

Award Acceptance & Set-up Policy

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Issuing Authority: Vice President for Research and Compliance
Responsible Offices: Office of Sponsored Programs/Research Administration, Office of the General Counsel, Grants/Contracts Accounting, and the Office of the Vice President for Research and Compliance

Purpose:

To outline the processes that Howard University and all related entities, business units, subsidiaries and affiliated organizations including, but not limited to, Howard University Hospital (hereinafter referred to collectively as “Howard University”) follows to negotiate and accept an award, as well as set-up an account in the university accounting system where project expenses are charged. Most federal awards incorporate standard terms and conditions that are not negotiable; therefore the majority of negotiations conducted by Howard University involve non-federal sponsors or subcontracts from other universities.

Policy:

It is the policy of Howard University that all sponsored projects must be reviewed and accepted by the proper authorities. Howard University ensures that agreements requiring signature shall be signed by individuals with authority delegated by the Board of Trustees (via Howard University’s President and the individuals to whom he delegates such authority). Sponsored accounts are normally not created in the university’s accounting system until an award is accepted. However, pre-award spending accounts may be set up in accordance with the Advance Accounts & Pre-Award Spending Policy.

Investigators should not enter into or sign any legal and/or binding agreements on behalf of Howard University. Examples of such agreements are listed below, but are not limited to:

- Confidentiality agreements
- Memoranda of Understanding (MOU)
- Non-disclosure agreements
- Indemnification agreements
- Licensing agreements
- Teaming agreements

This list is not exhaustive and individuals entering into agreements should consult OSP/RA for clarity about agreement types. Unauthorized individuals (i.e., individuals to whom authority has not been officially delegated) who sign agreements do so at their own risk. These individuals cannot depend on access to Howard University facilities or coverage of Howard University services, including professional or general liability insurance.

Most sponsored projects are awarded in the form of a grant, contract, or cooperative agreement. The following list defines each:

- **Grant:** sponsored project to support basic research or training

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- **Cooperative agreement:** sponsored project in which the sponsor and Howard University share the responsibility of conducting research and the benefits of the project
- **Contracts:** sponsored project that supports a definitive deliverable end product being procured by the sponsor such as a report or a device

Business Process Description:

Regardless of whether the sponsored award is in the form of a grant, contract, or cooperative agreement, Howard University will take on certain responsibilities (e.g., technical and financial reports) to the sponsor if the award is accepted. This document outlines the two processes that occur during the initiation of an award at Howard University: award notification/acceptance and award set-up.

Award Notification and Acceptance

All award notification letters should be directed to the Office of Sponsored Programs/Research Administration (OSP/RA). If a letter of award or electronic notification of a sponsored project is sent to an individual outside of OSP/RA (e.g., the department chairperson, administrative staff, or the Principal Investigator/Project Director (PI/PD)), the award documentation should be forwarded to OSP/RA. Prior to accepting the award on behalf of Howard University, the RA reviews the award to determine if it is consistent with the PI/PD's proposal and any subsequent modifications. After this review, the RA sends an email to the PI/PD, with a copy of the award attached, notifying the PI/PD of the award. If there were changes detected in the RA's review, or questions of a scientific/technical nature that the RA cannot resolve, these changes or questions are highlighted for the PI/PD in the notification email. If the PI/PD would **not** like to proceed with the project, he/she is required to notify OSP/RA immediately. If such notification is not received by OSP/RA, the RA will proceed with the award acceptance process. If the agreement's terms and conditions are unacceptable, see the Award Negotiation section below for direction. The award review and acceptance process should be completed in a timely manner.

The following two sub-sections describe differences in the award acceptance process that are determined by the award type.

Grants and cooperative agreements: Most federal grants and cooperative agreements do not require an institutional signature. Institutional approval is indicated when the institution first draws down funds for the project. If the agreement does require institutional signature or if, in the judgment of OSP/RA, the award carries extraordinary conditions, OSP/RA coordinates a legal review of the agreement with the Office of the General Counsel (OGC). If necessary, any unfavorable terms and conditions are negotiated with the sponsor (see Award Negotiation below). When the review and any necessary negotiations are complete, the OSP/RA Manager, or other authorized signatory, may approve and sign the agreement on behalf of Howard University.

Contracts: Contracts require an institutional signature. Thus, OSP/RA coordinates a legal review of the agreement with OGC. If necessary, any unfavorable terms and conditions are negotiated with the sponsor (see Award Negotiation below). When the review and any necessary negotiations are complete, the Manager of the Office of Sponsored Programs, or other authorized signatory, may approve and sign the agreement on behalf of Howard University.

Award Negotiation

When terms and conditions are unacceptable to either Howard University or the sponsor, the agreement is subject to the Award Negotiations process, a sub-process of the award acceptance process. An

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agreement must be negotiated when one or more terms and conditions are not considered to be in Howard University or the PI/PD's best interest. The award negotiation process is the same regardless of whether the award is a grant, contract, or cooperative agreement. The negotiation involves efforts of OSP/RA, OGC, the PI/PD, and, where necessary, an affected administrative unit. If award terms and conditions are being negotiated, OSP/RA provides periodic updates to the PI/PD. When all terms and conditions are acceptable to both parties and authorized officials of both parties have signed the agreement, the agreement is considered fully executed. At this point, the award may be set up in the Howard University accounting system as described below.

Award Set-up

When an award is fully executed (as defined above), the grant/agreement and all supporting documentation (e.g., proposal with detailed budget, IACUC/IRB approval(s), if applicable) are reviewed and approved by OSP/RA, the assigned RA initiates the process to set-up a project award in the University's accounting system so that the PI/PD can begin to incur charges associated with the award. Once the RA has completed the required steps, GCA is notified to finalize the award set-up process. The GCA Accountant notifies the PI/PD when this account is established. The award set-up process is the same regardless of whether the award is a grant, contract, or cooperative agreement. The award set-up process should be completed in a timely manner.

Roles and Responsibilities:

Office of Sponsored Programs/Research Administration (OSP/RA):

- **Research Administrator (RA):** Upon receipt of an award notice, the RA reviews the terms and conditions of the award, focusing on the financial reporting, technical reporting, billing requirements, and any non-standard terms and conditions. If the RA determines that any of the offered terms or conditions is unacceptable, the RA negotiates with the sponsor. The RA is also responsible for reviewing the proposal files for all necessary approvals, reviewing the terms and conditions of the award announcement, and routing subcontracts, if necessary, to OGC for review. If the RA discovers discrepancies or award clauses requiring negotiation, a memo with those concerns is attached to the agreement and sent to the OGC for further scrutiny. Additionally, the RA sends an email to the PI/PD notifying him/her of the award and any changes in the award from the proposal. The PI/PD is to notify OSP/RA if he/she has chosen not to proceed with the award. If such notification is not submitted to OSP/RA, the assigned RA will proceed with the award acceptance process. Upon receipt of the fully executed agreement, the RA begins the award set-up process and forwards it to GCA for final processing. In the event the PI/PD wishes not to accept the award, the RA notifies the sponsor.
- **OSP/RA Manager:** After the RA reviews the award and all necessary negotiations are complete, the OSP/RA Manager may approve and sign grants and cooperative agreements, and subsequent amendments, on behalf of Howard University.

Academic Department

- **Principal Investigator/Project Director (PI/PD):** The Principal Investigator/Project Director determines if the award is in his/her best interest to accept and contacts OSP/RA for guidance regarding agreements. The PI/PD emails the RA in the event he/she wishes not to accept the award.

Office of the General Counsel:

- **Office of the General Counsel (OGC):** An individual attorney in OGC is assigned to conduct a legal review of agreements received from OSP/RA. When the review is complete, OGC returns the agreement to OSP/RA with a memorandum that highlights recommended changes. If necessary,

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OSP/RA negotiates the agreement with the sponsor. If an impasse occurs in the negotiation, OSP/RA requests OGC's assistance.

Grants and Contracts Accounting (GCA):

- **GCA Accountant:** When the accepted and signed award notification documentation is received from OSP/RA, the GCA Accountant finalizes the set-up of the project award in the university accounting system or adds incremental funding to an existing account for the project. The GCA Accountant notifies the PI/PD when the account is established or the incremental funding has been processed.

Related Processes/Events:

- Subcontract Execution and Approval Policy
- Intellectual Property Policy
- Cost Sharing Policy
- Award Acceptance & Set-up Procedure
- Advance Accounts & Pre-Award Spending Policy
- Proposal Development & Submission Policy

Forms and Links

- OVPRC Website: <http://ovprc.howard.edu>
- Budget Recommendation Form
- Award Transmittal Notice Form