



Frequently Requested Information about Proposal Development and Award Management

**Fiscal Year 2022
July 1, 2021 – June 30, 2022**

(Updated: April 2022)

Office of Sponsored Projects

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Office of Sponsored Projects

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INSTITUTIONAL INFORMATION

Applicant Organization: The Arizona Board of Regents for and on behalf of Northern Arizona University is the entity legally authorized to submit proposals and to enter into agreements.

Fiscal Officer:

Checks should be made payable to Northern Arizona University, and sent to:

Sponsored Receivables
PO Box 4080
Flagstaff, AZ 86011-4080.

Organization Type

NAU is a public entity, an Institution of Higher Education in the State of Arizona subject to the Arizona Board of Regents (ABOR) and the laws of the State of Arizona. NAU is authorized under ARS § 15-1626 to enter into agreements. As an AZ public entity/instrumentality, NAU is a non-profit organization that is exempt from taxes under the Internal Revenue Code (IRC), codified at 26 U.S. Code § 115.

Federal and State Identifying, Compliance/Assurance Numbers

US Congressional District	AZ-001
NSF Fastlane Zip Code for Primary Place of Performance	860110001 (use nine-digit code without dashes)
County	Coconino
State Legislative District	Sixth
AZ Employer Identification Number	A416
AZ State Sales Privilege Tax Identification Number	03-011997-K
Animal Welfare Assurance Number	A3908-01 Effective 07/01/2014 to 07/31/2022
Corporate and Government Entity (CAGE) Code	2F318
Data Universal Numbering System (DUNS #)	80-634-5542
System of Award Management (SAM)	Valid until 12/07/2022
Federal Employer Identification (EIN, TIN, or IRS #)	74-2579628 (for NIH: 1-742579628-A5)
Federal Interagency Committee on Education (FICE Code)	001082
Federal Wide Assurance Number: (FWA)(Human Subjects)	FWA00000357 (expires 12/23/2026)
IRB Registration Number:	00001180
DHHS OHRP IORG #	IORG0000822
U.S. Department of Education NCES #	105330
NSF Institution Number	0010827000
DHHS Institutional Profile File (IPF) Code	482601
USDA DHHS Payment Management System (PMS) PIN #	9M99P
NAU's ASAP Recipient ID	0445902
North American Industry Classification System (NAICS)	611310 for colleges, universities and professional schools
OPEID # The OPE (Office of Postsecondary Education) ID is used by the Department of Education for federal student financial aid eligibility purposes.	00108200 (The OPEID # is an 8-digit number. The first 6 digits of the OPE ID identify the main campus. The last 2 digits represent branch campuses or additional locations. For the main campus the last 2- digits will always be "00".)

BUDGET INFORMATION

Typically, budgets are computed on a 12-month basis. Your budgets must contain both Direct Costs and Indirect Costs (Facilities & Administrative costs), but the level of detail required varies from sponsor to sponsor. All your proposals to Federal agencies need to be in accordance with the Office of Management and Budget (OMB) regulatory guidelines contained in the Uniform Guidance (2 CFR Part 200); for “quick lists” and detailed guidance to help in preparing proposals and managing awards, go to <https://in.nau.edu/osp/uniform-guidance/>.

Direct Costs and Indirect Costs. The two main categories in your budget are direct costs and indirect costs (also called facilities and administrative costs, or F&A). **Direct costs** are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy (UG, § 200.413).

Examples of direct costs include salaries and wages of investigators, research associates, technicians, post-docs, and graduate students; employee related expenses (fringe benefits); capital equipment such as computers and instruments; travel to collect data and present the research results; participant support; materials and supplies such as laboratory supplies; subawards with collaborating institutions that are responsible for part of the scientific or programmatic work; and other direct costs such as publication costs, research equipment repair and maintenance, long distance phone charges, animals and animal care costs; specialized machine shop costs; and consultants.

Indirect costs are costs that are incurred for common or joint objectives and which therefore cannot be identified readily and specifically with a particular cost objective (UG, § 200.56). These costs are not itemized in the proposal budget but are represented as a percentage of total direct costs (TDC) or modified total direct costs (MTDC). The indirect cost rate that will be used for the proposal is determined by the type of project that is proposed; i.e., research, instruction, public service/other; and whether the project is performed on- or off-campus.

Examples of indirect costs include building and equipment depreciation and use allowance; general administration; departmental administration, research management and sponsored project administration; interest; operation and maintenance expenses; library expenses; and student administration and services expense. Examples of expenses that are not usually allowable in proposals include general purpose office supplies (pens, pencils, paper, staples, toner cartridges, printer paper, etc.), general office equipment like copiers and fax machines, basic telephone service, routing postage, etc. Most federal agencies and other sponsoring organizations pay the university for indirect costs in addition to the direct costs of a grant or contract award.

Salaries and Wages

Faculty and staff wage rates are calculated based on the appointment period. Faculty contracts are typically 9-month academic year appointments whereas service professional contracts are renewed annually based on the July 1st to June 30th fiscal year. Use the following table to calculate hourly, daily, or weekly rates:

Academic/Summer/Fiscal/Calendar Year Work Period Calculations

Academic Year:	8.77 mos.	38 weeks	190 days	1,520 hours
Summer:	3.23 mos.	14 weeks	70 days	560 hours
Fiscal/Calendar Year:	12 mos.	52 weeks	260 days	2,080 hours

Faculty and exempt staff salaries on sponsored projects must be paid as buy-out or release salary unless supplemental compensation is specifically allowed by the program and applicable terms and conditions of the award.

A special note about administrative costs. In accordance with the *Uniform Guidance*, §200.413, administrative and clerical staff salaries should normally be treated as indirect (F&A) costs. However, direct charging of these costs *may be* appropriate if *all* of the following conditions are met: the services are integral to the project or activity; the individuals can be specifically identified with the project or activity; the costs are explicitly included in the budget or have the *prior* written approval of the awarding agency; and the costs are not also recovered as indirect costs. If you believe these services are integral to your project or activity, discuss including the costs as part of budget development discussions with your grant administrator.

Employee Related Benefits (ERE); (Fringe Benefits)

Employee-related expenses (ERE) are rounded estimates based on the projected cost of health, dental, life, disability, FICA and Medicare, unemployment, and retirement benefits relative to the employee's salary and/or wages, FTE, and election of benefits. The employees ERE rate is calculated by dividing his/her salary by the total cost of his/her benefit package. A benefit rate calculator is available for these calculations: <https://in.nau.edu/osp/forms-worksheets-tools/>. All voluntary benefits, including health, dental, vision, etc. are calendar year benefits (January 1 to December 31).

Non-benefit eligible employees (part-time temporary) receive the following benefits:

Workers' Comp. (0.37%) (Effective: 7/1/2019); FICA-OASDI (6.2% on the first \$118,500 earned for a maximum of \$7,347, effective 1/1/2015); Medicare (1.45%) (no limit); and State Unemployment (0.3% of the first \$7,000 earned in a calendar year up to a maximum of \$21 annually, effective: 1/1/2015). **Note:** State Unemployment information applies only to employees who work for NAU in Arizona; rates vary from state to state.

Benefit-eligible employees receive the following additional benefits (FY20):

Retirement	Optional Retirement Plans (ORP) (TIAA-CREF, Fidelity)	7.0%
	AZ State Retirement System (ASRS)	11.94%
	PSPRS (Public Safety Personnel Retirement System)	11.65%
Health	BCBS	\$19,508 (Family) \$15,634 (Employee + 1) \$7,770 (Single)
For budget calculations, escalate health insurance costs 5% annually		
Dental	Delta	\$164 (Family) \$119 (Employee + 1) \$60 (Single)
For budget calculations, escalate dental insurance costs 5% annually		
Long-term Disability	ORP	0.27%
	ASRS	0.17%
Basic Life	\$0.69 per pay period (\$18.01 per year)	
Retiree Sick	0.4% (Funds are used to reimburse retiring employees for unused sick leave.)	

Students (graduate and undergraduate) who are enrolled full time are eligible for worker’s compensation. If the student is *not* enrolled full time, the student also is eligible for FICA and Medicare benefits. Typically, students are enrolled full time during the AY (fall and spring) but part time or not at all during the summer.

Graduate Research Assistant (GRA) Compensation and Benefits: A GRA appointment is a professional appointment, which is compensated based on either an academic year (38 weeks) or a semester (19 weeks); it is not an hourly wage position. If a student is funded by more than one project, benefits should be charged proportionately to each sponsor.

Graduate Research Assistants (GRAs) are eligible for tuition and insurance benefits. Full-time GRAs (20 hours per week) receive a 100% tuition remission benefit (calculated at the in-state rate); part-time GRAs (10 to 19 hours per week) receive a 50% tuition remission benefit (calculated at the in-state rate). Student fees are not included in the GRA tuition benefit. Only full-time (20 hours per week), GRAs receive the insurance benefit.

Period	Hours per Week	Tuition Benefit	Insurance Benefit
AY 2019-2020	Full time = 20 hrs./week (0.5 FTE) 100% tuition benefit	\$10,480/year \$5,240/semester	\$2,597 full year \$979 fall \$1,618 spring/summer
	Part time = 10-19 hrs./week 50% tuition benefit	\$5,240/year \$2,620/semester	No insurance benefit
	Less than 10 hours per week	No tuition benefit	No insurance benefit
For budget calculations, escalate tuition and insurance costs 5% annually.			

Specific information about GRA compensation and benefits is available from the [NAU Graduate College](#). The manual contains additional information about payments, including minimum levels.

Participant Support: The sponsoring agency provides funds to the university to conduct a workshop, conference, seminar, symposia or other short-term training or information sharing activity. A participant is not involved in providing deliverables to NAU or to a third party. A participant would not be terminated or replaced if they did not perform certain services. Participants in the activity may be paid for that participation if such payments are in the approved budget. Contact the assigned Fund Manager or Post Award Administrator for assistance in determining if a participant payment is appropriate. Further details may be found at <https://in.nau.edu/osp/participant-support-costs/>.

Professional Service Costs (e.g., Consultants): Consultants are independent contractors that provide expertise or a service to a particular project, and who (for federal awards) are not officers or employees of the university. See 2 CFR §200.459 for specific guidance. Consultant pay should be listed under services rather than included in the salaries and wages category.

Equipment: NAU defines equipment as movable tangible property having a life expectancy of one year or more and a unit cost of \$5,000 or more. NAU also distinguishes between equipment acquisition and equipment fabrication, consult with your grant administrator if you will be fabricating equipment to assure that the component parts are not included in the F&A base. See CMP 130: “Capitalization and Depreciation” for additional information on NAU’s equipment policy available at <https://nau.edu/university-policy-library/comptroller-policies/>.

Travel: Travel rates are available at <https://nau.edu/comptroller/travel-welcome/> Vehicle rental rates are available from Transportation Services <https://in.nau.edu/facility-services/>.

Procurements: Under the Arizona Revised Statutes, procurements require the following documentation. If the purchase is for less than \$25,000, no formal quotes or bids are required, but NAU requires written justification for the offer; if the purchase is from \$25,000 to \$49,999, then e-mail, phone, or fax quotes, or informal written bids must be obtained and the results documented; if the request is for \$50,000 or more, then a Request for Proposal (RFP) stipulating sealed bids is required. Procurement subcontracts should not be used to transfer programmatic effort to another institution. Consult Purchasing for specific guidance related to your proposal: <https://in.nau.edu/contracting-purchasing-services/>.

Subawards are used to transfer programmatic effort to a collaborator. Agreements are negotiated by OSP and a signed agreement or modification is required prior to issuing or increasing the amount of a purchase order.

Facilities & Administrative Cost Rates (Also called F&A, Overhead, and Indirect Costs): Cognizant Agency: U.S. Dept. of Health and Human Services (DHHS). DHHS Representative: Helen Fung, 415-437-7820.

NAU received a rate extension on March 16, 2017 for a four-year period ending June 30, 2021.

Effective Period					
Type	From	To	Rate (%)	Location	Applicable to:
PRED.	07/01/2015	06/30/2021	52.0	On-Campus	Organized Research
PRED.	07/01/2015	06/30/2021	26.0	Off-Campus	Organized Research
PRED.	07/01/2015	06/30/2021	51.2	On-Campus	Instruction
PRED.	07/01/2015	06/30/2021	26.0	Off-Campus	Instruction
PRED.	07/01/2015	06/30/2021	30.9	On-Campus	Other Sponsored Activity
PRED.	07/01/2015	06/30/2021	26.0	Off-Campus	Other Sponsored Activity

Important: Use Approved Rates. The university’s policy is to request NAUs federally approved rates unless a different rate has been stipulated by the sponsor in writing (documentation is required). Exceptions (waivers or reduction of F&A) are VERY RARE and must be approved in writing by the Chair(s), Dean(s)/Director(s), and Vice President for Research. *Requests must be submitted at least two weeks prior to the proposal deadline.*

When is use of the off-campus rate (26% MTDC) appropriate? According to NAU’s rate agreement, “The off-

campus rate is applicable to those projects conducted in facilities not owned or leased by the University. However, if the project is conducted in leased space and lease costs are directly charged to the project, then the off-campus rate must be used. A project is considered off-campus if more than 50% of its salaries and wages are incurred at an off-campus facility. If a project is determined to be off-campus, it shall be considered wholly off-campus. Separate on and off-campus rates will not be used for a single project.”

Based on this definition, the following conditions MUST be present to use the off-campus rate:

- The project is conducted in leased space and lease costs are directly charged to the project, OR
- More than 50% of the NAU salaries and wages are incurred at an off-campus facility.

The following conditions cannot be used to justify an off-campus rate:

- Fieldwork that is conducted in and around Flagstaff, with the ability to return to campus each day.
- Use of non-NAU temporary employees hired, e.g., for fieldwork out of country.

Statement for use in budget justifications:

The Modified Total Direct Cost (MTDC) base has changed for proposals and awards subject to the Uniform Guidance, and now includes participant costs. Use the following statement in proposals:

Indirect costs are requested at the (for example) 52.0% MTDC on-campus research rate in accordance with Northern Arizona University's approved Colleges and Universities Rate Agreement (March 16, 2017) (Cognizant Agency: U.S. Dept. of Health and Human Services). The MTDC base consists of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward and subcontract in excess of \$25,000.

Note: in contrast to the MTDC base used for awards subject to the Uniform Guidance, the OMB Circulars MTDC base includes participant support costs excepted where specifically prohibited in the award terms and conditions (for example, NSF awards).

If your proposal budget includes F&A rates different from NAU's negotiated rates, please provide a statement from the sponsor showing the allowable rate and base.

Proposals to Sponsors Requiring 501(c)(3) Status

NAU and the NAU Foundation (NAUF) are tax-exempt entities under separate codes of the Internal Revenue Code (IRC). As a public entity, NAU is eligible to receive tax-exempt charitable contributions under IRC §170(b), while the NAUF is eligible as a 501(c)(3) entity.

OSP and the NAUF work collaboratively to respond to grant announcements from foundations, with proposals submitted through the University unless the sponsor requires submission from a 501(c)(3) entity. In these cases, the NAU Foundation can submit the proposal and accept the award on behalf of the University. Based on the award terms and conditions, the award will be managed either by the Foundation or by the University.

Faculty and staff are requested to notify the Office of University Advancement prior to submitting a proposal to a foundation or corporate sponsor. Notification assures that the Foundation is aware of all potential submissions so that proposals can be managed to maximize gift funding. In limited cases, faculty may be requested to delay submission so as not to conflict with a planned or current solicitation.

Note: Unless a sponsor does not allow facility and/or administrative costs, all proposals submitted through the NAU Foundation must include a 5% administrative fee. When the University will be managing the Award, the 5% administrative fee will be transferred to the University.

Additional resources are available at <https://in.nau.edu/osp/>.