Research Administration Training Seminar
Office for Research Integrity

Welcome!

- Purple folder: Agenda, handouts, contact lists
- Presentations: [www.researchintegrity.northwestern.edu/research-administration-training-seminar](http://www.researchintegrity.northwestern.edu/research-administration-training-seminar)
- Questions/participation
- Breaks, bathrooms, food
- Feedback
Introduction

Jay Walsh, PhD, Vice President for Research

Research Administration Training

- To better understand our role at the University
- To protect the research:
  - Data
  - Participants
  - Funding
  - Integrity of the research
  - The public’s trust
- Research funding and fiscal fiduciary duty
  - Northwestern received $676.5 million in sponsored research funding in FY 2017
  - Northwestern ranked 16th in NIH and 45th in NSF research funding to universities in FY 2016
- Mandatory regulations and policies

Ensuring compliance remains a priority for the federal government and Northwestern University
Training Objectives

- Discuss research administration roles and responsibilities
- Review the regulatory fundamentals that form the foundation of research administration
- Explain the research administration process and award lifecycle
- Discuss financial and non-financial policies and procedures
- Describe the roles of the central research offices and other research-related resources

Questions?
Agenda
Tuesday, April 24
9am – 1pm

• Research Roles and Responsibilities
• Building Compliant Policies
• Office for Sponsored Research:
  ▪ OSR: An Overview
  ▪ Pre-Award Overview
  ▪ Working With Industry
• Office of Cost Studies:
  ▪ Cost Principles for Sponsored Projects Administration
  ▪ Facilities & Administrative Rate
• Cost Sharing (OSR)
• NURAP

Research Roles and Responsibilities
Michelle Stalilonis
Senior Compliance Specialist
Office for Research Integrity
Research Administration Roles

All 3 levels work together to support research, the research process, and research administration.
Principal Investigator (PI)

- Directs and oversees all research activities
- Fosters a culture of research integrity
  - Conducts research in an objective and unbiased manner, in compliance with policies and regulations
- Responsible for fiscal and administrative management of research
- Manages research staff (co-investigators, postdoctoral trainees, fellows, students, technicians, lab managers)
  - Assures that all key research personnel have met training requirements

Unit Administrator

- Provides support for PI’s research pursuits, while ensuring adherence to regulations and policies
- Supports PI with fiscal and administrative management of research
- Communicates proposal deadlines, pre-award processes, and policies to PI
- Completes post-award administration of research grants and/or contracts
- Communicates with PI to complete effort commitment profile and to track and monitor effort commitments
Department Chair / Center Director

- Acts as liaison to other University units
- Ensures research objectives of the department, school, and University are consistent
- Confirms commitment to policies and regulations, and takes appropriate actions to ensure compliance
- Oversees the faculty in relation to their research activities, including collaborative, large-scale research initiatives
- Ensures infrastructure, personnel, and other resources are sufficient to meet departmental research needs and strategic vision
- Communicates research-related training requirements to faculty and staff

Roles & Responsibilities

Office for Research
VP for Research

- Oversees Office for Research and University research operations
- Delegates regulatory responsibility to appropriate University units
- Fosters new research initiatives
- Oversees partnerships with industry, government, and partner institutions
- Acts as the University representative at national committees and labs
- Official institution nominator for limited submission candidates
AVPs for Research

- Oversee all OR compliance and operational units
- Oversee Research Centers and Core Facilities
- Strategic planning for University research and OR
- Liaison to basic science and clinical research communities, liaison to Northwestern University Clinical and Translational Sciences Institute (NUCATS)
- Manage communications flow between OR and its constituents
- Represent OR on University committees

Office for Sponsored Research

- Identifies funding sources
- Assists in proposal development
- Reviews and endorses proposals
- Negotiates, executes, and accepts contract and grant awards
  - Interprets award terms and conditions
- Accepts and appropriates awards
  - Account establishment
  - Issues sub-awards
- Promotes compliance with agency and University policies
Office of Research Development

- Identifies appropriate funding opportunities
- Provides research administration support for large and/or complex grants
- Assists with grant proposal development
- Provides grantsmanship training
- Provides assistance in obtaining institutional commitments and cost-sharing for proposals
- Provides assistance in establishing external partnerships and affiliated subcontracts

Institutional Review Board (IRB) Office

- Supports the Institutional Review Board
- Assists PIs and the research community in minimizing risk to human subjects
- Ensures compliance with federal laws and Northwestern policy regarding human subject research
- Responds to allegations of human subject research noncompliance
- Conducts quality assurance and training
Institutional Animal Care and Use Committee (IACUC) Office

- Supports the Institutional Animal Care and Use Committee (IACUC)
- Works with Center for Comparative Medicine to protect welfare of animal subjects
- Ensures compliance with federal laws and Northwestern policy regarding animal subject research
- Inspects animal facilities and laboratories
- Responds to allegations of animal subject research noncompliance
- Conducts post-approval monitoring and training

Center for Comparative Medicine (CCM)

- Supports faculty using animals
- Oversees the humane care and use of animals
- Houses research animals, maintains support space and services for the use of animals
- Provides training in the care and use of animals
### Office for Research Integrity (ORI)

- Promotes research integrity and the responsible conduct of research
- Helps researchers navigate the complex research compliance and administrative arenas
- Serves as a confidential source for reporting research-related concerns
- Facilitates review of alleged research misconduct
- Coordinates quarterly research administration training seminars
- Tracks compliance with NSF RCR training requirements

### Office for Research Safety

- Oversees chemical, biological, radiation, and lab safety training
- Oversees compliance (all of the above) — interactions with multiple state and federal agencies
- Manages the collection and proper disposal of chemical, radioactive, and biological waste generated by the research, teaching, and clinical operations at Northwestern
- Provides emergency response resources and information
- Provides security oversight for materials of national security interest
- Oversees administration of various safety committees
Conflict of Interest Office (NUCOI)

- Oversees and implements the University faculty and staff conflict of interest policies and procedures
- Ensures University compliance with applicable conflict of interest regulatory requirements
- Provides guidance and support to the University community regarding conflict of interest policies, systems, standards, and procedures
- Administers and supports the activities of University Conflict of Interest Committees

Office for Export Controls Compliance (OECC)

- Establishes and oversees a centralized resource ensuring University compliance with the various export control regulations
- Provides education and outreach
- Partners with offices across both campuses to ensure a unified approach and message regarding compliance
- Maintains records demonstrating steps taken to comply with the regulations
- Conducts restricted party screenings
Innovation and New Ventures Office (INVO)

- Provides support for Northwestern’s expanding innovative culture
- Entrance point for moving Northwestern’s inventions to the public
- INVO handles:
  - Invention Management – commercialization of scientific inventions
  - Patent, Licensing and Legal Issues
  - New Business Ventures, Venture Fund Programs, Technology Marketing
  - Startup Resources and Work Spaces
  - Mentorship and Training Programs

Core Facilities Administration (CFA)

- **Core facilities** are recharge centers, operating under a fee-for-service model, with the mission of enabling research at Northwestern

- CFA provides financial support, administrative oversight, professional development, assessment, and communication of shared research resources
  - Electron and confocal microscopes
  - Functional MRI facilities
Northwestern Scholars

- Searchable database of research expertise across all disciplines at Northwestern
- Explore the profiles and research output (publications, patents, visual works, performances, etc.) of thousands of faculty, and learn about core research facilities at Northwestern
  - 4,450 Northwestern faculty members
  - 200,000 publications (updated weekly)
  - 12,000 grants from InfoEd, Lurie Children's Hospital, and Shirley Ryan AbilityLab
- View collaboration networks among researchers within Northwestern and with external scholars

https://www.scholars.northwestern.edu

Roles & Responsibilities

Other Research-Related Offices
Office of Accounting Services for Research and Sponsored Programs (ASRSP)

- Assists in financial status reporting, sponsor reimbursements, and award close-out
- Approves transactions over 90 days
- Coordinates financial audits
- Inventories government-titled equipment
- Administers the effort certification process
- Processes subcontract invoices
- Promotes compliance with policies
Office of Cost Studies

- Manages development and negotiation of the University’s F&A Rate
- Oversees and analyzes recharge activities
- Reviews selected sponsored project expenditures
- Works with effort coordinators to enable quarterly effort certification
- Maintains Effort Reporting System/Committed Effort Management (ERS/CEM)
- Provides training on effort reporting policies and ERS/CEM
- Provides determination of cost transfer policies and review of cost transfers
- Monitors compliance with Uniform Guidance cost accounting practices

Research Centers

http://www.research.northwestern.edu/centers
### Regulatory Pyramid

- **Grant or Contract Terms**
- **University Policies and Procedures**
- **Sponsor-Specific Policies**
- **Federal Policies**

### Federal Policies

**Example:**

**Office of Management and Budget (OMB) Uniform Guidance:**

A reform that superseded and streamlined language from eight existing OMB Circulars into one consolidated set of guidance.

(Applied to audit periods starting on 12/26/14)
Sponsor-Specific Policies

Examples:

- NIH Grants Policy Statement (NIHGPS):
- NSF Proposal and Award Policies & Procedures Guide (PAPPG):
- Doris Duke Charitable Foundation
  Medical Research Program Guidelines and Policies:
- Howard Hughes Medical Institute
  Funding Policies:
  [https://www.hhmi.org/about/policies/funding-policies](https://www.hhmi.org/about/policies/funding-policies)

University Policies and Procedures

Example:

Northwestern’s Effort Reporting Policies and Procedures
[https://www.northwestern.edu/coststudies/links.html](https://www.northwestern.edu/coststudies/links.html)
Grant or Contract Terms

- The grant may specify even more detailed terms, conditions, and research administration procedures

- Examples:
  - Carry Forward Balance
  - Human Subjects Training
  - Rebudgeting Restrictions

Questions?
The Office for Sponsored Research (OSR): An Overview

Office for Sponsored Research

Why research?

“Skin Gel Stops Breast Cancer Growth”

“Why Do Families Keep Secrets?”

“Printing Human Organs”

“Reducing the Achievement Gap”

“New HIV Test will Help Developing World”

“Touch Screens That Touch You Back”
The University – Sponsor Relationship

• Why universities engage in research
  – Generate and disseminate knowledge
  – Maintain high-quality educational environment
    (sponsored research helps maximize available resources)

• Why sponsors provide research support
  – Common ideology
  – Large, established university infrastructure
  – Top faculty and student talent

What is a Sponsored Project?

Specific research, training, service, or similar activity for which funding, data and/or material support is provided by an external sponsor under an agreement with the University
Common Sponsor Types

- **Federal government**
  For example:
  - National Institutes of Health (NIH)
  - National Science Foundation (NSF)
  - Department of Defense (DOD)
  - Department of Energy (DOE)

- **State and local governments**

- **Foundations/nonprofits**

- **Industry**

- **International entities**

Funding Mechanisms

- Formal means through which a sponsor contracts with a recipient institution to provide funding

**Common Types of Funding Mechanisms**

| Mechanism type: | Grants | Cooperative Agreements | Contracts | Subcontracts*
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<td>Typically issued by:</td>
<td>Financial assistance</td>
<td>Financial assistance</td>
<td>Procurement</td>
<td>Varied</td>
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Grants vs. Gifts

<table>
<thead>
<tr>
<th>Grants</th>
<th>Gifts</th>
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<tbody>
<tr>
<td>• Funding provided in response to an institutionally-endorsed proposal submitted to sponsor</td>
<td>• No specified statement of work, deliverables, budget, or period of performance</td>
</tr>
<tr>
<td>• Specified statement of work, deliverables, budget, and period of performance</td>
<td>• Minimal reporting requirements</td>
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<tr>
<td>• Technical and financial reporting requirements</td>
<td>• Irrevocable</td>
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<tr>
<td>• Subject to terms and conditions of sponsor</td>
<td>• Work with Development Office</td>
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<tr>
<td>• Must be routed through OSR</td>
<td>• Subject to University policy</td>
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<tr>
<td>• Subject to University policy</td>
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For Additional Information:
http://osr.northwestern.edu/policies/sponsored-projects-versus-gifts

Non-Financial Research Agreements

• Data Use Agreements (DUA)
• Non-Disclosure Agreements (NDA)/Confidentiality Disclosure Agreements (CDA)
• Facility Use Agreements
• Material Transfer Agreements (MTA)

For Additional Information:
Types of Agreements: https://osr.northwestern.edu/agreements/types
Northwestern By The Numbers

• For FY 2017, we had:
  – 291 proposals submitted a month (3,502 proposals submitted)
  – 277 awards set-up per month (3,328 awards total)
  – 359 contracts executed per month (4,308 contracts)

OSR Mission

The Office for Sponsored Research assists investigators in proposing and managing sponsored programs in support of Northwestern University’s mission of innovative research, excellent teaching, and public service.

• Northwestern’s central research administration office
• Institutional point of contact for external research sponsors
• Comprehensive pre-award and post-award services
• Assistance with the interpretation of regulatory requirements and policy
The Sponsored Project Life Cycle

Summary of OSR Responsibilities

- **Facilitating all** Northwestern sponsored research activities
- **Advising** faculty and staff on proposal development and broader sponsored research issues (including cost accounting standards)
- **Interpreting** agency and Northwestern policy, guidelines, and terms and conditions
- **Endorsement of** Institutional proposals and resulting awards
- **Negotiation and acceptance of** awards
- **Award establishment**
- **Subawards issuance**
- **Reporting on** Northwestern sponsored research activity
- **Guidance on** award management issues
- **Represent** Northwestern nationally
- **Respond to** OIG audits and subpoenas
Roles & Responsibilities: Grants Team

**Grants Officers**

- Pre-award services (e.g. Proposal review, institutional endorsement, and submission)
- Award review and negotiation
- Post-award non-financial management
- Ensure compliance with sponsor & University policies and processes
- Liaison with sponsors and funding agencies on behalf of faculty and administrators

**Grants Assistants**

- Pre- and post-award support services to Grants Officers (e.g. Proposal review prep)
- Award set-up
- Liaison with ASRSP, research administrators, and other departmental administrators
### Roles & Responsibilities: Contracts Team

#### Contracts Officers
- Draft, review, and negotiate:
  - Clinical trial agreements
  - Industry-sponsored basic research agreements
  - Non-financial sponsored programs agreements (i.e. Material Transfer Agreements (MTA), Data Use Agreements (DUA) and Non-Disclosure Agreements (NDA) / Confidentiality Disclosure Agreements (CDA))
  - Other related contracts
- Ensure compliance with sponsor & University policies and processes

#### Research Analyst / Coordinators of Administration and Grants
- Provide administrative support for industry-sponsored clinical trials
- Process related MTAs, DUAs, NDAs/CDAs
- Review and maintain proposal and award data in InfoEd

### Roles & Responsibilities: Info Team

#### Systems and Data
- Provide functional assistance for InfoEd and ESPR
- Analyze and report research data to executive leadership
- Ensure data integrity, namely quality assurance for proposal and award activity
- Maintain institutional ERA accounts and assist individuals with external ERA systems (e.g. eRA Commons, Fast Lane)

#### Communications & Education
- Manage OSR website and OSR listservs
- Maintain centralized help resources for the research administration community
- Create and deliver sponsored research training content
- Collaborate with OSR offices and university partners to develop resources and implement electronic projects
With Whom Does OSR Collaborate?

**Organizations and their Acronyms**

- Accounting Services for Research and Sponsored Programs (ASRSP)
- Center for Clinical Research (CCR)
- Conflict of Interest at Northwestern University (NUCOI)
- Innovation and New Ventures Office (INVO)
- Institutional Animal Care and Use Committee (IACUC)
- Institutional Review Board (IRB)
- Office for Export Controls Compliance (OECC)
- Office of Foundation Relations (OFR)
- Office of General Counsel (OGC)
- Risk Management

*not an exhaustive list, examples of common engagements*

Sponsored Project Online Training (SPOT)

- Web-based training resulting from a partnership between OSR and Training Advisory Committee
- Two training formats:
  - Mini-courses: Short (20-to-30 minute) interactive videos that cover a range of topics in sponsored research administration.
    - Current offerings target those who are new to research administration and cover introductory topics
    - Courses are presented via Northwestern's digital learning platform, MyHRLearn
  - Microlearning modules: 5-minute functionally-oriented videos with each video addressing a discrete task or topic; dynamic “how-to guides” meant to supplement system user guides and other job aides

Find out more here: [http://osr.northwestern.edu/training/spot](http://osr.northwestern.edu/training/spot)
SPOT: Available Mini-courses

- Introduction to Sponsored Research
- A Beginner's Guide to Sponsored Project Solicitations
- Anatomy of an Administrative Shell
- Budget Management Basics: Projections and Reconciliations
- Proposal Budgets 101
- Proposal Budgets 102
- How to Read an Award Document
- Setting up an Award

OSR In-Person Training

- Hands-on, instructor-led courses that complement the online SPOT offerings
- Current offerings cover introductory topics in sponsored research administration
- Case study-based
- Offered on a quarterly basis, alternating between campuses
- Register for classes online at MyHRLearn
In-Person Courses: Winter 2018

**DATE** | **TOPIC**
--- | ---
Tuesday, Feb. 20th | Reading & Evaluating a Solicitation
Thursday, Feb. 22nd | Proposal Budgets 101
Tuesday, Feb. 27th | Proposal Budgets 102
Thursday Mar. 1st | Award Documents & Award Set-up

- Evanston Campus (Tech Institute – MG51)
- 2-hour hands-on, case study-based sessions
- Must complete related SPOT courses before enrolling in corresponding in-person course

Questions?
Visit the OSR website: [http://osr.northwestern.edu](http://osr.northwestern.edu)
Pre-Award Overview

Office for Sponsored Research

The Sponsored Project Life Cycle
What is a Proposal?

- A proposal is the document submitted to a prospective sponsor outlining and requesting support for a specific project. Proposals typically include a description of the project’s goals, methods, timelines, personnel, and budget. The terms “proposal” and “application” are often used synonymously.
- Reasons faculty submit proposals:
  - Research (Basic & Applied)
  - Instruction
  - Training
  - Construction
  - Public Service

How do sponsors request proposals?

- Sponsored Project Solicitation: Request from a sponsor for project proposals, outlining application requirements, submission information, review criteria, and in certain instances award terms and conditions
- Variety of names:
  - Funding Opportunity Announcement (FOA)
  - Program Announcement (PA)
  - Request for Applications (RFA)
  - Request for Proposals (RFP)
- The solicitation serves as the roadmap for proposal development, providing the guidelines needed to construct a complete proposal
Proposal components

Technical Components

Administrative Components

Proposal

Technical Narrative
- Statement of need/impact (why is this work important?)
- Objectives/Goals (what are the researchers hoping to accomplish?)
- Research Plan (how will these goals be accomplished?)
- Specific sections vary from sponsor to sponsor

Statement of Work (SOW)
The SOW briefly describes the work being performed, and is often captured in sections referred to as "abstract" or "summary"

Other Technical Components
- References cited
- Schedule/Milestones
- Appendices
- Compliance Sections (e.g., human subjects, vertebrate animals)

*not an exhaustive list, examples of common items
Administrative Components

- Facilities and Other Resources
  A description of the resources available to perform the proposed project

- Biographical Sketches
  An abbreviated C.V. detailing an individual's professional/education background as well as research background (publications, contributions to science, synergistic activities etc.)

- Budget and Budget Justification
  Itemized list of costs and narrative description justifying those costs

- Current and Pending Support
  Information pertaining to current and pending support for the individual from other sponsored projects

Budget

- Itemization of the costs required to complete the proposed project
  - The funding requested must be based on a realistic and reasonable estimate of the cost to complete the work
  - All budgeted costs must be allowable on, and allocable to the project
  - Understanding the SOW is an important piece of budget development

- A large portion of the budget will be devoted to personnel costs (salary and fringe benefits) for most projects

- Other costs might include supplies, services, consulting costs, travel, subawards, and indirect or facilities & administrative costs
Direct vs. Indirect Costs

• **Direct costs:** Directly allocable to the project, common examples include personnel costs, materials and supplies, and travel costs
  – Special considerations: Different types of personnel (e.g. faculty, students), fringe costs, and special cost categories (e.g. Subcontracts, equipment, research subjects / participants costs)

• **Indirect or Facilities and Administrative (F&A) Costs:** Incurred for common or joint objectives and cannot be assigned to a specific sponsored project.
  – Facilities: buildings, maintenance/utilities, library
  – Administrative: general university / departmental admin and services

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Budgets: The Big Picture
Budget Justification

- A detailed description and explanation of the requested funding by line item
- Use categories developed by agency
- Relate line items to program objectives
- Ensure level of detail meets sponsor requirements
- Follow sponsor formatting guidelines
- Provide any required backup documentation
- **No budget can be adequately reviewed without a justification**

Overview of the Budget Building Process

- Begins and ends with sponsor guidelines/templates

1. Read and evaluate the solicitation
2. Identify key budget elements & outline development approach
3. Develop the budget and justification components
4. Submit the final, formatted budget and budget justification to OSR
Learn More about Budgeting

SPOT & OSR In-Person training courses available:

**Proposal Budgets 101**
- Define key terminology related to budgeting
- Explain how to calculate salary cost and fringe
- Explain how to choose the correct indirect rate and how to calculate indirect costs correctly
- Outline introductory strategies/process for budgeting

**Proposal Budgets 102**
- Explore in greater detail topics introduced in Proposal Budgets 101, including revising a budget, selecting the correct F&A rate based on project type, and budgeting for special direct cost categories
- Introduce additional key budget terms and concepts

How are Proposals submitted?

- Two general submission methods:
  - **System to System**: Submitted electronically directly from InfoEd to grants.gov
  - **Non-System to System**: Submitted outside of InfoEd to the sponsor (e.g., over email or using an external submission platform like the National Science Foundation's system FastLane)
- ALL proposals require an InfoEd record
- **InfoEd**: Electronic Research Administration support software that provides two major functionalities:
  - Proposal Development: providing system-to-system proposal submission for many federal programs
  - Proposal Tracking: Storing proposal and award data

For Additional Information:
- [InfoEd Training Resources](#)
Sponsored Proposal Development Process: How the pieces fit together

Best Practices

- Consistent and clear communication is a must:
  - PI ↔ RA ↔ GA/GO ↔ Agency

- **START EARLY** and establish a timeline to minimize last minute rushes; this will help ensure the best possible proposal goes out the door

- Review proposal guidelines and instructions carefully and thoroughly

- All sponsored projects **must** go through OSR for review and signature

- Be mindful of all deadlines
Working with Industry

Northwestern vs. Industry Goals

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<tr>
<th>Goal</th>
<th>Northwestern</th>
<th>Industry</th>
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<tr>
<td>Overall Objective</td>
<td>• Expand knowledge through teaching, research, and public service</td>
<td>• Develop and commercialize a product, process, and/or service</td>
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<tr>
<td>Knowledge Dissemination</td>
<td>• Ability to publish with only limited time delay for review of patent rights</td>
<td>• Keep information proprietary and away from competitors</td>
</tr>
<tr>
<td>Knowledge Ownership</td>
<td>• Ownership of intellectual property developed by NU*</td>
<td>• Ownership and control of intellectual property developed by NU</td>
</tr>
<tr>
<td>Funding</td>
<td>• Full F&amp;A recovery • Reasonable payment terms, such as timing and frequency</td>
<td>• Reduce costs wherever possible</td>
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*Clinical Trials
Clinical Trial Agreements (CTA)

- Establish terms & conditions under which corporate research funding is accepted and conducted by NU
- Help protect NU, faculty, staff & subjects from liability
- Resolve intellectual property issues
- Preserve publication rights and NU data access

Key Risk Areas on Industry Projects

- Pre-spending
- Unallowable Costs
- Budgets
- Payment
- Final Report
- Fixed Price Projects
Negotiating with Industry

- Negotiation takes time:
  - Completeness of submission to OSR
  - Negotiating terms of agreements
  - External review when required
  - IRB and budget approval
- Outcome:
  - Contract fully negotiated
  - IRB approval
  - Budget negotiated & approved
  - COI clearance
- Any Updates - Please refer to your InfoEd PD record accessible through the SP Number!

Key Issues Negotiated

- Publication rights
- Intellectual property
  - Ownership
  - Licensing
  - Background IP
- Confidentiality
- Export controls and foreign national restrictions
- FAR flowdowns
Best Practices

• To expedite negotiations:
  – Make sure to set-up your PD record in InfoEd
  – Email draft agreements to your Senior Contract and Grant Officer and cc the Administrative Coordinator
  – Do not pre-spend if any export control or foreign national restrictions apply
  – Ask for a copy of the prime award (if applicable)
  – Don’t forget to include the InfoEd PD record accessible through the SP Number!
  – Keep your Contracts Officer informed of budget negotiations and IRB approval

For Additional Information:
http://osr.northwestern.edu/clinical-research/industry

Want to Learn More?

• Contact OSR Corporate Team Administrative Coordinators for one-on-one training

• More information on broad principles applicable to clinical research agreements between NU and industry:
  http://osr.northwestern.edu/clinical-research/industry

• Watch for OSR Brown Bags announced on OSR listserv

• Find My Grants / Contracts Officer https://osr.northwestern.edu/contact

Find My Grants / Contracts Officer (last updated 06/21/2017)
Constituency Lists for Chicago and Evanston campuses
Note: Both grants team and industry/clinical team contacts are included.
Questions?

Cost Principles for Sponsored Projects Administration

Tina Mete
Senior Financial Research Administrator
Office of Cost Studies
The Office of Cost Studies is dedicated to providing analytical, cost accounting, and effort reporting expertise to the management of Northwestern University's research enterprise and to the fulfillment of business operational objectives. We establish and oversee conformance with University policy, procedure, and practice in matters relating to cost accounting and effort reporting for sponsored programs.

Responsibilities

- Cost Accounting Principles
- F&A Costs
- Compensation - Effort Reporting
- Recharge/Service Centers
- Financial Surveys
- Costing Analysis

http://www.northwestern.edu/coststudies

Jennifer Mitchell
Director, Cost Studies

Tina Mete
Sr. Financial RA

Erin Farlow
Sr. Financial RA

Sophia Gabay
Sr. Cost Analyst

Office of Cost Studies - Personnel
2 CFR 200
UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS (UNIFORM GUIDANCE)

- Effective Dec 26, 2014
- Supersedes 8 OMB circulars, including A-21, A-110, and A-133
  - A-21: Cost Principles for Institutions in Higher Education
  - A-110: Administrative Requirements
  - A-133: Audit Requirements
- Applied to Audit: period starting Dec 26, 2014
- Download: 
  [http://www.ecfr.gov/cgi-bin/textidx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl](http://www.ecfr.gov/cgi-bin/textidx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

## Organization of Uniform Guidance

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<th>Title and Emphasis</th>
<th>Section No.</th>
<th>Predominate Sources</th>
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<tr>
<td>Subpart A</td>
<td>Acronyms &amp; Definitions</td>
<td>200.0 to 200.99</td>
<td>New</td>
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<td>Subpart B</td>
<td>General Provisions</td>
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<td>Subpart C</td>
<td>Pre-Federal Award</td>
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<td>Subpart D</td>
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<td>A-110, A-102</td>
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<td>Subpart E</td>
<td>Cost Principles – including Direct &amp; Indirect (F&amp;A) Costs, and Compensation-Personal Services</td>
<td>200.4xx</td>
<td>A-21, A-87, A-122</td>
</tr>
<tr>
<td>Subpart F</td>
<td>Audit Requirements</td>
<td>200.5xx</td>
<td>A-133</td>
</tr>
<tr>
<td>Appendices</td>
<td>Combination of all 8 circulars; III – F&amp;A for Educational Institutions</td>
<td>I to XI</td>
<td></td>
</tr>
</tbody>
</table>
### Risks of Non-compliance

<table>
<thead>
<tr>
<th>Institution</th>
<th>Date</th>
<th>Agency</th>
<th>Issues</th>
<th>Settlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northwestern University</td>
<td>2004/ NIH</td>
<td></td>
<td>Institutional base salary, K award, Certifier Assignment</td>
<td>$5.5 million</td>
</tr>
<tr>
<td>Johns Hopkins University</td>
<td>Feb 2004/</td>
<td>NIH</td>
<td>Faculty time &amp; effort overstated</td>
<td>$2.6 million</td>
</tr>
<tr>
<td>Harvard University</td>
<td>July 2004/</td>
<td>NIH</td>
<td>Government billed for salaries &amp; expenses unrelated to federal grants, self reported</td>
<td>$3.3 million</td>
</tr>
<tr>
<td>Florida International</td>
<td>Feb 2005/</td>
<td>Dept of Energy</td>
<td>Effort reporting, cost transfers, payroll dist.</td>
<td>$11.5 million</td>
</tr>
<tr>
<td>University of Alabama at</td>
<td>Apr 2005/</td>
<td>NIH</td>
<td>Research work overstated, Medicare billed for research</td>
<td>$3.9 million</td>
</tr>
<tr>
<td>Birmingham</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Mayo Clinic</td>
<td>May 2005/</td>
<td>NIH, others</td>
<td>Cost allocation, cost transfers, inadequate accounting system</td>
<td>$6.5 million</td>
</tr>
<tr>
<td>St. Louis University</td>
<td>July 2008/</td>
<td>NIH, CDC, HUD</td>
<td>Supplemental compensation, effort reporting</td>
<td>$1 million</td>
</tr>
<tr>
<td>Yale University</td>
<td>Dec 2008/</td>
<td>Multiple agencies</td>
<td>Cost transfers, summer salary charges, effort reporting</td>
<td>$7.6 million</td>
</tr>
<tr>
<td>Duke University</td>
<td>Jan 2009/</td>
<td>NIH</td>
<td>Direct charging of administrative and clerical costs</td>
<td>Final settlement &lt; recommended $ by the auditor</td>
</tr>
</tbody>
</table>

### Roles and Responsibilities

- Are you involved in managing these funds?
  - **Fund 610 to 650 (Sponsored) & 191 to 193 (Cost Share)**
    - Research administration includes providing stewardship to appropriately manage grants and contracts at All Levels

- Internal Controls (Section 200.303)
  - **Must** maintain effective internal control over the federal award that provides reasonable assurance...
  - **Must** comply, evaluate and monitor compliance with federal statutes, regulations and the terms and conditions of the federal awards
  - **Must** take prompt action when non-compliance is identified
Sponsored Project Costs

Direct Costs + Indirect Costs = Total Costs

Sponsored project costs are comprised of allowable direct costs plus the allocable portion of allowable indirect costs.

Direct vs. Indirect (F&A) Costs

Direct Costs: PI Salary, Equipment, Fringe Benefits

F&A Costs: Admin Salary, Office Computer, Building
Guiding Principles for Charging Costs

- Be necessary and reasonable for the performance of the award and be allocable thereto under these principles.
- Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities.
- Ensuring consistent treatment. A cost is either direct or indirect cost when for the same purpose in like circumstances.
- Not included as a cost or cost sharing on another award
- Be adequately documented

Guiding Principles: Allowability (200.403)
Unallowable Costs Examples

- Uniform Guidance:
  - 200.423 Alcoholic beverages
  - 200.424 Alumni/ae activities
  - 200.429 Commencement costs
  - 200.438 Entertainment costs
  - 200.441 Fines, penalties and settlements
  - 200.442 Fund raising
  - 200.445 Goods or services for personal use
  - 200.450 Lobbying
  - 200.469 Student Activity Costs (including athletics)

- Agency-specific policy (e.g., NIH salary limitation)
- University policy (e.g., Employee morale costs)
- Award-specific terms & conditions (e.g., Some grants prohibit foreign travel)

Guiding Principles: Reasonable Costs (200.404)

- is determined by the prudent person test, i.e., are the nature and charge amount not excessive and within the bounds of common sense?
- Generally recognized as ordinary and necessary.
Can the charge pass the “Test of Reasonableness”?

• Common sense – will another prudent person make the same decision?
• How would it look if published in the Chicago Tribune?
• Is it consistent with ethical business practices and applicable laws?

Guiding Principles: Allocable Costs (200.405)

A cost is allocable to a sponsored agreement if:
• It is incurred solely to advance the work under the sponsored agreement;
• The cost is charged in accordance with relative benefits received or other equitable relationship.
Allocability

An appropriate method should be used to allocate the costs of bulk purchases to individual project (see below)

Allocate based on a reasonable estimate of actual consumption

Allocate based on the number of grants in the department

Questions?
Can I Charge this Cost to an Award?

Reasonable? Allowable? Allocable?

Yes

Direct or F&A? (consistency)

Direct

Charge the cost to the award using the appropriate expense object Account Code

No

F&A

Charge to a non-sponsored account

Check Your Knowledge
Facilities & Administrative Rate

Tina Mete
Senior Financial Research Administrator
Office of Cost Studies

Higher Education: 4 Major Functions

Instruction
Organized Research
Other Sponsored Activities
Other Institutional Activities
F&A Rates

- All research and development activities of an institution Facilities and Administrative Cost - also known as Indirect Cost, Overhead Cost
- F&A Rates are Calculated per Major Function once every 3 or 4 years by the Office of Cost Studies
- F&A Rates of Instruction, Organized Research, and Other Sponsored Activities are then Negotiated with the Federal government
- Organized Research accounts for the largest reimbursement of the F&A Cost and is today’s focus

Organized Research

- All research and development activities of an institution are separately budgeted and accounted for including:

  1. **Sponsored Research**: All research and development activities that are sponsored by Federal and non-Federal agencies and organizations
  2. **University Research**: All research and development activities that are separately budgeted and accounted for by the institution under an internal application of institutional funds
F&A Rate Calculation

- The rate is based on a periodic calculation and submission of a rate proposal, which is then negotiated with Northwestern's cognizant agency (DHHS)

<table>
<thead>
<tr>
<th>Indirect Costs</th>
<th>Direct Costs of Organized Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting Organized Research</td>
<td>= 58.0%</td>
</tr>
</tbody>
</table>

F&A Rate Development Methodology

- Indirect Cost Assignment & Allocation
- Instruction
- Organized Research
- Other Sponsored Activities
- Other Institutional Activities

Direct Cost Buckets
The F&A Ratio

The “Pools”
- Facilities costs
- Administrative costs
- Based on allocations of actual costs

Indirect Cost “Pools” = 58%

The Base
- Based on actual costs charged to research projects
- Typically expressed as MTDC but can be TDC or salary & wages

The Ratio

Facilities & Administrative Costs

Facilities Related Costs
- Building Depreciation/ Use Allowance
- Equipment Depreciation/ Use Allowance
- Interest
- Operations & Maintenance
- Library

Administrative Related Costs
- General Administration (GA)*
- Department Administration (DA)*
- Sponsored Projects Administration (SPA)*
- Student Services
F&A Rate Calculation

Assign expenditures to pools and bases by function code

Remove unallowable costs from pools*

Allocate allowable pool costs to major functions

Divide: F&A Costs allocated to OR/MTDC* of OR

Step 3: Allocate Allowable Pool Costs to Major Functions

<table>
<thead>
<tr>
<th>Indirect Cost Pool</th>
<th>Allocation Basis</th>
<th>Allocation Basis Detail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities</td>
<td>Square Feet</td>
<td>Allocation Statistic is equal to Sq. Ft used for each Major Function divided by Total Assignable Sq. Ft</td>
</tr>
<tr>
<td>Admin</td>
<td>Modified Total Cost of each major function</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major Function</th>
<th>Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Administration</td>
<td>University-wide MTC</td>
</tr>
<tr>
<td>Department Administration</td>
<td>School/ Department MTC</td>
</tr>
<tr>
<td>Sponsored Projects Administration</td>
<td>Sponsored project MTC</td>
</tr>
<tr>
<td>Student Services</td>
<td>Allocated 100% to Instruction</td>
</tr>
</tbody>
</table>
How F&A Costs are Distributed

- **Allowable Facilities Related Indirect Costs**: $150M
- **Allowable Administrative Indirect Costs**: $50M

**Space Allocations**
- $34M
- $24M
- $52.5M
- $20M
- $22.5M
- $1.25M
- $4.5M
- $6.25M

**Organized Research**
- $100M MTDC

**Instruction**
- $200M MTDC

**Other Sponsored Activities**
- $10M MTDC

**Other Institutional Activities**
- $90M MTDC

**Other**
- $200M MTDC

Organized Research – F&A Rate

- **Allowable Facilities Related Indirect Costs**: $150M
- **Allowable Administrative Indirect Costs**: $50M

**Space Allocations**
- 25% to Research

**MTC & Other Allocations**
- 45% to Research

**Organized Research**
- $100M MTDC

- **$58M F&A**

- **$58M** = 58% Research F&A Cost Rate
Space Survey

Why is it Important?
• Cost allocation for building and equipment depreciation/interest
• Operations and maintenance
• Rate is uncapped

How Can You Help?
• Key for F&A rate calculation*
• Offices will be calculated based on salary distribution by the Office of Cost Studies*
• For labs, account for who worked in the lab
  – Understand the funding per lab
  – Training grants vs. research grants
  – Recharge

Maximizing F&A Recovery

• F&A recovery is a critical part of the University's budget and necessary to support a sustained investment in the research enterprise

• Negotiated rate is almost always less than the actual calculated rate*

• Accessing the F&A rate represents recovery of costs already incurred by the University, which benefited the sponsors
F&A Rate Calculation: How Can You Help?

Conduct the following activities *Timely and Appropriately*:

- Effort reporting (working with Cost Studies)
- Space survey (working with Facility Management and Cost Studies)
- Equipment inventory (working with Account Services and Cost Studies)

Questions?
Cost Sharing

Office for Sponsored Research

What is Cost Sharing?

• The portion of total project or program costs (direct and indirect) not born by the sponsor
  – The University or a third party (such as a subcontractor or an unfunded collaborator) bears the cost
  – Normally in the form of direct costs (e.g. salary) or with sponsor approval, may take the form of F&A costs where reimbursement is waived or reduced

• Common Types of In-Kind Cost Share
  – Faculty Effort
  – Unrecovered F&A
  – Graduate Student Fellowships

• Appropriate Sources for Cash Funds
  – Gifts
  – Endowments
  – Unrestricted discretionary funds

Cost Sharing
Cost Matching

• “Cost Sharing = “Cost Matching”
  – Terms can be (and often are) used interchangeably
  – However, the terms “cost matching” often refers to cost sharing agreements in which the amount of sponsor funding is based on an equal or proportionate commitment (e.g., 1:1) from the University.

Types of Cost Sharing

- Mandatory Cost Share (MCS)
- Voluntary Committed Cost Share (VCCS)
- Voluntary Uncommitted Cost Share (VUCS)
Pro / Con of Cost Sharing

• Positive
  – Helps Northwestern be eligible for certain programs
  – Makes Northwestern more competitive for certain programs
  – Helps Northwestern allocate resources to areas of strategic national importance

• Negative
  – Financial
  – Administrative
  – Compliance
  – Investigator
  – F&A Rate Decrease

Institutional Position on Cost Share

• Northwestern only engages in cost sharing when it is in the best overall interest of the University
  – Mandated by sponsor solicitation or policy
  – Deemed appropriate in light of specific circumstances
Requesting Institutional (OR) Support

- Large-Scale, Interdisciplinary Proposals
  - DoD, DoE, NSF
  - NIH Program Project Grants or Center Grants (P Series)

- Instrumentation Proposals
  - NSF Major Research Instrumentation (MRI)
  - NIH Shared & High-End Instrumentation (S10/HEI)

- OR does not consider requests for “cap gap” cost sharing

Cost Sharing Requirements

- Verifiable from the recipient’s records

- Not included as contributions for any other Federally-assisted project or program

- Necessary and reasonable

- Allowable

- Not paid by the Federal Government under another award

- Provided for in the approved budget when required by the Federal awarding agency
Unacceptable Forms of Cost Sharing

- Costs funded by other sponsored projects
- Costs pledged as cost sharing for another funded project
- Unfunded salary for effort beyond the contractual appointment period
- Costs reimbursed through the F&A rate
- Salary dollars above the regulatory cap
- Costs not deemed to be necessary and reasonable

Required Cost Share Fund Codes

<table>
<thead>
<tr>
<th>Type</th>
<th>Fund</th>
<th>Cost Share Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory Cost Share</td>
<td>191</td>
<td>Required by sponsors as a matter of statute, regulation or policy, or is indicated in individual solicitations</td>
</tr>
<tr>
<td>Over the Cap Commitment</td>
<td>192</td>
<td>Difference between actual salary and sponsor imposed salary cap (e.g. NIH)</td>
</tr>
<tr>
<td>Voluntary Committed Cost Share</td>
<td>193</td>
<td>Not required by the sponsor as a condition of award but provided at the proposal stage at the discretion of the institution.</td>
</tr>
</tbody>
</table>
Accounting for Cost Sharing

• Ensures Northwestern can provide verification that MCS and VCCS obligations have been met

• Ensures proper classification of costs in F&A rate calculation*

• Provides valuable management information in the form of accurate financial accounting*

Cost Sharing Timing & Best Practices

• Start very early: It takes a while to process cost share requests

• MCS, VCCS and Salary-over-the-cap cost must be tracked and reported in F&A proposals and Effort Certification

• Work with OSR to ensure the appropriate cost share chart strings are open upon award notification

• Fund the CS chartstring by a non-sponsored source

• For more info, visit OSR website cost sharing page: https://osr.northwestern.edu/proposals/costsharing
Questions?

Northwestern University Research Administration Professionals (NURAP)
An organization to support research administration professionals
**Mission**

NURAP strives for a diverse membership of research administration and support professionals in departments, divisions, centers, schools and central administration units.

With an emphasis on operations and organizational management, NURAP provides an educational forum to discuss current policies, exchange best practices/ideas and network.

---

**Grassroots Leadership**

- **Nathan Youngblood**, President, MEAS, Research Administration, EV
- **Juleen Morford**, Vice President, FSM, Preventive Medicine/IPHAM, CH
- **Maria Galent**, Secretary, School of Communication, EV
- **Jody Hirsh**, OR, Chemistry of Life Processes Institute, EV
- **Maura Cleffi**, OR, NAISE, EV
- **Aaron DeLee**, OR, OSR, EV
- **Susan Hall-Perdomo**, OR, Center for Sleep & Circadian Biology, EV
- **Brent Bell**, FSM, RA
- **Elzbieta Klapczynska**, WCAS, Research Administration, EV
- **Nadia Hajjar**, FSM, Preventive Medicine/IPHAM, CH
- **Helaine Miller**, OR, ISEN, EV
- **Rebecca McNaughton**, ORD
- **Rosa Ortiz**, School of Communication, CH
- **Yael Mayer**, MEAS, Research Administration, EV
Education and Information

NURAP Newsletter (Information)
Member recognition, advice column, organizational news

NURAP Listserv (Information)
Job opportunities, event announcements, internal training

NURAP Website (Information)
Organizational information, list of previous events, membership information, resources for research administrators
www.nurap.northwestern.edu

Certified Research Administrator Exam
Study Sessions (Continuing Education)

NURAP at Noon
(Programming)
Informal informational sessions

FY2017 NURAP@NOON Sessions

Best Practices for Sponsored Projects
Travel – presented by ASRSP

Stored Value Cards – presented by Treasury Financial Operations

Project Closeout – panel discussion

NCURA Webinar on Research Terms and Conditions
Joining NURAP

How do you become a member of NURAP?

- Join the listserv by emailing us at nurap@northwestern.edu

- Membership in NURAP is free!

- Membership in NURAP is open to all members of the Northwestern University community involved in any aspect of research

Please Join us on Twitter, Facebook or LinkedIn
Questions?