

Special Issues in Contract and Grant Administration

Presented by the
Office of Research

Goals

- Provide participants with a general overview of key policies, regulations and current issues of interest to the UCR campus in area research administration
 - Research Integrity
 - Export Controls and Citizenship Restrictions
 - Sponsor Electronic Proposal Submission Systems
 - Extramural Funds Classification
 - Subawards and Subrecipient Monitoring
 - Pre-award and Post-award Case Studies

Research Integrity

William Schmechel

Director, Office of Research Integrity

Research Integrity Standing Committees

- Human Research Review Board (HRRB)
- Institutional Animal Care and Use Committee (IACUC)
- Conflict of Interest and Commitment Committee (COIC)
- Institutional Biosafety Committee (IBC)
- Radiation Safety Committee (RSC)
- Embryonic Stem Cell Research Oversight Committee (ESCRO)

Expectations of RI Staff

- Act in a facilitative manner
- Respond to clients in a timely manner
- Use reason at all times when analyzing issues and determining level of risk

Research Integrity Charges



- Advise the Institutional Official (VC Research).
- Assist PIs to meet teaching and research responsibilities while assuring adherence to mandated regulations.
- Review and implement mandated external regulations.
- Approve protocols before work commences.
- Recommend modifications, suspension, or termination of projects when necessary.
- Investigate allegations of research misconduct.



Human Research Review Board (HRRB)

- Review all campus projects involving human subjects to determine if:
 - The rights and welfare of subjects are protected;
 - The risk/benefit ratio; and
 - The informed consent of all subjects is obtained by appropriate and adequate methods.
- Protocols reviewed at three different levels: full committee, expedited, and exempt. All levels require review by the HRRB.

Institutional Animal Care and Use Committee (IACUC)



- Review and approve the use of animals in research.
- Inspect animal care facilities & review animal care policies semiannually.
- Monitor handling, restraint, drug use, surgical and post-surgical care/use of animals.
- Monitor training of personnel to ensure procedures are carried out in accordance with approved protocols.
- Work closely with Office of the Campus Veterinarian Dr. Akiko Sato.

Institutional Biosafety Committee (IBC)



- Review, approve, and oversee practices and procedures related to research and teaching involving rDNA and biohazardous materials.
- Review lab space where proposed use of biohazardous materials will take place to ensure containment levels are adequate.



Conflict of Interest and Commitment Committee (COIC)

- Assess financial disclosure statements and review relevant features of research projects to manage conflicts of interest to avoid loss of federal funds and/or research opportunities.
- If necessary, establish ad hoc panels to manage situations where a PI has a conflict of interest that requires monitoring.

Conflict of Commitment

- Review of APM-025 Category I leave requests when a potential or actual conflict of commitment may exist, and recommend to the VC for Research whether the request is permissible under APM-025 guidelines.
- Collect mandated APM-025 annual reports.

Conflict of Commitment web site



The screenshot shows a web browser window with the address bar displaying <http://www.conflictofcommitment.ucr.edu>. The page title is "Conflict of Commitment and Compensated Outside Activities". The website header features the UCRIVERSIDE logo and the text "CONFLICT OF COMMITMENT & COMPENSATED OUTSIDE ACTIVITIES". A navigation menu on the left includes "Home" and "Login". The main content area has a heading: "Welcome to UCR's Faculty Self-Reporting System for Conflict of Commitment and Compensated Outside Activities". Below this heading is a "LOGIN" button. A note reads: "Please read the notes below prior to submitting your report." The main section is titled "Background on UCR'S Conflict of Commitment and Compensated Outside Activities Reporting System". The text explains that the APM-025 policy affirms faculty responsibilities and provides mechanisms to ensure that activities outside the University do not interfere with fulfillment of these responsibilities. It specifies limits on time that can be devoted by faculty members to certain types of compensated and non-compensated outside professional activities. APM-025 applies only to Academic Senate members (full-time or part time). However, it does not apply to emeritus faculty members unless they are on recall status. In addition, it applies to all academic or other administrators who hold academic appointments in a faculty title series regardless of the current percentage of time related to the academic appointment. Key provisions of the policy are the requirements that faculty: 1) obtain approval before engaging in certain specified types of compensated activities ("Category I" activities, as defined in APM-025) and 2) submit reports documenting the Category I and/or Category II compensated activities in which they engaged for the Fiscal Year ending June 30 annually. A section titled "What am I asked to do at this time?" states: "As required by University policy, you are being asked to submit an annual report indicating whether you have or have not engaged in Category I and/or Category II compensated activities for the Fiscal Year ending June 30. If you have, you will be asked to describe the activity, the nature of the relationship and provide a general description of the outside entity involved." The final paragraph states: "The web-based reporting in which you are logged will guide you through the process of submitting the required annual APM-025 report." The Windows taskbar at the bottom shows the Start button, several open applications (Schmechel, Willi..., Eudora by QUA..., Internet Explorer, Microsoft Power..., Document1 - Mi...), and the system clock showing 9:19 AM.

www.conflictofcommitment.ucr.edu/conflict_comm/login

Radiation Safety Committee (RSC)

- Ensure that the use of radioactive material and radiation machines are conducted in a safe manner and in accordance with the State of California regulations and the conditions of the license.

Embryonic Stem Cell Research Oversight Committee (ESCRO)

- Oversee issues related to the derivation and research use of human embryonic stem cell lines.
- Review and approve proposals involving the use of human embryonic stem cells (both federally and non-federally funded) prior to initiation of the research.

Research Misconduct

- *Research Misconduct* means fabrication, falsification, or plagiarism, in proposing, performing, or reviewing research, or in reporting research results.
- 529-900 UCR Policy and Procedures for Responding To Allegations of Research Misconduct
(<http://or.ucr.edu/Policies/policies.aspx>)

Research Integrity Staff



Bill Schmechel

Director



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HRRB, COIC,
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Back up for all
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For Additional Information

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Research Integrity Policies

<http://or.ucr.edu/Policies/policies.aspx>

Export Controls & Citizenship Restrictions

Charles Greer, Jr.

Principal Contract and Grant Officer

What are Export Controls?

U.S. laws that regulate the distribution of strategically important products, services and information

- To foreign
 - Persons
 - Companies
 - Countries
- For
 - Political reasons
 - Economic reasons
 - National security

Who Has Oversight for Export Controls?

- **Department of Commerce**

- Bureau of Industry & Security - controls “dual-use” items - goods and technology with both civilian and military/strategic uses



- **U.S. State Department**

- Office of Defense Trade Controls - controls defense articles, defense services, and related technical data, including most space-related articles



Who Has Oversight for Export Controls?

- **U.S. Treasury Department**
 - Office of Foreign Assets Control - oversees U.S. trade embargoes
- **Department of Homeland Security**
 - U.S. Customs and Border Protection Service is responsible for enforcement

What is a Controlled Export?

- **Physical export**
 - The actual shipment or transmission of items subject to export control regulations out of the United States
- **Deemed export**
 - Disclosing (including oral or visual disclosure) "technical data" or "technology" (including software source code) to a "foreign person,"
 - Can occur without crossing national borders

What is a Controlled Export?

- **Embargo**

- The provision of financial support (U.S. dollars) to any embargoed nation or any person on Specially Designated Nationals & Blocked Persons list
- Embargoed countries - Cuba, Iran, Syria, North Korea, Myanmar (formerly Burma) and Sudan

Examples of Controlled Exports

- **Physical Export**
 - Taking a remotely operated submersible to a foreign country's territorial waters to conduct underwater archeological surveys
- **Embargo**
 - Traveling to Cuba to perform research
- **Deemed Export**
 - Giving a foreign graduate student access to Microsoft Windows XP source code in the absence of applicable exemptions

What Exemptions Apply to Universities?

There are no exemptions or safe harbors for Physical Exports and Embargos!

What Exemptions Apply to Universities?

- Deemed Exports - Technical Data and Technology is exempt if it is:
 - In the public domain or is publicly available
 - General scientific, mathematical, or engineering principles commonly taught in colleges and universities
 - Available through unlimited distribution at a conference, meeting, seminar, trade show, or exhibition

What Exemptions Apply to Universities?

- Deemed Exports - Technical Data and Technology is exempt if it:
 - Arises during or results from fundamental research with no restrictions on publication or access
 - NSDD 189 safe harbor

What is NSDD-189?

- National Security Decision Directive issued in September 1985
- Established as a national policy that, to the maximum extent possible, the products of fundamental research should remain unrestricted

What is NSDD-189?

- Defined “fundamental research” as
 - Basic and applied research in science and engineering, the results of which ordinarily are published and shared broadly within the scientific community
- The fundamental research safe harbor
 - Applies only to Deemed Exports

What is UC's Strategy for Compliance?

- **Comply with Export Control Regulations**
 - Securing export licenses where required
- **Ensure UCR's fundamental research remains in the NSDD-189 safe harbor by**
 - Avoiding restrictions on dissemination of research findings
 - Avoiding restrictions on access to UCR research programs
 - Pushing back and up when presented with citizenship & publication restrictions

What is UC's Strategy for Compliance?

- Ensure that the NSDD-189 safe harbor applies to UCR's fundamental research by
 - Not accepting classified awards or engaging in classified research
 - Ensuring that access and dissemination controls are not accepted in research-related agreements
 - Material transfer agreements, consulting agreements, collaboration agreements, software licenses, equipment loan agreements, etc.

What is UC's Strategy for Compliance?

- Ensure UCR's fundamental research remains in the NSDD-189 safe harbor by
 - Reminding faculty not to sign the DD2345, Militarily Critical Technical Data Agreement, as a condition of attending a conference or receiving materials from the government
 - Not accepting data from a commercial contractor that is marked "export controlled"

Export Controls - A Case Study

UCR submits a proposal to the Missile Defense Agency in response to a BAA. The BAA contains no statements or terms that restrict publications or participation in the proposed research, but state that the award mechanism will be a grant, cooperative agreement or contract and will be determined by the MDA Contracting Officer.

Are there any export control issues associated with this BAA? If so, what are they?

Export Controls - A Case Study

Same fact pattern, but the MDA has chosen to fund UCR's proposal. They send SPA a contract that includes a restriction prohibiting the involvement of foreign nationals, an option to classify the research at a later date and a requirement that all publications be submitted to the Contracting Officer for review and approval.

Are there any Export Control issues associated with this award? If so, what are they?

Sponsor Electronic Proposal Submission Systems

Bruce Morgan

Assistant Vice Chancellor for Research

Grants.gov

- **Mission**
 - Provide a simple, unified electronic storefront for interactions between award applicants and the government
- **Reality**
 - FIND - provides a single source for locating funding opportunities
 - APPLY - not used by all federal sponsors
 - Not consistently used for all programs by those sponsors who use Grants.gov

Grants.gov

- **Required software**
 - Adobe Reader - to read PDFs
 - Any software or print driver that can create PDF files
 - PureEdge Viewer
- **No registration required for**
 - Faculty or unit contract & grant analysts
- **Proposals are created off-line and then submitted via Grants.gov**

NSF FastLane

- National Science Foundation's electronic research administration system
- Purpose
 - Facilitate business transactions between NSF and its grantees
 - Proposal preparation, submission and peer review
 - Proposal and award status
 - Award management, prior approval requests, project reports

NSF FastLane

- Users must be registered
 - Please contact Daniel Balban, x24815 to register or for additional registration information
- Proposals and other business transactions are created on-line within the FastLane application

NIH eRA Commons

- **Purpose**
 - The “Commons” is a Web interface where NIH and the grantee community are able to conduct their extramural research administration business electronically.

NIH eRA Commons

- **Functionality - Status**
 - Principal Investigators may review
 - the current status of all their grant applications
 - detailed information associated with their grants
 - proposals submitted through Grants.gov and transferred to the NIH eRA Commons for NIH peer review
- **Functionality - eSNAP**
 - Allows for the on-line submission and review of non-competing grant data and progress reports

NIH eRA Commons

- Users must be registered
 - Please contact Mayela Castillo, x24816 to register or for additional registration information
- Proposals are submitted via Grants.gov, which passes the application on to the Commons
- Other business transactions are created on-line within the Commons

Other Sponsor Systems

- **proposalCentral**
 - America Cancer Society
 - California Breast Cancer Research Program
 - Muscular Dystrophy Association
 - California HIV/AIDS Research Program
- **UC Discovery**
- **Submission by e-mail**
 - If described in sponsor's guidelines
 - SPA prior review and approval still required

General Challenges

- **Deadline creep**
 - PIs communicate proposal submission plans to CGAs closer to deadlines
 - PIs perceive that less time is required to review proposals
- **Insufficient resources to maintain expert-level knowledge of multiple systems and provide system-specific training to the campus community**

Grants.gov Challenges

- **NIH proposals**
 - Proposals are not usually accepted on the first submission due to validations performed by Commons
 - Some funding programs still require paper submissions
- **Federal sponsors have different submission requirements**
 - For example, PDF v. Word

Extramural Funds Classification

Bruce Morgan

Assistant Vice Chancellor for Research

Adapted from the UCI RAMP Training Course

What is a Gift?



Definitions of “Gift”

Merriam-Webster’s Collegiate Dictionary

“Something voluntarily transferred by one person [or entity] to another without compensation”

Definitions of “Gift”

Black’s Law Dictionary

“A voluntary transfer of property to another made gratuitously and without consideration. Essential requisites of a gift are: capacity of the donor, intention of the donor to make a gift, complete delivery to or for donee, and acceptance of gift by donee.”



Definitions of “Gift”

Campus Policy Number: 200-45

“An irrevocable, charitable contribution to the University, including the UCR Foundation, which is intended as a donation, bestowed voluntarily and without expectation of tangible compensation, and for which no contractual requirements are imposed.”

Examples of Gifts

- Cash and cash equivalents
- Securities
- Life insurance
- Real estate
- Trusts and other deferred gifts
- Gifts-in-Kind that further UCR's mission
 - Works of art
 - Books and other types of collections
 - Any item that can be converted to cash

Case Study

A company graciously donates \$100,000 in employee and equipment support for a UCR special event.

Is this a gift?

Does it further UCR's mission?

Why Is Classification Important?

- Report of Auditor General to the Joint Legislative Audit Committee (1978)
- Reviewed privately supported research at UC
- Findings - funds processed as gifts should have been classified and processed as grants or contracts
- Generated great concern
 - Misuse of public funds
 - Changes in UC's procedures and practices

Classifying Extramural Funds

- **Why grants are not gifts**
 - Awards of financial assistance
 - Support a scope of work envisioned by faculty
 - Period of performance
 - Detailed budget
 - Technical and financial reports
 - Revocable in whole or in part



Classifying Awards

- Why contracts are not gifts
 - Procurement/purchasing action (i.e., *quid pro quo*)
 - Narrowly defined scope of work
 - Period of performance
 - Detailed budget
 - Specific deliverables and/or milestones
 - Financial and technical reports
 - Specific rights reserved by sponsor



Quid Pro Quo

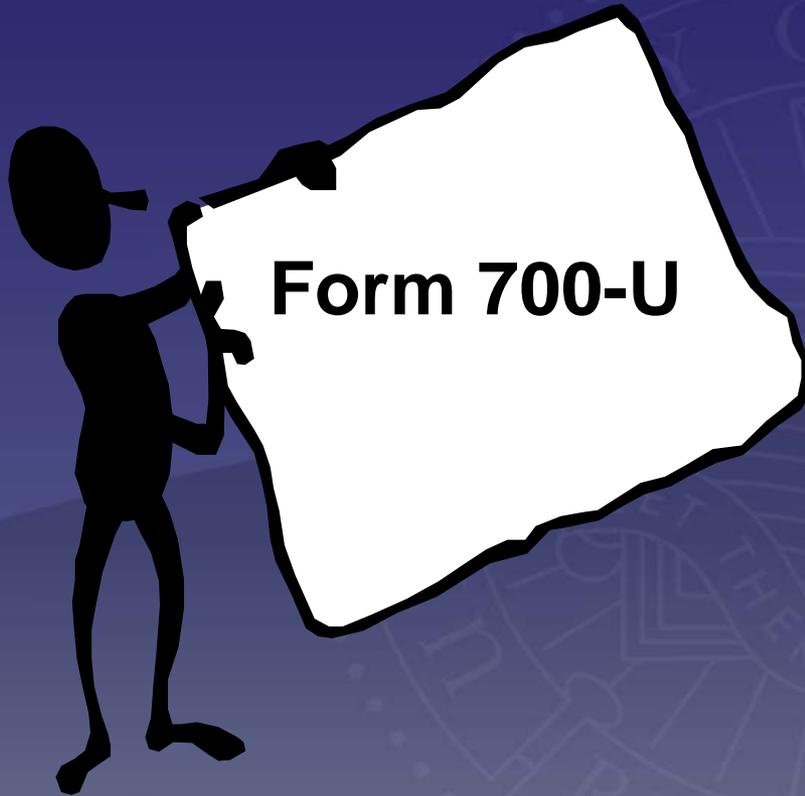
Law.com

“Latin for ‘something for something,’ to identify what each party to an agreement expects from the other, sometimes called mutual consideration.”

Case Study

e-Bucks, Inc. sends UCR a check in the amount of \$98,152.68 to support the research of Professor Periodic Element in the Department of Chemistry. Professor Element tells you that the check arrived without a cover letter. The check stub memo states that the funds are for the professor's "...research project on the dynamics of state-to-state photodissociation...."

Is this a gift?



Financial Disclosure and Gifts

Form 700-U

- Required by the Political Reform Act (Fair Political Practices Commission)
 - All gifts of \$250 or more that support research
- Disclosure of financial interests in the donor
 - If any, the faculty must complete the Disclosure of Economic Interests Addendum
- Disclosed interests are reviewed by the Conflict of Interest Committee (COIC)
 - Advisory to Vice Chancellor for Research (VCR)

Financial Disclosure Review Process

- Form 700-U submitted to Gift Administration with other gift-related documentation
 - Forwarded to Office of Research
- If 700-U is negative, no COIC review required

Financial Disclosure Review Process

- If 700-U is positive, COIC review required
 - Committee discusses case and makes recommendation to the VCR
 - Process complete after VCR accepts COIOC recommendation and approves case
- Gift released after VCR approval
 - OR notifies Gift Administration of VCR decision

Is a Gift a Gift?

- Extramural Funds Classification Committee
 - Reviews gifts and other extramural funds directed to UCR
 - Based on the facts, circumstances and information associated with each case, determines whether the funds are a gift, grant, contract, service agreement, etc.

Case Study Part 1

ABC, Inc. makes a donation to UCR to support Dr. Abuv Scail. The donor letter indicates that the funds are an unrestricted gift for Dr. Scail's research on the immune system of mice. The check provided by ABC indicates that the funds are the first quarterly payment for a study of immune system responses to a newly synthesized rDNA molecule.

Is this a gift?

Case Study Part 2

Same fact pattern. Only now, you discover that three months earlier, Dr. Scail submitted a proposal for this study to ABC, Inc. You ask Dr. Scail about the proposal and she tells you that it was denied.

How does this change the situation?

Case Study Part 3

Now consider that Dr. Scail serves on ABC's Board of Directors and owns 2.5% of the company's overall stock. Also, you notice that Dr. Scail's IACUC protocol continuation application notes that data abstracts and mouse tissue will be transferred to ABC, Inc.

How does this change the situation?

Key Policies and Resources



Key Policies

- **Campus policy and procedure**
 - Campus Policy Number: 200-45
- **UC Presidential Policy on Gifts/Grants for Research (OP website)**
<http://www.ucop.edu/raohome/cgmanual/chap09.html#9-510>
- **Development Policy Manual**
<http://www.ucop.edu.ucophome/policies/devpol>
- **IRS Publications 526 & 561**
<http://www.irs.gov/publications/p526/index.html>
<http://www.irs.gov/publications/p561/ar02.html#d0e132>

Avoiding Delays

- Get the money into the correct process
 - Gift v. Sponsored Award
- Submit all necessary documentation
- Ensure that all documents requiring signatures have been signed by the appropriate individuals
- Don't forget the 700-U form (and addendum materials as appropriate)



Subawards & Subrecipient Monitoring

Tim Lefort

Subrecipient Monitoring Coordinator

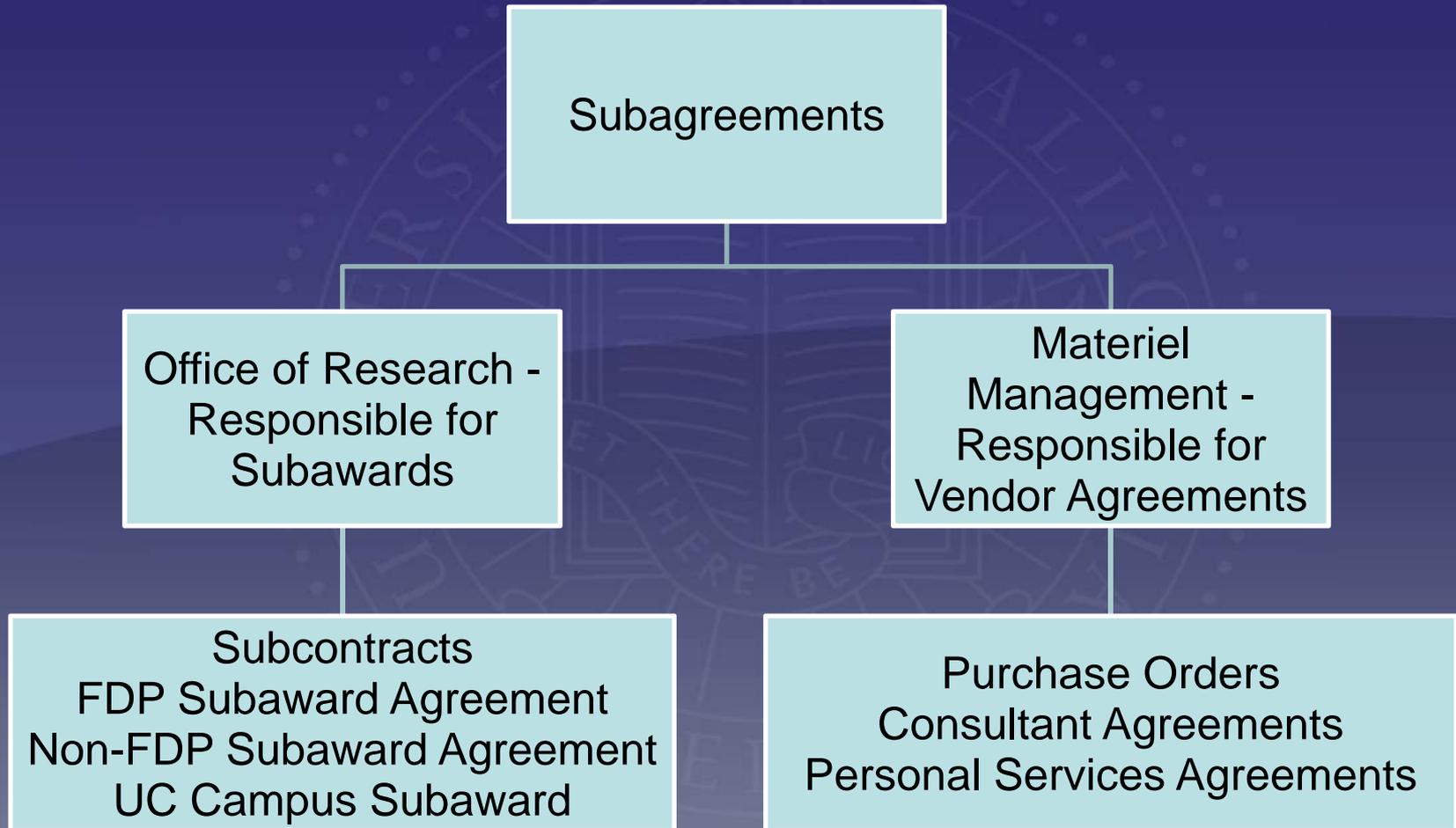
Definitions

- **Subagreements**
 - Any type of third-party agreement under a prime UCR extramural award
 - The nature of the work performed by the third-party determines the appropriate subagreement instrument to be used
 - Two basic types
 - Vendor Agreements
 - Subawards

Definitions

- **Vendor agreements**
 - Used for acquiring goods and services from commercial entities in support of UCR's programmatic work under extramural awards
- **Subawards**
 - Used to obtain research or research-related services from third-parties who will perform a substantive portion of programmatic work under UCR's prime award

Subagreements at UCR



Definitions

- **Subrecipient**
 - A legal entity that receives Federal financial assistance via a subaward from UCR
- **Subrecipient Monitoring**
 - The actions taken by UCR to fulfill the management and oversight requirements promulgated in federal regulations when federal financial assistance is provided to a subrecipient

Regulations

- **OMB Circular A-133** (Audits of States, Local Governments, and Non-Profit Organizations)
 - Implements the Single Audit Act related to federal agencies' audits of states, local governments, and non-profit organizations
 - Describes grantee subrecipient requirements
 - Annual supplement directs auditors how to perform audits, including highlighting areas of interest/focus

Proposal Development

- **What's Needed for the Proposal?**
 - Depends on sponsor requirements
 - A budget, a scope of work and approval of the third-party's institutional official
 - This is rarely the third-party's PI
 - Information from third-party is usually incorporated in UCR's proposal

Who Reviews the Subrecipient's Proposals?

- **Principal Investigator**
 - Secure third party's proposal
 - Assess technical capabilities, qualifications of research team, facilities & resources
 - Reasonableness of costs
- **Office of Research**
 - Cost principles compliance
 - Reasonableness of cost
 - Verify F & A cost rates
 - Certifications & assurances
 - Verify entity identification numbers
 - Verify debarment and suspension status
 - Verify authorized official's approval

Subawards: Legal Relationships

- Legal relationship between the Sponsor and prime recipient
 - Prime recipient is legally accountable to the Sponsor for all performance and management issues under a prime award
 - Includes legal responsibility for subrecipients
- Failure to monitor subawards may result in significant financial loss and negative publicity for the prime recipient

Case Study - Ripped from the Headlines

The NIH makes a grant award to UCR to conduct stem cell research. UCR issues subawards to subrecipients A & B to perform a portion of the work.

Is UCR responsible for monitoring its subrecipients?

Case Study - Ripped from the Headlines

Same fact pattern, but during an audit HHS OIG determines that UCR does not have sufficient procedures for monitoring subrecipients. In addition, OIG determines that Subrecipient A does not have adequate procedures for claiming costs and Subrecipient B did not follow established administrative procedures for claiming costs. As a result, NIH disallows \$30,000 in claimed costs.

Will each entity be responsible for their respective share of disallowed costs?

The Real Headlines

The Office of Inspector General (OIG) in the Department of Health and Human Services (HHS) has recommended that the University of Massachusetts Medical School (UMMS) repay the National Institutes of Health (NIH) nearly \$250,000, or about 33 percent of totals, it claimed under subrecipient expenses from February 2001 through August 2002. The claims, made under a grant for stem cell research, were disallowed because the subrecipients (Yale University and Roger Williams Hospital) did not follow established procedures, or did not have adequate procedures, for claiming costs and because UMMS did not have adequate written procedures for monitoring subrecipients.

Authorization to Issue a Subaward

- Prime Sponsor Authorization
 - Prime grant or cooperative agreement
 - If the subaward was included in the proposal - no prior approval required
 - If subaward not included - prior approval required
 - Prime contract
 - Prior approval is required most of the time even if the subaward was included in the proposal

Authorization to Issue a Subaward

- **PI authorization**
 - Required to issue subaward
 - Secured by OR via a subaward request form
 - Confirms PI's expectations regarding certain subaward details, such as reporting requirements, period of performance, budget, etc.
 - Documents selection method
 - Critical step in setting the stage for future monitoring efforts
 - Focus of internal and external audits

Conducting a Risk Assessment

- Risk assessments help identify key issues and concerns, lead to risk level determinations, and set the stage for developing appropriate terms & requirements
 - More risk = special requirements and close monitoring
 - Less risk = standard requirements and routine monitoring

Subrecipient Assessment

- Past experience?
 - First time or history of collaborations?
- Designated cognizant audit agency?
- Negotiated and approved F&A cost rate?
 - If not, what is the basis for the proposed rates?
- A-133 audit report or audited financial statements?
 - Resolution of findings
 - Appropriate financial controls & systems?
 - Approved purchasing & equipment management systems?

Subrecipient Assessment

- Size of subaward and complexity of program relative to the subrecipient's capacity
- Does the subrecipient have a central Sponsored Programs Office?
- Is the subrecipient a domestic or foreign institution/entity?

Subrecipient Monitoring

- Starts with the subrecipient's proposal and extends through close out
- Shared responsibility
 - PI responsible for technical, performance and financial monitoring
 - Department responsible for assisting in performance and financial monitoring
 - OR responsible for institutional monitoring and resolving non-performance and non-compliance concerns

Subrecipient Monitoring

- **Technical monitoring**
 - Progress commensurate with claimed costs?
 - Project delays or results leading in unexpected direction?
 - Timely submission of progress reports?
 - Prior approval for SOW changes?
 - Assessing impact of prime SOW change on subrecipient's work plan
 - Concerns reported to OR?

Subrecipient Monitoring

- **Institutional issues**
 - Debarment / suspension status
 - A-133 audit verification and resolution of findings, if any
 - Compliance issues - Human and animals subjects, rDNA, human embryonic stem cells & conflicts of interest
 - **Annual approvals, training**

Subaward Monitoring

- **Financial issues**

- Does the amount to be paid exceed the amount obligated?
- Are invoice dates within subaward dates?
- Were agreed upon F & A costs rates used?
- Are costs allowable, allocable and reasonable?
- Have cost sharing commitments been fulfilled?
- Does the third party's invoice request reimbursement for any disallowed costs?

Subaward Monitoring

- What is implicit in a PI's approval of a subrecipient's invoice?
 - Approval of an invoice is a certification that the:
 - Subrecipient is satisfactorily performing the work
 - Claimed costs are reasonable, allowable and allocable to the subaward
 - Claimed costs are based on agreed upon rates (fringe benefit and F&A)
 - Subrecipient is fulfilling its cost sharing obligations, if any

Subrecipient Monitoring

- Report any of the following to the OR if the subrecipient:
 - Fails to perform the SOW
 - Requests to change SOW
 - Fails to fulfill reporting obligations or provide deliverables
 - Breaches any material terms of the subaward
 - Request a change in their PI or provides notice that their PI will leave (or has left) the subrecipient entity

Subrecipient Monitoring

- What recourse does UCR have if there are problems with a subrecipient?
 - Options available are determined by the circumstances, but may include:
 - Site visit or audit
 - Requesting additional information or clarification
 - Requiring resubmission of reports
 - Disallowing costs or withholding payments
 - Terminating the subaward and awarding the remaining work to a new subrecipient

Keys to Success

- Communication - with PI
- Communication - with subrecipient
- Communication - with OR
- Communication - with Accounting
- Knowing the correct office to which questions should be directed
- Knowing the flow of subaward processes

Pre-award Case Studies

The background features a large, faint, circular seal of the University of California, Riverside. The seal contains the text "UNIVERSITY OF CALIFORNIA" at the top and "RIVERSIDE" at the bottom. In the center, there is a star above an open book, with a banner below it that reads "LET THERE BE LIGHT".

Case Study #1

The Department of Sociology has just hired a bright, new Visiting Professor on leave from the Sorbonne. This new faculty member was so excited about coming to Southern California, he promptly starts applying for research funding in hopes of persuading the Dean to hire him on a full time basis. His first contract has come in, signed by him and The Research Group, a survey company located in Riverside.

What are the issues?

Case Study #2

Dr. Watson is applying for a grant from the Sherlock Foundation, a little known entity that only gives out \$10,000 a year in research funding. Dr. Watson says they do not have a standard application form, so he wrote a research plan and e-mailed it to the Sherlock Foundation in accordance with their proposal guidelines.

What are the issues?

Case Study #3

Dr. Boozeman, Department of Psychology, will be submitting a proposal to the National Institutes of Health for a longitudinal project aimed at assessing psychological factors underlying chronic alcoholic beverage consumption. He wants to compensate research subjects with a pint of either gin or vodka for participating in the research. He insists that you include this cost in the proposal budget.

Case Study #3

- Is this cost allowable?
- What resource would you use to determine the allowability of this cost?
- What alternative approach might you suggest to Dr. Boozeman?
- How would you communicate your finding and alternative approach to Dr. Boozeman?

Case Study #4

Dr. Kirkland was just notified by her NSF program officer that her proposal for studying the effects of ozone depletion on empire penguins will be funded. Since the research will be performed at various research stations in Antarctica, she would like to use the monies that her dean committed as cost sharing to purchase equipment and supplies that are critical for initiating the project.

What are the issues?

How would you, as Dr. Kirkland's department administrator, resolve them?

Case Study #5

Just after Labor Day, Dr. Earl E. Start tells you that the NSF proposal he submitted earlier in the year has been recommended for funding. He asks you to purchase a large piece of equipment for the project, and tells you to use his initial compliment for now. Then, when the award comes in you can transfer the expense to the project. In the middle of November, the award arrives with a November 1 start date.

What are the issues?

What do you do?

Post-award Case Studies

The background features a large, faint, light blue seal of the University of California, Riverside. The seal is circular and contains the text "UNIVERSITY OF CALIFORNIA" at the top and "RIVERSIDE" at the bottom. In the center, there is a five-pointed star above an open book. Below the book, a banner reads "LET THERE BE LIGHT". The seal is surrounded by a dotted border.

Case Study #6

Professor Jones requests that you order two new desks and chairs for the interview/survey room. This room is used for multiple purposes within the department. Professor Jones directs you to charge the expenditure to his current NSF grant indicating that the new furniture will enhance the room environment and promote a greater quality of responses from the surveys being conducted as part of the research funded by the grant.

How do you proceed?

Case Study #6

- **Is the cost allowable?**
 - NO. A-21, F.4 Operation and maintenance expense
 - NO. A-21, J.18.a(4) General purpose equipment
 - Maybe. A-21, J.18.b(1) Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, *except where approved in advance by the sponsoring agency.*

Case Study #7

Dr. Spend A. Lot's grant budget is not aligned properly. For various reasons previous budget augmentations have not been correct. You have been requested to realign the budget. All equipment has been purchased. Rebudgeting is authorized. F&A is 50% of MTDC.

Category	Budget Balance Remaining
BC41-Supplies	(100.00)
BC60-Equipment	200.00
BC80-F&A	200.00
Total Budget	300.00

Case Study #7

Base your analysis on the remaining budget balance	
Total remaining budget	\$300.00
Less Exclusions - None as BC60 is to be zero	\$-0-
Total Budget Remaining subject to F&A	\$300.00
Divide by 1.5 (1+.5 F&A Rate) to obtain direct costs	\$200.00
Remainder equals F&A ($\$200 \times 50\%$)	\$100.00

Case Study #7 - Budget after Realignment

Category	Initial Budget Balance	Revised Budget Balance	BEA Required
BC41-Supplies	(100.00)	200.00	300.00
BC60-Equipment	200.00	-0-	(200.00)
BC80-F&A	200.00	100.00	(100.00)
Total Budget	300.00	300.00	-0-

Validation = DC of 200 X F&A of 50% = F&A of 100 remaining

Case Study #8

Professor Know Effort has asked you why he is being required to verify 100% of his staff research associate's effort when the SRA's appointment is less than 100%.

How would you respond?

Case Study #8

Appointment time base is not equivalent or relevant to effort made.

Objective is to certify effort attributed to federal funding sources, not hours.

Example; If the employee's hourly work week is 20 hours, then the effort given would be 100%.

The background features a large, faint watermark of the University of California seal. The seal is circular and contains the text 'UNIVERSITY OF CALIFORNIA' at the top and 'RIVERSIDE' at the bottom. In the center, there is a star above an open book, with a banner below it that reads 'LET THERE BE LIGHT'.

Questions?