Research Administrators’ Network

Welcome!

October 24, 2017
The Many Facets of Finance

Costs of Federally Sponsored Research

The total cost of federally sponsored research includes a combination of both direct and facilities and administrative (F&A) costs. Both types of expenditures are key to an institution's ability to conduct cutting-edge research. F&A consists of the construction and maintenance costs of laboratories and high-tech facilities; energy and utility expenses; and safety, security, and other government-mandated expenses. These costs are real and research cannot be conducted without them.

Direct costs - These expenses solely cover research and include lab supplies and equipment; salaries and stipends for researchers and graduate students; and travel costs for conducting and sharing research.

Upholding of any building space not used directly for federally funded research, such as classrooms or lobbies, is not covered by F&A reimbursement.

Secure data storage, internet, telecommunications, and high-speed data processing.

Utilities - ventilation, heat, air conditioning, water, and lighting.

Radiation and chemical safety, including safety training and hazardous waste disposal.

Personnel in support of research, including security, financial, administrative, technical, maintenance, and janitorial staff.

Library and research facilities.

Advanced research lab equipment.

Costs of federal, state, and local regulatory compliance, including human and animal safety review boards.

○ Direct costs
○ F&A costs
○ No federal funds used.
Sponsored Programs Update
Research Administrators’ Network

Debbie Talley, Director, Finance-Sponsored Programs
October 24, 2017
Audits Update

2008 NSF audit

● Resolved
● $24,000 final unallowable costs

FY17 Single Audit

● Controls testing complete
● Compliance testing beginning
  ○ Possible PI visits
Personnel

Contract Administration

- Alicia George - Contract Admin Intermediate
- Michael Kohn - Procurement Agent

Customer Service

- Lea Tune - Customer Service Accountant
Staff Updates

- Neil Carver, ORSP Training Specialist Senior
- Amy Holihan moving to Clinical Trials Team
- Jeff Alber moving to Private Sponsors/Blue Team
- 1 Project Representative hire, Private Sponsors team
- 2 Project Representative hires, Government Sponsors team
- Ms. Tracy Mausolf now Mrs. Tracy Schwab!
Policies and Procedures Updates

Internal Deadline Policy

- 4-day and 2-day levels of service
- Soft launch September 1, 2018
- Hard launch July 1, 2019

eResearch Award Management System

- April 1, 2018 “go live” date delayed
Policies and Procedures Updates

Grants.gov “Workspace”
- Grants.gov moving from Adobe Acrobat packages to Workspace on Dec. 31
- Keep using eRPM SF424, unless Grants.gov form not supported by eRPM
- Contact your Project Representative for using Workspace

Grants.gov and National Science Foundation Proposals
- ORSP advises against using Grants.gov for proposals to NSF
- FastLane validations not applied in Grants.gov
- Corrections need to be made in FastLane anyway
Federal Update

NIH Clinical Trials Transformation

Due dates on/after Jan. 25, 2018; see grants.nih.gov/policy/clinical-trials.htm

● Clinical Trial = “A research study in which one or more human subjects are prospectively assigned to one or more interventions... to evaluate the effects of those interventions on health-related biomedical or behavioral outcomes.”

● Good Clinical Practice (GCP) training
● Specific FOAs and review criteria for clinical trials
● FORMS-E and PHS Human Subjects and Clinical Trials Information Form
● Single IRB for multi-site studies
● Registration and reporting in clinicaltrials.gov
ITS Update
Research Administrators’ Network

Cathy Handyside, Interim Assistant Director - ITS Research Administration Systems
October 24, 2017
Today's Topics

eRPM System Update - October 1, 2017

- Cost Share Changes
- PAF Access for Department Administrators (Reviewers/Approvers)
- Agreement Acceptance Request Updates

NIH FORMS-E
Cost Share Changes

Thanks to the RAAC Process Sub-Committee!

Special group convened to work on questions related to cost share, including:

- Consistent Definitions
- Use of Data
- Implications of Cost Sharing
- PAF fields that need tracking throughout project life-cycle
- Identified areas to hand off to RAAC Communications & Training
Cost Share Changes

Underlying definitions focused on reporting requirements and sponsor expectations

Identified need for a new category on the PAF to keep definitions cleaner

- UM Cost Share
- UM Other Commitments
- **Internal UM Agreements**
- Non-UM Cost Sharing and Other Commitments
### 3. Budget

#### 3.1 Budget Components

Select the components relevant to the proposed project:

- **UM Cost Sharing**
  - UM cost sharing occurs when the University states in a proposal that it will provide a specific, quantified resource without asking for funding to cover the cost. Examples include: 10% of a faculty member's effort, $5,000 in research supplies, etc.

- **Non-UM Cost Sharing**
  - The project includes non-UM cost sharing (Conventionally referred to as VPR funds). The University promises to provide a specific resource without asking for funding to cover the cost. Examples include: VA, local community organizations, etc.

- **Other UM Commitments**
  - UM Other Commitments occur when the University states in a proposal that it will provide a resource to the project but does not quantify the item. Examples include: unspecified faculty effort beyond what is budgeted and accounted for in the proposal, running samples at no cost and without mentioning value, etc.

- **Subcontracts**
  - The project budget includes Subcontract Consortium Agreements and Other LM regional agencies.

- **Indirect Cost Waiver**
  - The budget includes a request for an indirect cost waiver. (A request to use a rate less than that negotiated for the sponsor and activity types)

- **Subproject/Grant Distribution**
  - The unit would like to list project with other campus units. (These estimated distribution descriptions do not address the actual award and subsequent reimbursement, etc.)

- **Internal UM Agreements**
  - Internal U-M Agreements occur when one or more unit(s) of U-M makes a commitment to provide a resource if the project is funded, but the arrangement is not referenced in the proposal and has not been shared with the sponsor. Examples include, if not mentioned in the proposal, provision of additional lab space, coverage of fringe benefits that the sponsor will not fund, etc.

- **Non-UM Cost Sharing and Other Commitments**
  - Non-UM Cost Sharing and Other Commitments occur when a proposal includes contributions from an entity external to U-M (a.k.a., Third Party Commitments). The contributions may be quantified in the proposal or may be unspecified. Examples include: A local community organization’s commitment of volunteer time, a corporation’s donation of a $10,000 piece of equipment, etc.
3. Budget

Internal UM Agreements

Internal UM Agreements occur when one or more units of the University make(s) a commitment to provide a resource if the project is funded, but the arrangement is not referenced in the proposal and has not been shared with the sponsor.

3.7 Internal UM Agreement Details *
Please enter Internal UM Agreement details:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Dept ID</th>
<th>Dept Name</th>
<th>Total Project Amount</th>
<th>Initial Period Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Agreement Example</td>
<td>172200</td>
<td>LSA Natural Science Department</td>
<td>$5,000.00</td>
<td>$1,500.00</td>
</tr>
</tbody>
</table>

**TOTALS**

$5,000.00  $1,500.00

**HELP**

If your proposal contains commitments from other UM departments or units that are not specifically referenced in your proposal, please enter a description of the internal agreement, along with the committing department’s DeptID. Enter clear descriptions of the agreements, e.g. provision of additional lab space, coverage of fringe benefits that the sponsor will not fund, etc.

To the extent the commitment is quantifiable, please add the estimated value of the commitment for the total budget period. The initial estimated budget amount may be listed if part of the unit policy. NOTE: The PAF will route to any department in the listed commitments.

No Internal cost share account will be automatically set up to track these items.

For more information on budgets, see info provided by ORSP (Cost Sharing Requirements) and Finance (Budget Planning and Preparation).
Non-UM Cost Sharing & Other Commitments

3. Budget

Non-UM Cost Sharing and Other Commitments

Non-UM Cost Sharing and Other Commitments occur when a proposal includes contributions from an entity external to U-M (a.k.a., Third Party Commitments). The contributions may be quantified in the proposal or may be unspecified.

ONLY enter information that is/has been represented to the sponsor.

3.9 Non-UM Cost Sharing Details

Please enter Non-UM Cost Sharing details:

- **Updated to allow for multiple entries.**
- **Items marked “yes” to “Quantified?” allow for amount entries.**
Department Administrators (Reviewer/Approvers) will now have access to view all PAFs in eRPM. New PAF Query option added to top navigation bar allows for searching across all PAFs.
PAF Access for Department Administrators

- New PAF Query option allows for searching across all PAFs.
- Similar to Search function with additional options to search by PAF ID and Title.
- Option to limit search results based on project status.
New All My PAFs tab added in Reviewer Workspace to view PAFs related to department.
PAF Access for Department Administrators

- New All My PAFs tab added in PI & Project Team Workspace to view all PAFs where you are included as part of UM Investigators or Administrative Personnel.
Agreement Acceptance Requests

- Added Status Map
  - Shows only stops required for routing
- Project Team and PI Review are now separate states
- Updated Project Workspace
Agreement Acceptance Requests

- Created by ORSP for awards that require additional approvals
- Consistent workflow for standard requests
  - ORSP → PT → PI → Unit Review → ORSP → UMOR (If applicable)
- “Other” request type now has customizable routing
  - ORSP will select the approvals needed. Previously stopped with Project Team, PI, Department, School/College/Institute.
Use “Edit Agreement Acceptance Request” to provide required information and/or attach documentation.
Agreement Acceptance Requests

- Single state for Unit Review.
- Workspace indicates units required to approve.
NIH FORMS-E

- NIH FORMS-E
  - New forms introduced by NIH
  - Will apply to proposal deadlines starting on January 25, 2018 and later.
- NIH will start posting updated FOAs around October 25 but they cannot be submitted until on or after January 25th.
- New Forms expected from eResearch vendor end of October and available in eRPM in late November.
...The Queen Returns

...with some Scary Finance Stories for Halloween.
Scary Finance Stories - Columbia

Haunting Space Issues

When seeking indirect cost reimbursements from NIH, Columbia improperly applied the higher On-Campus rate for 423 Research Grants over 15 years.

The research was primarily performed Off-Campus (and in space not owned or rented by Columbia).

This led to...
Scary Finance Stories - Columbia

- **Scary Settlement**: $9.5 million
- **Learning**: Before submitting your PAF, correctly identify where the activity takes place. ORSP reviews the PAF and the scope of work to verify correct indirect cost rate is being charged.

**Spooky Sources:**


https://oig.hhs.gov/oas/reports/region2/20502002.pdf
F&A: Real Talk about Real Costs

Research Administrators’ Network
October 24, 2017
Agenda

● Cost Reimbursement Office

● Facilities & Administrative (F&A) Proposal Overview

● What is the F&A Cost Rate?

● Current F&A Cost Rates

● F&A Cost Recovery

● Resources
Cost Reimbursement Office

cost.reimbursement.office@umich.edu

Dan Horal
Cost Accounting Manager
Email: horal@umich.edu
Phone: 647-3843

Magda Kovalchick
Senior Cost Accountant
Email: mmuntean@umich.edu
Phone: 764-6243
Cost Reimbursement Office

● The Cost Reimbursement Office prepares the F&A Cost Rate Proposal we submit to the Department of Health and Human Services (DHHS). We then negotiate with DHHS the University’s F&A rates. In doing so, we ensure compliance with the Uniform Guidance.

● Other responsibilities:
  ○ Review Organized Research Activity (ORA) panels as part of the annual space survey.
  ○ Project Award Notice (PAN) class codes reviews.
  ○ Provide Cost Accounting Standards (CAS) training as requested.
  ○ Negotiate F&A rates with subcontractors who do not have negotiated rates with the federal government.
  ○ Establish and maintain the University’s Effort Reporting policies and oversees the compliance function.
F&A Proposal Overview

- The proposal provides a mechanism for the University to recoup F&A costs that are associated with performing sponsored activities such as research, instruction, or public service.

- These are real and necessary costs of performing sponsored activities; F&A Reimbursement for FY17 was over $274M.

- Each percentage point in the On-Campus Organized Research calculation translates to approximately $4M in actual revenue per year.
F&A Proposal Overview - Continued

- F&A rate proposal is prepared in compliance with cost principles described in the Code of Federal Regulations, Title 2: Grants and Agreements PART 200 (Uniform Guidance).

- Submitted to DHHS for negotiation.

- Basic Principles of the Uniform Guidance.
  - Costs must be allowable, reasonable, and allocable to the federal grants.
  - Cost Accounting Standards are also applicable.
Cost Accounting Standards

- Consistency in the selection and use of a cost accounting period.
- Identification and exclusion of specifically identifiable unallowable costs.
- Consistency in allocating costs incurred in like circumstances for the same purpose.
- Consistency in estimating, accumulating and reporting costs.
Proposed Timeline

- Start proposal September business
- Submit proposal December 31 [if no extension is requested]
- Data request upon receipt
- Possible DHHS site visit
- Negotiation
- Signed agreement
What is F&A Cost Rate?

The ratio, expressed as a percentage, of F&A costs to direct costs

Numerator: Allocated F&A Costs

Denominator: Modified Total Direct Costs*

*MTDC: Modified Total Direct Costs consist of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first $25,000 of each subaward. MTDC shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.
Facilities Costs

Facilities Cost Pools:

● Building/Equipment Depreciation

● Heating Plant and Utilities

● Plant Operation and Maintenance (O&M)

● Interest on debt used for facilities construction

● Library

Not directly assignable to any one activity.
Administrative Costs

Administrative Cost Pools:

- General and Administrative (GA)
- Departmental Administration (DA)
- Sponsored Projects Administration (SPA)
- Student Administration and Services (SAS)
- Capped at 26% per Uniform Guidance

Not directly assignable to any one activity.
Direct Costs

Direct Cost Bases:

- Organized Research (OR)
- Instruction and Departmental Research (IDR)
- Other Sponsored Activities (OSA)
- Other Institutional Activity (OIA)
Factors Influencing the F&A Rate

Numerator: Allocated F&A Costs

Denominator: Modified Total Direct Costs*

- Denominator: The amount of research being performed

- Numerator:
  - Change in total F&A costs
  - Increases or decreases in the allocation of individual Facilities cost pools to Organized Research
    - Review the allocation of space
Annual Space Survey

- In FY17 we successfully negotiated new indirect cost rates based on data that was provided in the FY15 space survey
- The space survey was very critical to that effort
- Best estimate of room usage for the year. Be consistent in the reasoning you use to code your rooms.
- Reflect what activities are happening in the space. Those activities should be reflected in the appointments of the occupants.
- Do not miss any research space
- We make very good use of the space we report as organized research
- Incorrect or out-of-date space data can affect the University’s ability to negotiate the most advantageous rate
Class Codes and the Proposal

- Direct vs. Indirect (F&A) Costs
- On-Campus vs. Off-Campus
- PAN Reviews
  - Research vs. OSA vs. Research Training Grants
- ICRX
  - Flag with Class Code ending in X (1100X, 1110X, 2100X, 4600X, etc.)
What Departments Can Do To Help?

- Ensure an accurate space survey
- Proper use of class codes
- Identify ICRX expenses
- Maintain accurate equipment control records
- Timely effort certification
- When in doubt, reach out!
<table>
<thead>
<tr>
<th>Category</th>
<th>Calculated Rates</th>
<th>Proposed Rates</th>
<th>Negotiated Rates FY17-18</th>
<th>Negotiated Rates FY19-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-Campus Research</td>
<td>60.79%</td>
<td>58.20%</td>
<td>55.0%</td>
<td>56.0%</td>
</tr>
<tr>
<td>Instruction</td>
<td>75.00%</td>
<td>57.67%</td>
<td>54.0%</td>
<td>54.0%</td>
</tr>
<tr>
<td>Other Sponsored Activity</td>
<td>29.49%</td>
<td>29.49%</td>
<td>29.0%</td>
<td>29.0%</td>
</tr>
<tr>
<td>Off-Campus Sponsored Activities</td>
<td>NA</td>
<td>NA</td>
<td>26.0%</td>
<td>26.0%</td>
</tr>
<tr>
<td>University</td>
<td>On-Campus Organized Research Rate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>----------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of Michigan</td>
<td>55.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Johns Hopkins</td>
<td>63.5%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>University of Washington</td>
<td>55.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of Wisconsin</td>
<td>53.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of California – San Francisco</td>
<td>58.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>University of California – San Diego</td>
<td>55.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
F&A Cost Recovery

- Sponsored awards include reimbursement for both direct and indirect costs
- Current rates extend through June 30, 2020
- U-M’s next F&A Cost Rate Proposal or Extension will utilize FY2019 as a base year and will be used to establish rates for our next predetermined fixed rate period, which commences in FY2021
- University’s budget model wholly distributes indirect cost reimbursement back to the generating units
Resources

● Uniform Guidance
  http://www.ecfr.gov/cgi-bin/ECFR?page=browse

● Effort Reporting Policy & Procedures
  https://finance.umich.edu/programs/effortrptg?auth=true
  ○ Effort Reporting Questions
    Patricia Hardy
    Payroll Supervisor
    Email: pmhardy@umich.edu
    Phone: 647-3988
Resources - Continued

- Cost Reimbursement Office Resources
  
  http://www.finance.umich.edu/finops/reporting/contact-ocr

- Standard Practice Guide
  
  http://spg.umich.edu/
Let's imagine...

- The lights work
- Air conditioning is comfortable
- Workspaces are clean
- And security keep the premises safe for people to use
- Waste is collected
Quiz Time

Let’s have some fun!
Introduction to iClicker

Press the power button to turn on the iClicker

A green light displays beside the button
Test the iClicker

How did you get to this session?

A. I drove a car
B. I beamed here using a teleporter machine
C. I took a bus
D. I walked
E. Other
Question 1

I am approving a Concur reimbursement for a staff member who attended a seminar to learn better donor cultivation for development purposes. Should this expense be X-classed?

A. NO. This is learning at its core!
B. YES. This falls under the fundraising umbrella and should be X-classed.
Question 2

A new project/grant to support a faculty member receiving a university funded research incentive grant...

...Should be established under which class code?

A. Organized Research, class code 22000
B. Departmental Research, class code 21000
A sponsored award that meets the following criteria:

- A mentor/mentee relationship between the PI and trainee;
- A budget is mostly allocated to stipends or tuition;
- Per sponsor guidelines, grant funds are solely for the support of the fellow to further his/her research career training and must not cover expenditures for any other purpose or individual.

**Should be classified under:**

A. Organized Research, class code 22000  
B. Instruction, class code 11000  
C. Instruction – Research Training Grants, class code 16000  
D. None of the above

“We rise by lifting others.” Robert Ingersoll
The Cost Reimbursement Office is charged with reviewing indirect cost proposals to support proposed rates used by sub-contractors. In accordance with Uniform Guidance if the entity does not have a negotiated indirect cost agreement that is current with the federal government:

A. The entity can accept a rate of 10% of modified total direct costs (MTDC), with no further documentation required.
B. The entity can choose to negotiate a rate with the University (which will require additional support)
C. A or B
D. None of the above
What Room Use Function Code(s) would you apply to this room?

A. 0102 -- Instruction
B. 0202 -- Organized Research
C. 0402 -- Departmental Administration
D. None of the above
Question 6

What Room Use Function Code(s) would you apply to this room?

A. 0202 – Organized Research
B. 0102 – Instruction/Dept Research
C. A and B
D. None of the above
Million Dollar Monstrosity

Louisville charged administrative and clerical salaries that were not directly related to the projects.

Louisville did not retain invoices for some non-salary expenses (e.g., cell phones, laptops, microscopes), charged equipment that should have been F&A expenses, and did not meet the criteria for allocating other costs to projects.
Scary Finance Stories - Louisville

- **Scary Settlement:** $1.3 million
- **Learning:** Allocate costs correctly, according to Uniform Guidance.
  
  *Allowable, Allocable, Reasonable & Consistently Treated*

Spooky Sources:
Break - Informal Networking
Mysterious Subrecipient Monitoring

A review found that:

- Northeastern University awarded $590,971 to subrecipients without adequate monitoring; and
- Submitted untimely financial status reports (FSR) and could not reconcile variances (overclaims and underclaims).
Scary Finance Stories - Northeastern

**Recommendations:**

- Obtain agreements, monitor consultant activity; require activity reports, PI certifications, and invoices;
- Refund $194,971 to CDC for unsupported costs;
- Revise subrecipient monitoring procedures to ensure that subrecipients meet audit requirements and costs claimed comply with Federal requirements
- Submit FSRs on time

**Learning:** Have good subrecipient procedures and utilize those that are in place.

**Spooky Sources:** https://oig.hhs.gov/oas/reports/region1/10401501.pdf
A guide to understanding the differences among...

Subawards with Subrecipients

Hybrid Purchase Orders with Contractors

Purchase Orders with Contractors

Authored and narrated by:
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Procurement Subcontract Administrator, dennisp@umich.edu (734) 936-3948
Purchasing Services and the Office of Contract Administration

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Office of Research and Sponsored Projects (ORSP) and Sponsored Programs Office

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Learning Objectives for Today

❖ Understand the difference between a…
  ● Subaward
  ● Hybrid Agreement
  ● Purchase Order

❖ Recognize the characteristics of a Subrecipient versus a Contractor

❖ Know the budget consequences of a misclassification of a Subrecipient or Contractor, and
  ● Know Who is responsible for avoiding misclassifications
  ● Know When it’s important to classify collaborators correctly
  ● Know Why it’s important to properly classify collaborators
Subawards, Contracts, and Hybrid POs
Q1: **When** should a collaborator be correctly classified as a **Subrecipient** or a **Contractor**? Choose the **best** answer.

A. On the 3rd Thursday of the months ending in “Y”
B. During the development of the proposal so the budget is accurate
C. Me to know, and you to find out
D. When the SUBK request is sent to the Office of Contract Administration
E. None of the above
Q2: Which characteristics are those of a Subrecipient and would have the form of an agreement called a Subaward?

A. The Key Personnel is co-principal investigator.

B. The Subrecipient is responsible for programmatic decision making and has performance measured in relation to whether objectives of the federal program were met.

C. The Subrecipient assisted in the design the research plan or protocol.

D. All of the above
Q3: Which characteristics are those of a Contractor and would have the form of an agreement called a Hybrid Contract?

A. Does not have any decision authority for the program and research design. U-M is 100% accountable to the sponsor for the program.

B. May sit on the steering committee and advise UM regarding different aspects of the program and research design.

C. May be substituted by other organizations.

D. All of the above
YOU’RE AWESOME!!!

THANK YOU!
Nearly-Dreadful Outcome

- NSF grant at UW-Madison
  - $270 million costs
  - 1,146 NSF awards
  - April 2010 - April 2013

OIG questioned $1.7 million that exceeded limits. And the outcome...?
Satisfying Settlement Just last month, NSF allowed the majority of the costs ($1.6) -- finding only equipment, travel, and post-period expenses.

Only $100,000 assessed for payback.

-- a Happy Halloween ending!

Scary Finance Stories - NSF Data Analytics

**Spooky Summary:**

- $5.4B of NSF grant expenditures
- ...audited on 20,301 awards
- ...resulted in $28M (0.52%) questioned costs by auditors/OIG
- ...NSF ultimately allowed 93% of the costs questioned
- ...of the $3.5B through audit resolution
- ...99.962% allowed
Professional Development Spotlight
Research Administrators’ Network

October 24, 2017
National Council of University Research Administrators (NCURA) Update
Research Administrators’ Network

October 24, 2017
National Council of University Research Administrators (NCURA)

- **Traveling Workshops** - December 4-6, 2017 - Atlanta, GA
  - Topics related to sponsored project, departmental, and financial research administration

- **Financial Research Administration Annual Meeting** - March 1-3, 2018

- **Pre-Award Research Administration Annual Meeting** - March 3-5, 2018
  - Both meetings held in San Juan, Puerto Rico

- **Region IV Annual Meeting** - April 15-18, 2018 - Des Moines, IA
National Organization of Research Development Professionals (NORDP) Update
Research Administrators’ Network

October 24, 2017
The 10th Annual NORDP Conference is set for May 7-9, 2018.
The conference will take place in Arlington, Virginia.
Abstracts are due November 3, 2017.
Visit http://www.nordp.org/annual-conference for more information.
Professional Societies Information

National Council of University Research Administrators (NCURA)

http://www.ncura.edu/

Society of Research Administrators International (SRAI)

http://srainternational.org/

National Organization of Research Development Professionals (NORDP)

http://www.nordp.org/
Navigate Update
Research Administrators’ Network

David Mulder, Training Manager
February 28, 2017
Navigate Update

Navigate Professional Development Program

- **Navigate: Uniform Guidance Cost Principles**
  - Next cohort - Fall 2017
  - Apply now! Deadline is Friday, October 27, 2017

- **Navigate: Fundamentals**
  - Fall 2017 - in session
  - Next cohort - Spring 2018

- **Navigate: Lunch & Learn**
  - Next session - Winter 2018

- **Navigate: Research Administration Mentoring Program (RAMP)**
  - Fall 2017 - in session
  - Next cohort - Fall 2018
Questions? Ideas? Want to help?

navigate-research@umich.edu
Closing Remarks

● Thanks to the RAAC Communications Subcommittee!

● Ideas for a future meeting? ran-plans@umich.edu

● Next RAN meeting:
  ○ February 22, 2018
  ○ 2:00 - 4:00 pm
  ○ League Ballroom
Overview of Subawards, Hybrids, and Purchase Orders Video

**Subrecipient:** The *entity* that receives payment for performing a portion of the statement of work under the sponsor award, including programmatic decision-making.

**Subaward:** The *form of agreement* written, negotiated, and managed by the Office of Contract Administration (OCA). A subaward is used to carry out a program for a portion of a Federal award and for the public purpose. U-M is a pass-through entity, providing funds to the subrecipient for the purpose of implementing a portion of the Federal program.

**Contractor:** The *entity* that receives payment for a PO or a hybrid PO for providing a set of commercial goods and services, including purchase orders (POs), general service agreements, and consulting agreements. These agreements are written, negotiated, and managed by Procurement Services.

**PO:** The *form of agreement* Standard purchase order used for a Contractor, Supplier, or Vendor.

**Hybrid PO:** The *form of agreement* used for purchase agreements for non-commercial services necessary for the study but could be done by others. These are written, negotiated, and managed by onsite procurement specialists within OCA.

**Summary Chart**

![Summary Chart](image-url)
Overview of Subawards, Hybrids, and Purchase Orders Video

Characteristics of a Subrecipient/Subaward

Organization: Subrecipient
Possible characteristics of Collaborator/Key Personnel:
- Co-principal investigator at the subrecipient institution;
- Share or be responsible for programmatic decision making;
- Co-authors or writes the study protocol;
- Independently responsible for ensuring a portion of the SOW is completed;
- May determine who is eligible to participate in the federal program;
- Has performance measured against objectives of a Federal program.

Instrument/Form of Agreement used: A Subaward is used to carry out a program for a portion of a Federal award and for the public purpose.

Characteristics of Contractor/Hybrid Contract

Organization: Contractor
- Provides research services that are non-commercial and necessary to the study;
- Not responsible for programmatic decision making;
- Retains intellectual property (IP) rights for their own discoveries made;
- May provide input regarding protocol;
- Has access to study data;
- May be a co-author in subsequent publications.

Characteristics of a Contractor/Procurement Services Contract

Organization: Contractor (formerly called Vendor prior to the Uniform Guidance and called a Supplier in M-Pathways)
Characteristics: U-M works with Contractors* in a Vendor/Supplier relationship.
- "Work for Hire"
- Intellectual property belongs to purchaser
- Warranties on deliverables
- Offers products or services commercially to all
- Provides goods and services within normal business operations
- Operate in a competitive environment

Instrument/Form of Agreement Used: A Contract for this procurement relationship.
Overview of Subawards, Hybrids, and Purchase Orders Video

Characteristics of Contractor/Hybrid Contract

The hybrid contract can be confusing because it can fall anywhere on the spectrum between subaward and purchase order.

Myths on Campus

- **Myth:** If a contract is cost reimbursable, it has to be a subaward. **False!**
- **Myth:** If the individual at the other organization provides input during the protocol development, participates on steering committees, or co-authors papers, they are a subrecipient. **Not necessarily true! In some cases, a hybrid contract is most appropriate.**
Overview of Subawards, Hybrids, and Purchase Orders Video

We can help!

If you would like to schedule a time for OCA staff to attend a meeting at your department to talk about subrecipients vs contractors, please contact OCA at subcontracts@umich.edu or 763-3193.

Location of the full YouTube video:

https://www.youtube.com/channel/UCd1UpyGemhRH1nxZLBC2xfA