funds.

SECTION VI: TOOLS

The following tools and aids are available to assist Extension professionals in their efforts to consistently apply cost recovery guidelines. These instruments are primarily decision-making tools for Extension program development and should not be used for every conversation, consultation, or program. The following items can be found at the OSU Extension Grantsmanship, Contract Development and Resource Development website:

<http://www.ag.ohio-state.edu/~grants/>

- Templates for developing budgets (Grantsmanship web site)
- Proposal Authorization Form and instructions (Attached)
- Checklist for determining readiness to apply for funding (Grantsmanship website)
- Flow chart detailing the processes for developing projects for external funding (Attached)
- Links to websites for necessary university forms (on-line)
- Sample proposal sections
- Information about upcoming workshops and training (Grantsmanship website)
- Frequently Asked Questions about cost recovery and revenue generation processes
- Links to tools and instruments by which to measure program commitments
- OSU Extension Local Program Worksheet (Grantsmanship website)
- State Program Fees Chart (Grantsmanship website)
- State Program Fee Transmittal Form (Grantsmanship website)

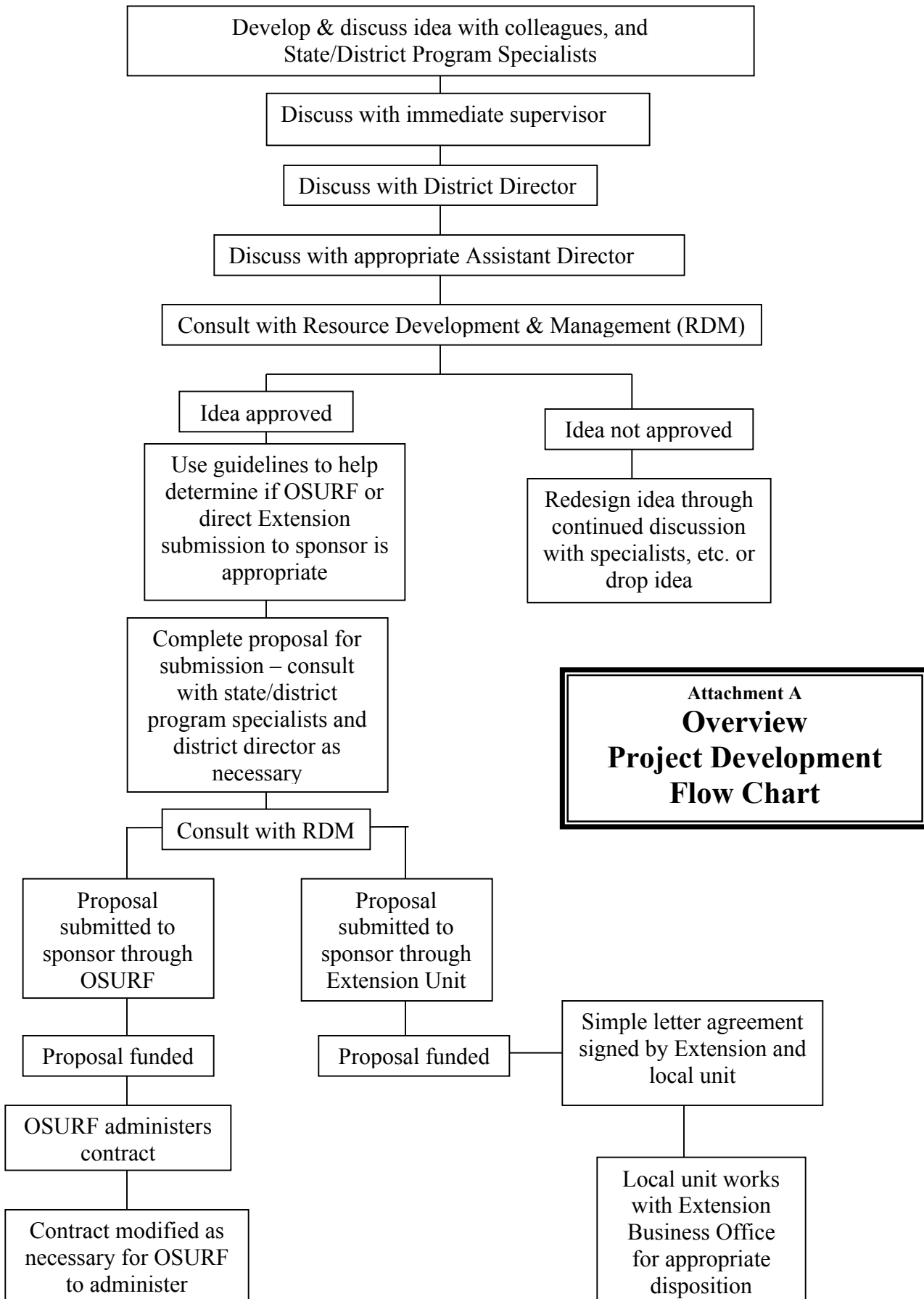
REFERENCES

- LaMuth, J., and Jackson, D. (2002). A reluctance to recognize the cost of people. Paper submitted for presentation at Association for Employment Practices and Principles.
- An overview to proposal submission and project management. (2003) Ohio State University Research Foundation: <http://www.rf.ohio-state.edu>
- Recommendations to Guide Future Cost Recovery Policy for Iowa State University Extension Issues 3/23/01
- The Ohio State University, Human Resources Policy 3.35: Supplemental Compensation Involving Work within the University; Issued 7/1/85; Revised 3/21/97; Edited: 10/31/97
- The Ohio State University, Office of Academic Affairs, Handbook Section III: Faculty Internal Supplemental Compensation, 9/1/99.
- Work Outside the University Policy Statement, OSU Extension:
<http://www.ag.ohio-state.edu/~admin/handbook/workoutsideuniv.htm>

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**Attachment A
Overview
Project Development
Flow Chart**

See instructions on other side **PROPOSAL AUTHORIZATION DRAFT 5/23/03** Attachment B
 Attach preliminary budget and a brief description of the project to this form

1. Unit Name (County, center, dept, etc.)		2. Today's date		3. Submission Due Date	
4. Requested by			5. Office Phone		
			6. Office FAX		
7. Title of proposal (Attach a brief description 1 page or less of the project)					
8. Anticipated start date:			9. Anticipated end date:		
10. Sponsor			11. This sponsor is: <input type="checkbox"/> New <input type="checkbox"/> Continuing		
12. Funding type: <input type="checkbox"/> Federal <input type="checkbox"/> State <input type="checkbox"/> Local government <input type="checkbox"/> Local business/corporate <input type="checkbox"/> Foundation <input type="checkbox"/> CSREES <input type="checkbox"/> Non-profit <input type="checkbox"/> Other (specify)					
13. Submission requirements <input type="checkbox"/> 501(C)3 documentation <input type="checkbox"/> Assurance forms <input type="checkbox"/> Liability insurance Check all that apply <input type="checkbox"/> Confidentiality statements <input type="checkbox"/> Other (specify)					
14. OSURF forms completed: (see instructions for explanation) <input type="checkbox"/> PA- 005 <input type="checkbox"/> Conflict of Interest <input type="checkbox"/> ORRP					
15. USES OF FUNDS BEING REQUESTED (check all that apply):					
A. Amount of proposal: \$_____ Note: A preliminary budget needs to be attached.					
C. Personnel <input type="checkbox"/> Release time <input type="checkbox"/> New hire <input type="checkbox"/> Transfer existing employee <input type="checkbox"/> Other					
D. Travel and other support					
E. Supplies and materials					
F. Equipment (over \$3000 per item)					
G. Sub-contracts					
H. Other (explain)					
I. Administrative costs _____%			J. Administrative costs policy provided <input type="checkbox"/> Yes <input type="checkbox"/> No		
16. APPROVING SIGNATURES (A faxed signature or an email with a message of approval may be used.)					
Person responsible for the project work				Date	
Person responsible for home unit budget				Date	
District Director				Date	
Assistant Director				Date	
Com-Tech (when involved)				Date	
State/District specialists (when involved)				Date	
Specialists' department chairs				Date	
Participating co-workers (when involved)				Date	
Extension Director/Extension Business Office				Date	
Not Approved (returned to requestor)					
For Business Office use:		Date:		Funded: <input type="checkbox"/> yes <input type="checkbox"/> no	
Submitted: <input type="checkbox"/> OSURF <input type="checkbox"/> Legal Affairs <input type="checkbox"/> Directly to USDA <input type="checkbox"/> Other (specify)					

Directions for completing the Proposal Submission Authorization Form

Terms found on this form:

- Sponsor (funding source, funder)
- Release Time Appointment (Releasing an employee from regular assignment and regular funding source to work on this project and be paid from these project funds.)

These instructions correspond to the numbered boxes on other side.

1. Examples: Fulton County Extension, ABE Center, Data Center, East District Office
2. The date this form is submitted
3. The date this proposal must be submitted to be considered for funding
4. The project director (the person responsible for the proposal)
5. The phone number of the person submitting this form
6. The FAX number of the person submitting this form
7. Self-explanatory
8. Self-explanatory
9. Self-explanatory
10. The name of the agency, business, company, foundation, etc. to which this proposal is being submitted and who will provide funding if the project is approved.
11. New sponsor: The applying unit is not currently receiving funding from this source.
Continuing sponsor: The applying unit is receiving funding from this source.
12. The type of organization that is offering the fund.
Examples:
 - a. Federal (U.S.D.A., USEPA)
 - b. State (Ohio Department of Health, Ohio EPA, Ohio Board of Regents),
 - c. Local government (County Commissioners, City Recreation Dept, Twp Trustees)
 - d. Local Non-profit (Local United Way, Kiwanis, Kids Camp Inc.)
 - e. Local Business/Corporate (Krogers, REMAX, Johnson's shoes, Play 'n Swim Club)
 - f. Foundation (Community Foundation of Lorain County, Pet Supply Foundation)
13. Documentation the sponsor may require is provided as part of the proposal. Check all that apply.
14. OSURF forms:
 - a. PA-005 is the Authorization to Seek off-campus funding;
 - b. Conflict of Interest Form,
 - c. Office or Responsible Research Practices application for review or exemption.
15. Use of funds
 - a. Amount being requested in this proposal
 - b. A preliminary budget must be developed before project may be approved.
 - c. Before the proposal can be considered, a budget must be included.
 - Extension personnel are paid from this project.
 - Release time appt: An employee will have some time paid from this project.
 - New hire: New personnel will be hired. Work with Extension HR.
 - Transfer: An existing employee will be transferred to this project fund. Check with Extension HR.
 - Other: Check with Extension HR.
 - d. Travel: Use current mileage reimbursement rate; Other support includes lodging, parking expenses, etc.
 - e. Supplies & materials: Includes office supplies, demonstration and display materials, handouts, food, etc. and equipment under \$3000 individual cost.
 - f. Equipment over \$3000 per item. Check with RDM
 - g. Sub-contracts: Part of the work will be done by an independent contractor (Examples: Computer maintenance, facility rental, lab testing)
 - h. Other: Might include out-of-state travel, printing, honorariums, etc.
 - i. Administrative Costs: Amount allowable by the funding organization up to 26%. Minimum amount is 10%. See cost recovery information.
 - j. Administrative Costs policies: Documentation about allowable costs.
16. Approval signatures with dates: The signatures that will be needed will depend on work assignment, work location, and the nature of the proposal. Units and individuals that will be expected to do work as part of this project will need to provide approving signatures.

Return this completed form to: Jackie LaMuth, Coordinator, Resource Development and Management, 2120 Fyffe Road, Room 24, Columbus, OH 43210, phone: 614-292-6470, FAX 614-688-2529. E-mail: lamuth.1@osu.edu

To see a sample of a completed form: Go to: <http://www.ag.ohio-state.edu/~grants/>
If you have questions about the form, contact Jackie LaMuth.

TERMINOLOGY

Administrative/Indirect Costs – project expenses related to general administrative and support services that are not easily determined for each project (i.e. accounting, payroll, human resources, computer support, communications, value of space and utilities, and equipment depreciation, as well as departmental and college administration). Rather than attempt to attribute specific dollar amounts for each of these "system" services to a particular project, a percentage of the total direct project cost is used.

OSU Research Foundation uses the term “facilities and administrative” (F&A) costs, defined as follows: “F&A costs are those costs associated with the infrastructure that supports the research enterprise (buildings and their maintenance, libraries, etc.), and which cannot easily be determined for each project. The University requires that F&A costs be included in all proposal budgets and that F&A costs be recovered to the maximum extent possible.”

"Facilities" is defined as the costs associated with owning, maintaining, and operating certain buildings, equipment and capital improvements, and library expenses. "Administration" is defined as general administration and general expenses, departmental and college administration, sponsored projects administration, and all other types of expenditures not listed specifically under one of the subcategories of Facilities. Source: OSU Research Foundation; Facilities & Administrative Costs <http://www1.rf.ohio-state.edu/pdp/pdp48.htm>

Agreement – See “contract” and “memorandum of understanding (MOU)”; terms are often used synonymously.

Confidentiality Agreement -- also called a Non-Disclosure Agreement; is used where one party provides confidential information to someone else and that person agrees not to divulge this information to others. A confidentiality agreement may be one-sided where only the person who receives the information is prevented from disclosing any confidential information, or it may be mutual where both parties disclose confidential information to each other and both agree not to divulge this information to others. Project sponsors may ask Extension professionals to sign confidentiality statements to protect the privacy of program participants or program results.

Conflict of Interest Statement – OSU requires any professional who has a significant role in an externally funded project to disclose any potential conflicts of interest by completing a conflict of interest form. Project sponsors may ask Extension professionals working with a project to disclose any potential conflicts by signing a similar statement.

Continuing Project – a project that receives funding from the same funding source year after year. Although a new contract is generated each year, the relationship is on-going and seamless.

Contract—“An agreement between two or more parties, especially one that is written and enforceable by law.” (Webster). All parties to the agreement sign the document as evidence of their willingness to abide by its terms.

Cost Recovery – charging fees to cover costs that are incurred by the organization as part of the plan of work. Most often this involves collecting fees to partially or fully reimburse employee salary and benefits, and operating costs associated with an ongoing project (travel, supplies, equipment, etc.). Cost

recovery practices focus on existing costs in the organization that traditionally have been funded by government appropriations.

Direct Project Costs – expenses related to conducting the event itself, including room and equipment rental fees, refreshments, printing, educational materials and supplies for participants, and honoraria and travel expenses for program presenters.

Employing Unit – the unit employing a staff member whose time is committed to a project. This is generally associated with the staff member’s salary being ”released” to work on a project.

Fee – See Membership fee, State Program Fee, and User fee for more detail.

Gift – (also called a **donation**) a voluntary and irrevocable transfer of money, services, or property (e.g., equipment, personnel time and skill, etc.) from a donor without any expectation or receipt of direct economic benefit or provision of goods or services from the recipient. A gift may have a restricted purpose or designated use.

Home unit – the unit responsible for administering a project; the project may include several “employing units” for staff who work on the project.

Administrative/indirect cost recovery - funds generated from “administrative/indirect costs” paid by the sponsor of a project.

Letter of agreement – a simple letter between two or more entities that confirms arrangements for services or goods to be provided. Usually done in a more casual letter style, it does not include legal terms or conditions found in more formal contracts.

Membership fee - a fee that is charged to cover part of the costs of delivering a program(s) for a prolonged period (e.g., one year). Specific costs are not identified.

Memorandum of Understanding (MOU) – (also called an Memorandum of Agreement – MOA)
An agreement of cooperation between two or more individuals, groups, organizations, etc. that defines the roles and responsibilities of each entity in relation to the other or others with respects to an issue over which the entities have concurrent jurisdiction. Generally considered to be a preliminary agreement with more detail to follow in a later document.

New Project Funds - funds for new initiatives and/or from sources not currently supporting Extension programs.

Private Good Programs – programs that are developed or customized for a specific individual, group, or business primarily for their economic benefits . (See Public Good and Private Good programs on pages 1-2 for more detail.)

Project – any grant, contract, or MOU funded by an organization outside OSU.

Project Development Costs – expenses related to developing a curriculum for a particular project, including reference materials, teaching guides, handouts, and marketing materials.

Project Personnel Costs – expenses, including salary and benefits of the professional and support staff directly involved in preparing, delivering, and supervising or coordinating the project.

Public Good Programs – Programs and services provided to and for the general public that are primary and fundamental to the mission of OSU Extension. (See Public Good and Private Good programs on pages 1-2 for more detail.)

Release Time – Time that Extension employees, who are already paid from Extension funds, work on a project. There are two kinds of release time:

- Sponsor pays for the “release” time. This is also referred to as “salary cost recovery.”
- The staff member works on the project with no cost to the sponsor. This is referred to as “cost share,” and no salary cost recovery occurs. This may be used as an in-kind match when project sponsors have this requirement.

Salary Costs – includes total salary and benefits paid to an individual.

Salary cost recovery – the portion of a staff member’s “regularly funded” salary and benefits paid by the sponsor of a project for work on that project. The regular salary is thus “recovered.”

State program fee - Costs established within each program area that must be included in the cost of user fees for local programs.

Self-sustaining units - A unit or office supported by OSU Extension that is expected to generate a portion of their ongoing operating costs through user fees. These units have specific costs for programs and/or services offered.

User Fee – A fixed price that is charged to recover some or all of the costs of the program. Generally, user fees are based on an anticipated number of program participants sharing the total “direct program costs” for the program. Project personnel costs may be included when calculating the user fee for a program.

EMAIL EXAMPLES

1. Permission for the release of personal payroll information

Sent: Friday, May 30, 2003 3:11 PM
To: Marge Hall
Subject: Release my payroll information

Marge,

Ima Busy is working on a budget for a proposal that will involve me. So that she can accurately figure my release time into the budget, please share information with her about my hourly wage and benefit rate.

Thanks.

Jackie

2. Forwarded E-mail that includes Permission to release personal payroll information

Sent: Friday, May 30, 2003 3:11 PM
To: Marge Hall
Subject: Release of my payroll information

Marge,

Attached is an email from Jackie LaMuth that allows me to retrieve her personal payroll information (hourly rate and benefit rate) so I can finish the budget for a proposal I'm writing.

Thanks for your help.

Ima Busy

-----Original Message-----

From: LaMuth, Jacqueline
Sent: Thursday, May 29, 2003 2:12 PM
To: Ima Busy'
Subject: Proposal development & payroll info OK

Ima,

From our discussion about the project, I understand I will be responsible for preparing for and teaching 2 2-hour classes each month at selected Senior Centers. We've talked about how much prep time and development time will be needed. Please calculate 5 hours of release time for each 2-hour class.

2 classes X12= 24 classes X 5 hours = 120 hours. Sorry, but I don't know my hourly rate. You have my permission to get that information from the Extension Payroll Office.

I'm looking forward to this project. I hope we get funded.

Jackie