

**UWEX COOPERATIVE EXTENSION  
OFFICE OF BUDGET AND FINANCE  
GUIDELINES FOR SUBMISSION AND ADMINISTRATION  
OF EXTRAMURAL AWARDS**

**REVISED MAY 13, 1997**

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**I. BASIC STEPS AND MAJOR PLAYERS: AN OVERVIEW OF THE SUBMISSION AND ADMINISTRATION OF EXTRAMURAL AWARDS**

**A. THE FUNDER:**

The process begins with the funding agency, which may request award proposals formally by publishing a written "Request for Applications", or informally, as a result of direct contact with the principal investigator.

**B. UWEX FACULTY AND STAFF:**

The principal investigator, consulting with the Program Leader, District Director, and departmental staff, and assisted by the CES Budget Office, develops the proposal, builds a budget representing the proposal's plan of work, and generally coordinates the efforts of the proposal team. Once a project is funded, the principal investigator assumes responsibility for the programmatic progress and financial administration of the project.

**C. CES BUDGET OFFICE:**

This office is responsible for the fiscal integrity of the systems supporting the Gifts and Grants area in CES. It also functions as a liaison between CES Program Areas, Departments, and Districts, and the other institutional units in the administrative "chain" (this includes the UWEX Budget Office, UWEX Business Services Office, and the financial arm of Research Administration). When appropriate, the CES Budget Office can be the financial liaison between the principal investigator and the extramural funder. The CES Budget Office is available during the proposal submission process as a resource to provide budget and fiscal support to the project team as the proposal evolves.

**D. UWEX BUDGET OFFICE:**

The UWEX Budget Office, on behalf of the Chancellor of Extension, reviews the proposal for compatibility with UWEX plans, policies, and regulations.

**E. OFFICE FOR RESEARCH AND SPONSORED PROGRAMS:**

This is a UW System office that acts as agent for the UW Board of Regents in the submission and acceptance of non-SMITH-LEVER extramural awards.

**F. UWEX BUSINESS SERVICES OFFICE:**

Once an award has been received, the UWEX Business Services office becomes a prime contact in the administration of the grant or contract.

## **II. PROCEDURES FOR FEDERAL FUNDING:**

### **A. COOPERATIVE STATE RESEARCH, EDUCATION AND EXTENSION SERVICE, USDA/SMITH-LEVER (143- FUND)**

#### **1. FOLLOW THESE STEPS FOR SMITH-LEVER APPLICATION:**

- a. Obtain the CSREES-USDA "Request for Applications" (RFA). CSREES-USDA publishes the RFA which includes guidelines and the Federal Application Submission Package, standard forms which accompany the narrative sections of the application. All CSREES USDA grant applications must use the standard forms. If the information received from Washington suggests that these forms are not needed for award application, consult with the CES Budget Office to confirm the submission requirements. Provide a copy of the RFA to the CES Budget Office before proposal and budget development begins.
- b. Develop programmatic materials and a budget that represents the project's plan of work. Confer with the Program Leader, District Director, and CES Budget Office in the early stages of proposal planning. Experience demonstrates that more time allowed for careful review before a deadline results in a better overall product. Specific budget issues to note and to discuss with the CES Budget Office include the following:
  - indirect costs are not charged to Smith-Lever budgets;
  - salaries and the fringe benefits rate may increase over the life of the project;
  - the fringe benefits rate is adjusted in Smith-Lever budgets to comply with federal regulations;
  - cost sharing must be discussed with the CES Budget Office.

The project budget is entered on the "BUDGET" form provided in the Federal Application Submission Package.

- c. Submit for review the required number of copies (plus one for CES Budget Office files) of the application and a draft cover letter to accompany the proposal. Allow at least ten working days for administrative review and approval by the State Extension Director (Dean of Cooperative Extension, Carl O'Connor). The first review, by the CES Budget Office, is for completeness, for compliance to specifications, and for budget accuracy. The CES Budget Office forwards the proposal package to the Dean/State Extension Director for review. Following the approval and signature of the Director, the signed application is returned to the CES Budget Office which sends it (by mail, express, or fax, depending on the due date) to CSREES USDA.

2. RECEIPT OF THE SMITH-LEVER AWARD:

- a. After written confirmation of the award is received from CSREES USDA, the CES Budget Office assigns a 143- fund account number to the project and notifies the principal investigator of the new charge number. The assignment of this number signals approval to use the account number to begin incurring expenses for project activities.
- b. The principal investigator receives a monthly accounting report (called the Accounting Control Ledger Statement) which reflects the project budget (federal funds committed) and the expenditures on this 143- account. The principal investigator is responsible for regular review of expenses and for notifying the CES Budget Office about corrections to the Control Ledger Statements. The CES Budget Office is available to answer questions throughout the project period. UWEX Payroll and Business Services offices will be consulted for specific payroll and purchasing issues.
- c. Requests for budget revisions or for extensions to the grant period should be submitted to CSREES USDA through the CES Budget Office.
- d. Narrative progress reports are the responsibility of the principal investigator. Financial reporting on Smith-Lever awards is the responsibility of the CES Budget Office.

**B. OTHER FEDERAL AGENCIES (144- FUND)**

1. FOLLOW THESE STEPS FOR FEDERAL FUNDING OTHER THAN SMITH-LEVER:

- a. Obtain the granting agency's "Request for Application" (RFA). Federal agencies generally provide their own application forms, program specifications, and budget guidelines. Provide a copy of the RFA to the CES Budget Office before proposal and budget development begins.
- b. Develop programmatic materials and a budget that represents the project's plan of work. Confer with the Program Leader, District Director, and CES Budget Office in the early stages of proposal planning. Experience demonstrates that more time allowed for careful review results in a better overall product. Consider these budget issues:

- indirect costs - Charge 29% on direct costs if more than 50% of project activity will take place on the UW-Madison or UW-Milwaukee campus. If more than 50% of the project activity will take place AWAY FROM the UW-Madison or UW-Milwaukee campuses, use the "off-campus" rate of 26%. If the funding agency has a written policy on reimbursement of indirect costs at a lower rate, obtain a copy of this statement and consult the CES Budget Office;
  - salaries and the fringe benefits rate may increase over the life of the project;
  - matching requirements must be discussed with the CES Budget Office.
- c. Submit for review the required number of copies (plus one for CES Budget Office files) of the application and a completed Transmittal Form. Allow at least ten working days for administrative review, for divisional and institutional approvals, and processing and submission by Office for Research & Sponsored Programs. The first review, by the CES Budget Office, is for completeness, for compliance to the agency's specifications, and for budget accuracy. Following approval by the Dean of CES, the CES Budget Office forwards the application to the UWEX Budget Office for institutional review. After institutional approval, Office for Research & Sponsored Programs (ORSP) submits the award package to the Federal agency.

## 2. RECEIPT OF THE FEDERAL AWARD:

- a. Office for Research & Sponsored Programs receives notification of the award and the award agreement. CES and the UWEX Budget Office participate in a review, and either signal their acceptance, or request modification to the agreement. If accepted, Office for Research & Sponsored Programs signs and returns the award agreement to the funding agency.
- b. If the project involves cost-sharing, Office for Research & Sponsored Programs requires completion of the Extramural Support Cost-Sharing Information Sheet for each individual identified as match in the project budget. With this information, a system report called the PAR (Personnel Activity Report) is generated to record and certify the required match. The CES Budget Office assists the principal investigator with the Cost Sharing Information Sheet.

- c. Office for Research & Sponsored Programs notifies the principal investigator that a 144- fund account number has been assigned to the project via the Regent Notice, a one- page summary of the project. Project expenses are coded to this account, and reported on a monthly Accounting Control Ledger Statement. The principal investigator is responsible for regular review of expenses and for notifying the CES Budget Office about corrections to the Control Ledger Statements. The CES Budget Office is available throughout the project if questions arise. UWEX Payroll and Business Services offices will be consulted for payroll and purchasing issues.
- d. The actual arrival of the revenue depends on the terms of the agreement. If a payment schedule and amounts are specified, Office for Research & Sponsored Programs invoices accordingly. If the terms are cost reimbursement, ORSP reports expenses to the funders directly from the Accounting Control Ledger Statements. The need for ensuring the accuracy of the Control Ledger Statements is obvious here.
- e. If it is necessary to revise the budget or request an extension to the project period, contact the CES Budget Office. Inform ORSP if there are changes to the budget or project period via a Transmittal Form with supporting materials (new budget, correspondence, etc.) attached. Submit the Transmittal Form to the CES Budget Office which will send it through regular channels (to UWEX Budget Office and Office for Research & Sponsored Programs).

**C. FEDERAL "PASS-THROUGH" (144- FUND) - THE SOURCE OF THE EXTRAMURAL AWARD IS FEDERAL FUNDING PASSED THROUGH A STATE OR LOCAL AGENCY.**

1. FOLLOW APPLICATION PROCEDURES DESCRIBED IN II.B. "OTHER FEDERAL AGENCIES".
2. FEDERAL PASS-THROUGH BUDGETS REQUIRE A 15% INDIRECT COST RATE. IF THE FUNDING AGENCY'S HIGHEST ALLOWABLE RATE IS LESS THAN 15%, OBTAIN A WRITTEN COPY OF ITS INDIRECT COST REIMBURSEMENT POLICY AND CONSULT THE CES BUDGET OFFICE.
3. UPON RECEIPT OF THE AWARD, OFFICE FOR RESEARCH & SPONSORED PROGRAMS ASSIGNS A 144- FUND ACCOUNT NUMBER, INDICATING THAT THE FUNDING ORIGINATES IN A FEDERAL AGENCY EVEN THOUGH IT IS DIRECTLY AWARDED BY A STATE, COUNTY, OR PRIVATE AGENCY. THE PRINCIPAL INVESTIGATOR RECEIVES NOTIFICATION OF THE PROJECT'S NEW ACCOUNT NUMBER VIA THE REGENT NOTICE.

**III. PROCEDURES FOR NON-FEDERAL FUNDING: THESE AWARDS CAN BE GIFTS, GRANTS, OR CONTRACTS.**

**A. GIFTS - THIS TYPE OF EXTRAMURAL SUPPORT IS UNRESTRICTED. THERE ARE NO REPORTING REQUIREMENTS OR TIME LIMITS ON EXPENDITURE OF THE FUNDS, THERE ARE NO PROVISIONS FOR PUBLICATION OF DATA FROM THE PROJECT ACTIVITY, AND THE DONOR DOES NOT RETAIN RIGHTS TO PATENT OR COPYRIGHT.**

1. TO ESTABLISH A SINGLE SOURCE GIFT ACCOUNT (133- FUND):
  - a. Provide to the CES Budget Office a letter from the donor which confirms the criteria detailed in III.A. and states the exact dollar amount of the gift. Submit this letter and any checks from the funder with a completed Transmittal Form. Project budgets are not required for gift submissions, but an internal budget is recommended. Indirect costs are not charged on gifts.
  - b. After divisional (CES) and institutional (UWEX) review and approval, Office for Research & Sponsored Programs assigns a 133- fund account number, establishes a budget (the amount of the gift as stated on the Transmittal Form) and notifies the principal investigator via the Regent Notice (a summary of project information including the new 133- account number) of official acceptance of the gift. Receipt of the notice authorizes spending for project activities on this account.
  - c. Additional checks should be forwarded immediately to the CES Budget Office and will be sent to the Office for Research & Sponsored Programs for recording and deposit. Each month the principal investigator receives an Accounting Control Ledger Statement reporting expenses for this account. Expenses may not exceed the budget level. Gift accounts are not closed at the end of the fiscal year. If there is a balance remaining, it will be carried into the new year.
2. MULTIDONOR GIFT ACCOUNT (133- FUND) - This type of account consolidates donations from more than one source. All criteria for gifts apply (refer to III.A.).

- a. Establish the account with the first donation check, accompanied by a Transmittal Form. On the Transmittal Form, Item #1 reads "MULTIDONOR" and the name and address of the donor. Item #4 (Project Title) describes the specific purpose for expenses charged to the account. In Item #5, check "NEW" for the first check submitted and "SUPPLEMENT TO" on Transmittal Forms completed for subsequent checks. Submit checks through divisional and institutional channels, starting with the CES Budget Office. The Office for Research & Sponsored Programs assigns a 133- fund account number to which expenses will be coded. The principal investigator receives the Regent Notice confirming the project's new account number and "MULTIDONOR" status. Each additional donation check will ADD to the "BUDGET" amount which is reported on the Control Ledger Statement for this account number. At the end of the fiscal year, remaining balances carry into the new year.
  - b. There is no budget requirement for multidonor accounts and no indirect costs are charged.
3. TRUST FUND - This is a type of gift account in which there is little or no spending activity. It is an interest-generating 161- fund account and balances cannot fall below a certain level. Consult the CES Budget Office for details.
4. GIFT-IN-KIND - This is a contribution of real or personal property. Consult the CES Budget Office regarding procedures for this type of donation.

**B. GRANT (133- FUND) - THE SOURCE OF FUNDING IS A STATE, LOCAL, OR PRIVATE AGENCY.**

1. GRANT APPLICATION - The grant relationship implies a mutual joining of interests between the extramural grantor and CES to pursue a common objective. Steps for application are similar to those detailed in II.B. More briefly, they are the following:
  - a. Obtain the agency's "Request for Application" (RFA). Provide a copy of the RFA to the CES Budget Office before proposal and budget development begins.
  - b. Develop programmatic materials and a proposal budget that represents the project's plan of work. The CES Budget Office can assist the proposal team with issues relevant to the specific grant as well as these generic budget issues:

- indirect costs - Charge 29% on direct costs if more than 50% of project activity will take place on the UW-Madison or UW-Milwaukee campus. If more than 50% of the project activity will take place AWAY FROM the UW-Madison or UW-Milwaukee campuses, use the "off-campus" rate of 26%. If the funder has a written policy on reimbursement of indirect costs at a lower rate, obtain a copy of this statement and consult the CES Budget Office;
  - salaries and the fringe benefits rate may increase over the grant period;
  - matching requirements must be discussed with the CES Budget Office.
- c. Submit for review the required number of copies (plus one for CES Budget Office files) of the grant application and a completed Transmittal Form. Allow at least ten working days for administrative review, for divisional (CES) and institutional (UWEX) approvals, and processing and submission to the granting agency by the Office for Research & Sponsored Programs.

2. RECEIPT OF THE GRANT:

- a. The granting agency sends the Office for Research & Sponsored Programs notification of the award and the grant agreement. UWEX and CES Budget Offices review the agreement and either signal their acceptance, or request modification. If accepted, ORSP signs the grant agreement.
- b. If the project involves cost-sharing, ORSP requires completion of the Extramural Support Cost-Sharing Information Sheet for each individual identified as match in the project budget. The CES Budget Office assists the principal investigator with the Cost Sharing Information Sheet.
- c. ORSP assigns to the project a 133- fund account number and confirms receipt of the award and the new project number via the Regent Notice which is sent to the principal investigator. Grant expenses are coded to this account, and reported on a monthly Accounting Control Ledger Statement. The principal investigator is responsible for regular review of expenses and for notifying the CES Budget Office about corrections to the Control Ledger Statements. UWEX Payroll and Business Services offices will be consulted for payroll and purchasing issues.
- d. ORSP invoices the funding agency according to the terms of the agreement. If the terms are cost reimbursement, ORSP reports expenses to the funders directly from the Accounting Control Ledger Statements.

- e. Inform ORSP if there are changes to the budget or grant period via Transmittal Form with supporting materials (new budget, correspondence, etc.) attached. Submit the Transmittal Form to the CES Budget Office which will send it through regular channels (to UWEX Budget Office and ORSP).

**C. CONTRACT (133- FUND) - THE CONTRACTING PARTY IS A STATE, LOCAL, OR PRIVATE AGENCY.**

1. CONTRACT PROPOSAL PREPARATION - This agreement involves the procurement of specific goods and/or services by one party (or parties) and the delivery of these by the other(s). Contracts can be fixed price or cost reimbursement. When CES submits a contract proposal to a funder, the procedures are similar to submission of a non-federal grant proposal:

- a. Obtain the contractor's written specifications. Provide CES Budget Office with a copy of the specifications.
- b. Work with the CES Budget Office during proposal and budget development. Address the following budget issues:
  - indirect costs - 29% (or 26% "off-campus" rate if more than 50% of the project activity will take place away from UW-Madison or UW-Milwaukee campuses) is charged on direct costs unless the contractor has a written policy on reimbursement of indirect costs at a lower rate - obtain a copy of this statement and consult the CES Budget Office;
  - salaries and the fringe benefits rate may increase over the contract period;
  - cost sharing must be discussed with the CES Budget Office.
- c. Submit for review the required number of copies (plus one for CES Budget Office files) of the contract proposal and a completed Transmittal Form. Allow at least ten working days for administrative review, for divisional (CES) and institutional (UWEX) approvals, and processing and submission to the contractor by the Office for Research & Sponsored Programs.

2. AWARD OF THE CONTRACT - Before forwarding to the Office for Research &

Sponsored Programs for signature, CES and UWEX Budget Offices will review the contract for inclusion of the following:

- a. Project title and reference numbers;
- b. Clearly stated contracting parties, i.e. the Board of Regents of the University of Wisconsin System (on behalf of UWEX Cooperative Extension) and the sponsoring agency or firm;
- c. Name of principal investigator and program area;
- d. Description of the work, including location of project, and specification of deliverables;
- e. Beginning and ending dates of the project;
- f. Dollar amount of the total budget; budget detail by approved categories; indirect cost rate as separate budget line item;
- g. Type: fixed-price or cost reimbursement;
- h. Cost-sharing requirements, if applicable;
- i. Reference to prior approval requirements;
- j. Description of invoicing procedures and requirements;
- k. Reporting and auditing requirements (fiscal and programmatic);
- l. Patent conditions;
- m. Property provisions;
- n. Contract termination or modification provisions;
- o. Required language covering safety and health, drug-free workplace, lobbying, equal opportunity, statutory work standards.