

Research Administrators' Network

Welcome!

October 24, 2017



The Many Facets of Finance

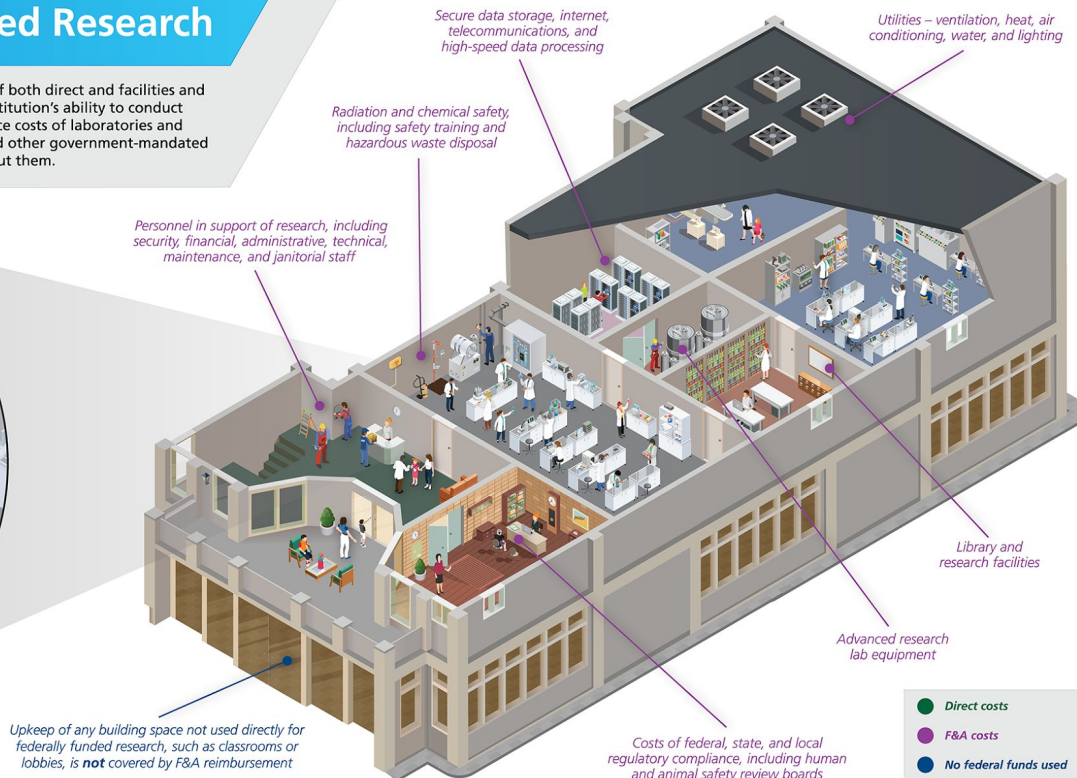


Costs of Federally Sponsored Research

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



- 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



Contract Administration

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

Customer Service

- Lea Tune - Customer Service Accountant

ORSP Update

Research Administrators' Network

Craig Reynolds, Executive Director, ORSP
October 24, 2017



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

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

PAF Budget Components Updated



3. Budget

Budget Components

3.1 Budget Components

Select the components relevant to the proposed project:

- ☒ **UM Cost Sharing** The project includes UM cost sharing (Conventionally referred to as M-Cost Sharing). The University promises a specific, quantified resource without asking for recovery. Effort, supplies, etc.
- ☒ **Non-UM Cost Sharing** The project includes non-UM cost sharing (Commitments of time, resource, etc.). Examples include: VA, local community organizations, etc.
- ☒ **Other UM Commitments** The project includes other UM commitments (Conventionally referred to as Other Commitments). The University promises to 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 Agreements. [\(Click here for subcontract criteria\)](#)
- ☐ **Indirect Cost Waiver** The budget includes a request for an indirect cost waiver (A request to use a rate less than the sponsor and activity types)
- ☐ **Subproject/Grant Distribution** The unit would like to list project with other campus units. (These estimated distribution details are subject to actual award and subsequent negotiations)

3. Budget

Budget Components

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.
- ☒ **UM Other 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.
- ☒ **Internal UM Agreements** Internal U-M Agreements occur when one or more unit(s) of U-M 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. 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.

New Internal UM Agreements Section



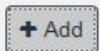
3. Budget

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:



	Item Description	Dept ID	Dept Name	Total Project Amount	Initial Period Amount
Update	Internal Agreement Example	172200	LSA Natural Science Department	\$5,000.00	\$1,500.00
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

3.5 Description *

Describe Non-UM cost sharing:

3.6 Non-UM cost sharing amounts Total Budget Period

Initial Budget Period

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:

+ Add

Item Description	External Entity	Quantified	Total Project Amount	Initial Period Amount	External Entity Approvals Attached
	Converted yes data		\$1,000.00	\$1,000.00	no
TOTALS			\$1,000.00	\$1,000.00	

Update

? HELP


If your project contains **Non-UM Cost Sharing and Other Commitments**, enter the external entity name with a description of the item. For quantifiable items, enter dollar amount provided by the Non-UM entity for the total budget amount; initial budget amounts are optional and should follow the local unit's policy on whether it is required.

Items that are marked YES to "Quantified?" will be documented as related to the UM award and, in most cases, be reported by Sponsored Programs to the sponsor. The external entity will need to track and report to UM that the commitment was met.

For more information on budgets, see info provided by ORSP (Cost Sharing Requirements) and Finance (Budget Planning and Preparation).

- Updated to allow for multiple entries.
- Items marked "yes" to "Quantified?" allow for amount entries.

PAF Access for Department Administrators

 INFORMATION AND TECHNOLOGY SERVICES
UNIVERSITY OF MICHIGAN

eRESEARCH | PROPOSAL MANAGEMENT DEV

[Path >>](#) [My Home](#) [PAF Query](#) [Search](#) [All PAFs](#) [All UFAs](#) [All SUBKs](#)

Announcements

eResearch Proposal Management was upgraded on May 8th. For details on system changes refer to the release notes.

My Roles

PI & Project Team

Reviewer

Unit Liaison

Support Links

[Blue Pages](#)

[Request Admin Personnel Change](#)

[eRPM Tips](#)

[Need Training?](#)

[Share Feedback](#)

[M-Inform](#)

[PAFs](#) [SUBKs](#) [UFAs](#) [Agreement Acceptance](#) [Upcoming](#) [Approved](#) [Submitted to Sponsor](#) [Active/Closed/Turned Down/Withdrawn](#) [All My PAFs](#) [More...](#)

PAFs with Changes Returned

Filter ?

ID

Enter text to search for

Go

+ Add Filter

✕ Clear All

No data to display.

◀ page 1 no results ▶

PAFs Ready for Review and Approval

Filter ?

ID

Enter text to search for

Go

+ Add Filter

✕ Clear All

ID	Name
17-PAF07302	Understanding and Modeling Arctic Sea Representations of Surface Energy Proc...

1 items

- 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


PAF ID	Project Grant	Short Code	Previous Project Grant	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Long Title				
<input type="text"/>				
Project Title				
<input type="text"/>				
Sponsor Information				
Solicitation # / FOA #		Acknowledgement #	Sponsor Program Type	
<input type="text"/>		<input type="text"/>	<input type="text"/>	
Submission Tracking Number		Other Sponsor Program Type		
<input type="text"/>		<input type="text"/>		
PR Last Name	PR Uniqname			
<input type="text"/>	<input type="text"/>			
PI Last Name	PI First Name	PI Unique Name	Project Team Last Name	Project Team Uniqname
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Dept ID	Dept Name			
<input type="text"/>	<input type="text"/>			
PAF Sponsor	Sponsor Official Name			
<input type="text"/>	<input type="text"/>			

Only show PAFs that are:

- ☐ Show all PAFs (default)
- ☐ Pre-Submission (not yet submitted to sponsor)
- ☐ Submitted (Submitted to sponsor but not yet awarded)
- ☐ Awarded

- 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.

PAF Access for Department Administrators

**INFORMATION AND TECHNOLOGY SERVICES**
UNIVERSITY OF MICHIGAN

eRESEARCH | PROPOSAL MANAGEMENT DEV



Path >> My Home PAF Query Search All PAFs All UFAs All SUBKs

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Support Links
Blue Pages
Request Admin Personnel Change
eRPM Tips
Need Training?
Share Feedback
M-Inform

PAFs SUBKs UFAs Agreement Acceptance Upcoming Approved Submitted to Sponsor Active/Closed/Turned Down/Withdrawn **All My PAFs** Man

All PAFs
Filter  ID  Enter text to search for Go + Add Filter ✕ Clear All

ID	Name	Date Modified	State	PI	Dept	Sponsor Deadline	Sponsor
17-PAF07402	Forward-Viewing Catheter-delivered Microbubble-enhanced Sonothrombolysis (FV-CAMUS)	9/15/2017 11:43 AM	Proposal Preparation	Xu	Biomedical Engineering	5/26/2017	North Carolina State University
16-PAF07652	Optimizing 3D microenvironments for cardiac reprogramming using cell state-based predictive models derived in 2D.	9/14/2017 6:36 PM	Submitted to Sponsor	Kong	Biomedical Engineering	6/16/2016	National Institutes of Health
16-PAF07815	Machine Learning for Standoff Detection of Special Nuclear Material (SNM)	9/14/2017 6:35 PM	Submitted to Sponsor	Pozzi	Nuclear Eng & Radiological Sci	6/17/2016	Novateur Research Solutions LLC
16-PAF07721	Flash Sintering System for Manufacturing Ion-Conducting Solids	9/14/2017 6:35 PM	Submitted to Sponsor	Sakamoto	Mechanical Engineering	6/21/2016	University of Colorado Boulder
16-PAF07433	Mechanisms of Sensory Augmentation: Opening Doors for New Rehabilitation Targets	9/14/2017 6:35 PM	Submitted to Sponsor	Sienko	Mechanical Engineering	6/16/2016	NIH
16-PAF07513	Ultra-high-resolution expression profiling of bacterial genomes	9/14/2017	Submitted to	Freddolino	Biological Chemistry	6/16/2016	NIH
16-	Nanosystems Engineering Research Ce						



- New All My PAFs tab added in Reviewer Workspace to view PAFs related to department.

PAF Access for Department Administrators

Path >>

My Home

PAF Query

Search

All PAFs

All UFAs

All SUBKs

Announcements

eResearch Proposal Management was upgraded on May 8th. For details on system changes refer to the release notes.

Roles

PI & Project Team

Reviewer

Unit Liaison






Create New PAF

Create New UFA

Create New CTRF

Create New User

Support Links

PAFs	SUBKs	UFAs	In Progress	Finalized Proposals	Submitted to Sponsor	Award Received	Active	Closed	All My PAFs	More...			
All PAFs													
Filter  ID  Enter text to search for   													
ID	Name	Date Modified	Owner	State	PI	Dept	Sponsor Deadline	Sponsor	PR	PI	Dept	Sponsor Deadline	Sponsor
16-PAF07567	Presidential Awards for Excellence in Science (PAESMEM)	9/15/2017 6:35 PM	Davis, Cinda-Sue G	Submitted to Sponsor	Davis	CoE Ctr Eng Divers & Outrch	6/17/2016	National Science Foundation	Holihan	Davis	CoE Ctr Eng Divers & Outrch	6/17/2016	National Science Foundation
17-PAF06641	DAPCEP Galaxy Summer 2017	5/22/2017 5:02 PM	Milton, Lyonel J	Contracts Administration Processing	Milton	CoE Ctr Eng Divers & Outrch		Detroit Area Pre-College Engineering Program (DAPCEP)	Woods	Milton	CoE Ctr Eng Divers & Outrch		Detroit Area College Eng Program (D
15-PAF00764	Drinking water as a source of opportunistic bacterial pathogens in CF	5/22/2017 3:05 PM	LiPuma, John Joseph	Active	LiPuma	Pediatrics-Infectious Diseases	9/3/2014	Cystic Fibrosis Foundation	Nielsen	LiPuma	Pediatrics-Infectious Diseases	9/3/2014	Cystic Fibro Foundation
17-PAF04418	MTRAC Statewide Program	5/22/2017 12:15 PM	Sick, Vol										

- New All My PAFs tab added in PI & Project Team

- 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



Current State

Project Team Review and Route

Agreement Acceptance Request

Edit Agreement Acceptance Request

Manage Data

Manage Documents

Activities

Edit Staff Notes

Route for Approval

Post a Comment


PR Cancel


Project Team Decline Terms


Site Managers


Administration


Status map


Project Team


PI Review


Unit Review


Project Representative Review


Approved

Main

Attachments

History

Agreement Acceptance Request for 10-PAF01196

ID:18-AAR00102
Created from: 10-PAF01196
PI: Cathy Handyside
Administrative Home: ITS Enterprise App Svcs (481207)

ORSP Staff Note

Information from ORSP/OTT

Terms to be approved:

20% Change in Funding

Comments:

An example of a new AAR.

Additional Documentation:

There are no items to display

Unit Approval Status:

Department	Department ID	Approved?	Date Approved	Approval Note
ITS Enterprise App Svcs	481207	no		No Review Required

- 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.

Agreement Acceptance Requests



Current State

Project Team Review and Route

Agreement Acceptance Request

Edit Agreement Acceptance Request

Manage Data

Manage Documents

Activities

Edit Staff Notes


Route for Approval


Post a Comment


PR Cancel


Project Team Review Terms


Status map


Project Team


PI Review


Unit Review


Project Representative Review


Approved

Main

Attachments

History

Agreement Acceptance Request for 10-PAF01196

ID:18-AAR00102
Created from: 10-PAF01196

PI: Cathy Handyside
Administrative Home: ITS Enterprise App Svcs (481207)

ORSP Staff Note

Information from ORSP/OTT

Terms to be approved:
20% Change in Funding

Comments:
An example of a new AAR.

Additional Documentation:
There are no items to display

Unit Approval Status:

Department	Department ID	Approved?	Date Approved	Approval Note
ITS Enterprise App Svcs	481207	no		No Review Required

Use "Edit Agreement Acceptance Request" to provide required information and/or attach documentation.

Agreement Acceptance Requests



Current State

Unit Review

Agreement Acceptance Request

[View Agreement Acceptance Request](#)

Manage Data

Activities

[Reviewer Request Changes](#)

[Post a Comment](#)

[Unit Approve](#)

[Reviewer Decline Terms](#)

Status map

Project Team

PI Review

Unit Review

Project Representative Review

Approved

Main

Attachments

History

Agreement Acceptance Request for 16-PAF08148

ID:18-AAR00103

Created from: 16-PAF08148

PI: Kevin Ward

Administrative Home: Emergency Medicine Research (302300)

Information from ORSP/OTT

Terms to be approved:

Cost Sharing Change

Comments:

Request to change cost sharing agreement.

Additional Documentation:

There are no items to display

Unit Approval Status:

Department	Department ID	Approved?	Date Approved	Approval Note
Emergency Medicine Research	302300	no		No Review Required
Emergency Medicine Roll Up	302299	no		Pending

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

- 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://www.justice.gov/usao-sdny/pr/manhattan-us-attorney-announces-95-million-settlement-columbia-university-improperly>

<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

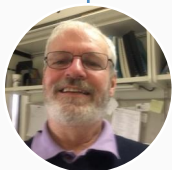
Cost Reimbursement Office



Cheryl Soper
Controller and Director of
Financial Operations



Chad Greenwell
Division Controller
for Financial
Reporting



Dan Horal
Cost Accounting
Manager



Magda Kovalchick
Senior Cost Accountant

Cost Reimbursement Office

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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



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

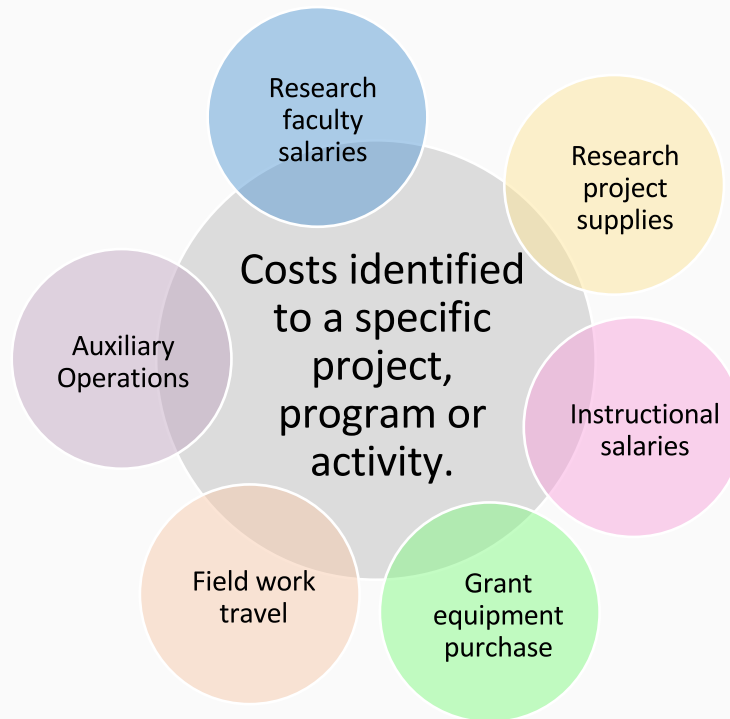


Direct Costs



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!

Current F&A Rates By Category



Category	Calculated Rates	Proposed Rates	Negotiated Rates FY17-18	Negotiated Rates FY19-20
On-Campus Research	60.79%	58.20%	55.0%	56.0%
Instruction	75.00%	57.67%	54.0%	54.0%
Other Sponsored Activity	29.49%	29.49%	29.0%	29.0%
Off-Campus Sponsored Activities	NA	NA	26.0%	26.0%

FY17 F&A Rates For On-Campus Organized Research at Peer Universities



University	On-Campus Organized Research Rate
University of Michigan	55.0%
Johns Hopkins	63.5%
University of Washington	55.0%
University of Wisconsin	53.0%
University of California – San Francisco	58.5%
University of California – San Diego	55.0%

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...



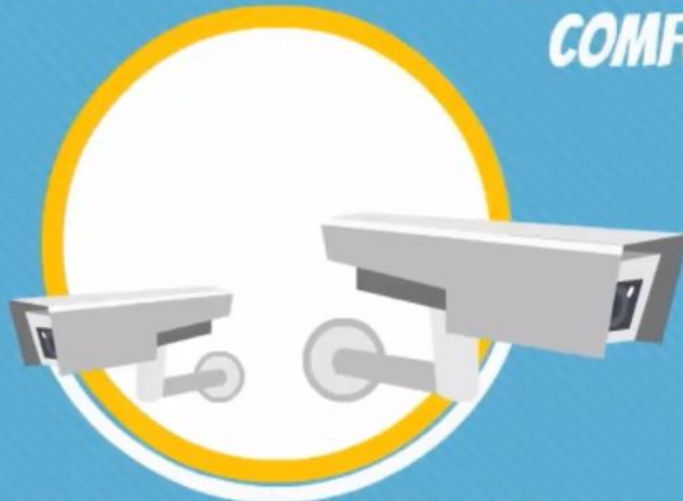
**THE LIGHTS
WORK**



**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!

iClicker

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



Question 3



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

Question 4



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



Question 5



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



Scary Finance Stories - Louisville



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:

<https://oig.hhs.gov/oas/reports/region4/41301022.pdf>



Break - Informal Networking



Scary Finance Stories - Northeastern



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:

Dennis Poszywak, MBA, CRA

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

Edited and produced by:

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Communications Manager, const@umich.edu (734) 647-4587
Office of Research and Sponsored Projects (ORSP) and Sponsored Programs Office



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



iClicker Questions

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



iClicker Questions

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



iClicker Questions

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

Scary Finance Stories - NSF Data Analytics

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...?**



Scary Finance Stories - NSF Data Analytics

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!

Spooky Source:

https://www.nsf.gov/oig/_pdf/15-1-014-UWM.pdf



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



National Organization of Research Development Professionals (NORDP)

- 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 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



NAVIGATE
UNIVERSITY OF MICHIGAN



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			
	Subawards	Hybrid PO	Purchase Orders
Primary Purpose: Provide funds to an outside entity	to perform part of project as <u>equal collaborator/Co-PI</u>	to perform part of project as <u>less than an equal collaborator</u>	to <u>procure goods and services</u>
Subcontractor Names	Subrecipient/Subawardee	Contractor/Subcontractor/ Study Site	Supplier/Vendor/ Contractor
U-M Reviewing Office	OCA	Procurement (within OCA)	Procurement Services
Processing Notes	Process in eRPM	Process in eRPM	Process through PO Req
Indirect Cost Recovery	Recovered on the first \$25,000 of Subcontract only	100% on total amount of Hybrid PO	100% on total amount of PO

Overview of *Subawards, Hybrids, and Purchase Orders* Video

Characteristics of a Subrecipient/Subaward

Organization: Subrecipient

Possible characteristics of Collaborator/Key Personnel:

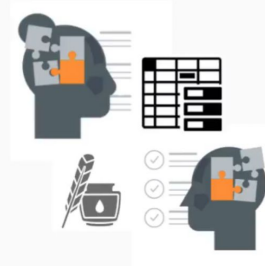
- Co-principal investigator at the subrecipient institution;
- Share or be responsible for programmatic decision making;
- Co-authors or writes the study protocol;
- Independently responsible for ensuring a portion of the SOW is completed;
- May determine who is eligible to participate in the federal 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.

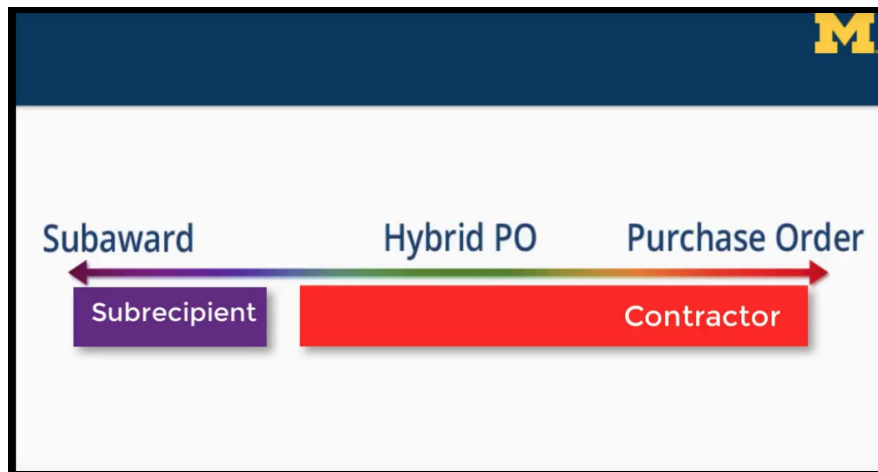
- "Work for Hire"
- **Intellectual property belongs to purchaser**
- **Warranties** on deliverables
- Offers products or services **commercially** to all
- Provides goods and services within **normal business operations**
- Operate in a **competitive** environment

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.

We can help!

Determine, accurately, if the work will be completed by:

- a **Subrecipient** (with **Subaward**) or a
- a **Contractor** (with **Purchase Order** or **Hybrid PO**)

Contact us, if you are unsure:

- Dennis Poszywak
- Ashley Tyler
- Mike Kohn

subcontracts@umich.edu
763-3193

Subaward Hybrid PO Purchase Order

The diagram is a circular flowchart titled 'PROJECT LIFECYCLE'. It consists of seven colored segments arranged in a circle: 'Find Funding' (red), 'Develop Proposal' (orange), 'Route & Submit Proposal' (yellow), 'Set Up Project' (green), 'Manage Project' (teal), 'Close Out Project' (purple), and 'Research Ethics & Compliance' (dark blue). Arrows indicate a clockwise flow from one stage to the next.

Location of the full YouTube video:

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