

7.E Sponsored Projects

7.E.1 Initial Steps

The research associate deans (RADs) or school or college research director and the ORSP project representatives assist faculty in identifying potential sponsors and planning proposals for particular sponsors and in anticipating issues that must be considered before the proposal is written. In preliminary discussions with sponsors, faculty members are requested not to discuss or propose indirect cost arrangements. After a potential sponsor is selected, the RAD or research director and the project representative ensure that the sponsor's requirements and University policies are met, and advise on handling of space, equipment, and personnel in the proposal. Some expenses of proposal preparation, such as artwork, reproduction, and mailing, are covered by the ORSP budget. For more information, see "[Develop Proposal](#)" available from the U-M ORSP research website.

If a preliminary proposal is submitted to a sponsor without being processed through the established review procedures, the project director should make clear to the potential sponsor that any agreement becomes binding for the University only when it is approved in the formal review process. In some instances, funds meant to support a project may be required to be treated as a sponsored project even if the source of support is a gift. ORSP and Corporate and Foundation Relations (CFR) have developed an agreement for properly identifying the nature of the funds. See "[Characteristics of a Sponsored Project](#)."

7.E.2 Budget Planning and Preparation

The project director (sometimes referred to as principal investigator) has primary responsibility for budget planning in consultation with the RAD/department chair/school or college research director. Budgets for all sponsored proposals are subject to review by ORSP, and staff members are available to assist in the budget projection. All project budgets need to comply with cost accounting standards (see section [7.C.4](#) "Cost Accounting Standards") as outlined by the federal government. Detailed advice is available from ORSP project representatives and on the U-M research website—see [Budget Planning and Preparation](#).

7.E.3 Submission of Proposals

Bylaw [3.07](#) requires that every grant proposal and contract application be submitted to the appropriate University channels for approval before being sent to the proposed sponsor (see [Proposal Preparation and Submission](#)). This ensures that its provisions are consistent with policies of the University and the State of Michigan. Faculty should check with the RAD or school or college research director for procedures and policies concerning unit-level approval. ORSP assists project directors in carrying out this obligation by checking that all sponsor requirements are fulfilled, reviewing the proposed budget, and routing the completed proposal through University channels for the required signatures. The procedure for processing a proposal is detailed on the [Proposal Approval Form](#) (PAF), an internal form that should accompany any proposal on its way through University channels.

ORSP recommends allotting **five working days** to complete the process of reviewing the budget and obtaining signatures and other certifications required before a proposal can be submitted. Individual

schools and colleges also have guidelines for appropriate timing of processing and approving proposals within the unit and before a proposal is submitted to ORSP. Faculty should notify their RAD or school or college research director and ORSP project representative as early as possible that a proposal will be submitted for a particular deadline. More information about proposal requirements is available at the U-M research website (see [Proposal Preparation and Submission](#)).

7.E.4 Acceptance of Proposals and Funding

Faculty members may neither sign contracts nor accept grants in the name of the University. Most grants and all contracts and subcontracts issued to the University require signatures of both the sponsor and the University. Generally, contracts are prepared by the sponsor; forwarded to the University for review, negotiation, and signature; and then returned to the sponsor for signature. Only the executive vice president and chief financial officer and his or her specially designated alternate can sign a contract on behalf of the Regents.

7.E.5 Material Transfer Approval Form

When materials, such as biological or chemical compounds, equipment, or prototype are to be used in research projects, companies or others with a proprietary interest in these materials may be willing to transfer them to the University without charge with the stipulation that agreements be signed in exchange for the transfer to protect proprietary interests. See [Materials Transfer Agreements](#). A Materials Transfer Approval Form should be submitted to secure the approval/endorsement of appropriate University officials for such transfers. Faculty members and department heads do not have the authority to accept transfer agreements. Depending on the kind of material being transported, there may be regulations governing proper containers and handling. Contact Occupational Safety and Environmental Health (OSEH) for guidance.

7.E.6 Project Administration

Once a faculty member has obtained funding for a sponsored project, the unit administrator and ORSP staff members assist with matters related to personnel, space, equipment, and services. As noted in section [7.B.3 "Financial Operations"](#) provides the business services needed for the financial administration of sponsored projects. See the website at www.finops.umich.edu/programs.

The project director has primary responsibility for the management of all expenditures under his or her sponsored projects. The department, research unit, and school or college also share in that responsibility. Departments/units will be required to replace any funds that are found to have been spent in a manner inconsistent with University policies or sponsors' restrictions and are responsible for any cost overruns.

7.E.7 Cessation of Funding

Appointments of faculty to positions paid in whole or in part from grants or limited-term contracts are subject to specific provisions in the event that these funds cease. Those who are tenured or who are in the middle of a term appointment and held full- or part-time positions paid from general University funds

before the outside funding ceased are restored to the status of the prior appointment, either with tenure or for the remainder of the term of that appointment and at the appropriate salary for the appointment in that unit. The appointments of individuals brought to the University to perform duties paid for from limited-term funds are terminated on the cessation of those funds unless the individuals have received other appointments.

Nothing prohibits a department from recommending a new appointee to a tenure grade within the instructional faculty and assigning this individual immediately to duties payable from limited-term funds. If these limited-term funds become no longer available, the department will be responsible for providing an assignment and salary for the duration of the individual's appointment (bylaw [5.08](#)).

Members of the research faculty who are supported by grants and contracts may be provided financial bridging support during gaps in the funding of their projects. The term and amount of such support are determined by the unit, department, or the UM Office of Research (UMOR). This site includes a table that outlines bridging support eligibility according to rank and years of service at the University. See also section [5.M "Cessation of Funding for Appointments Supported by Grants and Contracts."](#) Assistance may also be requested from the UM Office of Research. In general, the criteria for support are length of service at the University, resumption of funding at the end of the bridging period, importance of the research to the unit, endorsement of the dean or director, and availability of funds.