

EXTRAMURAL FUNDING

(Formerly Contracts, Grants and Memoranda of Agreement)

The Alabama Cooperative Extension System encourages its staff to seek extramural program support to carry out programs which are within the organization's mission and strategic plan. Grants and contracts, or extramural funding, are defined as specified funds which are restricted to the purposes established in a formal and legally-binding, written agreement between the System and the grantor. This summary is intended to provide some clarification of the development, submission, and management processes for extramural support received by System field staff and state staff personnel.

DEFINITIONS

Extramural Funding: This is a general term for money that comes from outside the University that is used to support a program or project. It may come from federal, state or local governments, business, private foundations, or individuals.

Contract: In this context, a contract is generally an agreement to provide a product or service which is of direct benefit to the awarding agency. Contracts provide for payments to the University which cover allowable project costs or payment of a fixed price for satisfactory completion of the project.

Grant: A grant is an agreement to accomplish something for the public good in exchange for money, property or services. Most federal agencies use a grant document for research awards to universities.

GRANTS AND CONTRACTS APPLICATION PROCESS

With few exceptions all applications or proposals for funding must be submitted through either Auburn University, or Alabama A&M University, since, if approved, they will commit Extension, and therefore university, resources to be used for specific purposes. In general proposals should be submitted through the university with which the project director is affiliated.

Pre-proposals

Pre-proposals, or letters of intent are a common way to approach a foundation or other private funding agency with your program idea. The Office of Administrative Services can assist with the preparation of these letters of intent, but full institutional review is not required. These can be submitted with DEC or Program Leader approval. It must be clear that the document does not commit any Extension System resources.

Pre-proposals that are required by a funding program as part of its request for proposal process must go through the full review process and be submitted to the AU Office of Sponsored Programs or AAMU Contracts and Grants Office if detailed budget information is required.

Preparing a Proposal

The Office of Administrative Services can provide extensive guidance and support to the application effort. The Contract and Grants Specialist is available to help with all aspects of the application including the program description, budget, completion of forms, and seeing it through the University review process. Writing a proposal will be much less difficult if the following general guidelines are observed

- Establish a development schedule. Remember that the proposal should be completed and approved by the Office of Administrative Services at least two weeks before its submission date to allow for the university review and approval cycle.
- Read the proposal requirements carefully; follow the instructions and recommended format to the letter.
- Prepare a responsible budget. It is particularly important that the Office of Administrative Services assist in developing the program budget. This involvement will greatly speed the process when submitting the proposal or and may prevent unnecessary delays which could jeopardize the timely submission of the proposal.
- Pay particular attention to two aspects of the budget, cost sharing, and indirect costs. Cost sharing, or match, refers to costs that the funding agency doesn't pay. It may be Cash, or In-Kind, and be provided by Extension or a third party. If a third party provides cash or in kind match, a letter committing them to the match must accompany the proposal. Indirect costs are “general costs that cannot be clearly identified with a specific project, but are nonetheless necessary to the project. For example, costs of maintaining a building, administrative expenses, or library expenses.” Indirect costs, based on rates approved by the federal government, should be included in the approved project budget. These are then charged to specific contract/grant accounts in accordance with the terms of the agreement. Indirect costs for projects funded through Auburn University are divided between the Office of Sponsored Programs, The Extension Office of Administrative Services, and the county office where the project is housed.
- If your project will require research on human or animal subjects, you must be in contact with the Animal Welfare or Human Subjects Review offices and complete the required impact statements. This should be done early in your proposal development to avoid unnecessary delays.

EXTRAMURAL FUNDING (continued)

Submission and Approval Process

All proposals for extramural funds must be submitted through either Alabama A&M Office of Research and Development or Auburn University Office of Sponsored Programs.

Auburn University

All contract and grant, agreement and/or subcontract documents involving Alabama Cooperative Extension System county staff and Auburn University affiliated state and regional staff are to be submitted through Dr. Thomas R. Elliott, Extension Chief Financial Officer, Office of Administrative Services (OAS), 116 Duncan Hall, 334/844-5326. A minimum of one week is required from the time of submission to OAS to process a grant through the System. Proposals for extramural support submitted through Auburn University must include the following:

- *System Cover Form for Extramural Programs.* Forms may be obtained through the OAS, or from the AU Office of Sponsored Programs at <http://www.auburn.edu/research/vpr/contracts/forms/internal.html> . Click on the “Cover Form for Extramural Programs” button. The online form may be printed out and completed manually, or completed on line. Note that if completed on line, the form can be printed out, but not saved.
- The original proposal and the total number of copies required by the funding agency plus two copies to be retained by OAS and AU Office of Sponsored Programs.
 - A copy of the Request For Proposal announcement with a clear indication of the submission deadline, the number of copies required, and the complete mailing address.

Alabama A&M University

All Alabama A & M University affiliated state and district staff contracts and grants, agreements, and/or subcontract documents are to be submitted through Ms. Mia Smith, Grants and Contracts Manager, P. O. Box 967, Alabama A & M University, Normal, AL 35762. *Prior to developing a proposal the Principal Investigator should submit a “Notice of Intent to Submit” form to the Office of Research and Development. The final proposal should be submitted with a “Proposal Review and Certification Form” Both forms are available at the ORD web site, <http://mra.aamu.edu/ResDev/>. The PI should specify the number of copies to be mailed to the funding agency, the Postmark deadline, and a copy of the solicitation with the proposal. Proposals should be submitted at least one week prior to the postmark deadline.*

Required signatures

On Campus Staff: PI; Department Director or State Program Leader; Dean's office if applicable

Field Staff: PI; County Extension Coordinator; District Extension *Coordinator*

OTHER EXTRAMURAL FUNDS

Donations and Gifts

Donations and gifts are funds or resources other than money (either solicited or unsolicited) which are provided without any formal written agreements. Donations and gifts may be accepted and used by agents to support on-going Extension programs as long as they do not require any additional commitment of Extension resources or any formal accountability (i.e., reports, external audits, etc.) to the donor. An example of a donation is funds provided by a county cattlemen's association for conducting a county 4-H steer show.

County Extension staff are encouraged to seek this type of funding for any program. Agents may accept gifts and donations in the form of money (or expendable supplies) to be used in defraying expenses of approved Extension education programs without receiving any additional administrative approval. Funds received must be managed in accordance with the *County Financial Transaction Manual* and are subject to internal audits by the System. Agents must receive written approval from their DEC prior to soliciting and/or accepting gifts or donations in any form other than money or expendable supply items. This applies especially to items such as equipment, real property, vehicles, etc.

Prior to soliciting donations for a specific program, a budget and a list of potential donors should be developed. These should be discussed among the entire staff and approved by the CEC. Close staff coordination is needed to avoid different agents approaching the same donors for funding for different Extension programs. Agents should not solicit donations from outside of their county without prior approval from their DEC. However, agents may accept unsolicited gifts and donations from out-of-county donors.

Program Enhancement Grants

Program enhancement grants are made from System internal funds and special separate guidelines apply to these. Employees should follow those guidelines when submitting proposals for program enhancement grants. Agents should discuss their plans to submit proposals for enhancement grants with the other county staff members, CEC's, DEC and any other System staff involved in the proposal. However, no prior written administrative approval is required.

User Fees

Agents may charge "user fees" to cover certain types of incidental costs related to material-intensive programs targeted to a specific audience. However, it is preferred that sponsors or other methods of support be used for educational programs that are planned for the general public.

User fees must be based on costs of materials, meals and/or refreshments, facility and/ or equipment rental, speaker honorarium or other incidental costs which are not covered through regular Extension funding. Prior to setting a user fee or other program

charge, agents should discuss their plan with their CEC and DEC. Caution must be used to ensure that user fees do not have a discriminatory impact on clientele. It is also important that clientele understand the purpose of the user fee. No clientele can be turned down for System services based on their inability to pay the user's fee.

A budget must be developed to show how the fee was derived. User fees should be kept to a minimum with no "net profits." Funds collected through user fees should be managed in accordance with the *County Financial Transaction Manual* and are subject to internal audits by the System.

No portion of a user fee or program charge can be based on on-going costs such as instructional time, agents' salaries, basic services, etc. Under no circumstances can an agent receive extra compensation or travel cost reimbursement from a user fee or other program charge.

Fund Raising Activities

Employees may conduct fund-raising activities in support of local Extension programs. Prior to conducting such activities, they should be discussed among the entire staff and approved by the CEC. The CEC should notify their DEC of the plans to conduct a fund-raising activity. All fund-raising activities should be conducted within the county where the funds will be used. Funds raised in this manner must be managed in accordance with the *County Financial Transaction Manual* and are subject to internal audits.

If other organizations are conducting fund-raising activities to support Extension programs, these activities should also be discussed among the entire staff and approved by the CEC. The CEC should also notify the DEC of these activities. At least one agent should be present at these activities.