Research Administration Forum

May 12, 2009

- Update on the American Recovery and Reinvestment Act of 2009 (Dick)
- Overview of the new Equipment Fabrication Policy and Procedures (Urmila)
- Administrative Salaries as Direct Costs and the Duke Audit (Gayle)
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Update on the American Recovery and Reinvestment Act of 2009

Also knows as the

“The Recovery Act”

“The Stimulus Package”

“ARRA”

What is ARRA?

- American Recovery and Reinvestment Act of 2009 (the “Stimulus Package”)
- Signed into law on February 17, 2009
- Will provide approximately $21 Billion for federal research and development projects
- Funding will occur in FY 2009 and 2010
- Funds must be committed by federal agencies by September 30, 2010
- Projects should generally be completed within two years

Who is getting what?

- NIH $10.4 Billion
- NSF $3.0 Billion
- DOE $2.0 Billion (Office of Science)
- NOAA $830 Million
- NIST $600 Million
- NASA $400 Million
- DOD $200 Million

Note: amounts are approximate; amounts reflect allocations for research and development

How will ARRA work?

1. Specific agency appropriations
2. Agency submits plan for approval by OMB
3. Agency announces plans – both general and specific
4. Solicitations Issued

What sorts of projects will be funded?

- Conduct of Research
  $18 Billion

- Facilities and Capital Equipment
  $3.5 Billion

Projects both old and new

- Awards made in response to proposals submitted prior to ARRA, reviewed by the agency, found to be meritorious, but not yet funded
- Awards made in response to specific ARRA solicitations

How will ARRA awards be made?

- Standard research grants
- Standard research contracts
- Standard research cooperative agreements
- Different terms and conditions, depending on purpose:
  research vs. infrastructure

Where is the ARRA information?

- researchadministration.caltech.edu/arra
- Recovery.gov
- Grants.gov
- agency.gov/recovery
- fbo.gov (FedBizOps)

Fabrication Policy

New Fabrication Policy

- Clarifies definitions of “deliverable,” “fabrication” and “fabrication account”
- Provides guidance to allowable and unallowable costs on fabrication accounts
- Discusses subsequent modifications to fabricated equipment

Simple matrix to identify deliverable vs. fabrication

Deliverables	Fabrication
Created by Caltech	Created by Caltech
Title vests with sponsor after placed in service	Title vests with Caltech after placed in service
Will not be capitalized	Will be capitalized
Will not have a placed in service date	Will have a placed in service date
Will not be tagged as Caltech asset	Will be tagged as Caltech asset
Costs of equipment=>$5K, useful life of 2 years or more, will be under “equipment” expenditure types	Total costs of fab equipment=> $5K, useful life of 2 years or more
Research costs can be charged	Research costs cannot be charged
Indirect costs will be assessed, except when: Caltech researcher has access to instrument Space hardware, scientific instruments carried on space missions	Indirect costs will not be assessed
Once completed, will be delivered to sponsor specified location (can be at Caltech)	Once completed will be kept at Caltech

Proposal for fabrication

- Include equipment fabrication in proposals
  - Explain nature of the fabrication
  - Include fabrication in the main award budget and budget justification
  - Include fabrication budget details
- Understand financial implications of submitting proposals for deliverables and fabrications
  - Fabrication items will not assess overhead
  - Deliverables will assess overhead (unless Caltech personnel have access to fabricated equipment delivered to sponsors)
- Proposals will be reviewed and approved by OSR and Property Services

Fabrication account

- PTA needs to be established at the same time as the account for the main award
  - New Fabrication PTA request forms
- Subsequent requests to increase by an amount greater than 20% of the original fabrication will require new PTA forms
  - Two conditions need to be satisfied for modifications to be overhead free
    - Must be for $5K or more
    - Must extend the useful life of the fabricated equipment by at least 2 years
- Project Accounting and Property Services will review and report on fabrication costs
  - Additional justifications may be requested
  - If necessary, costs will be transferred out of fabrication PTA and indirect costs may be assessed on transferred costs

Costs charged to fabrication account

- Policy describes allowable vs. unallowable costs to fabrication account
  - Allowable
    - Materials and supplies, shop labor, individual equipment items, shipping/transportation, salaries of non-academic staff, travel for installation etc.
  - Unallowable
    - Labor costs for faculty, research staff, graduate research assistants and postdocs, travel, software acquisition (unless necessary for operation of fabricated equipment), equipment maintenance/repair etc.

Fabrication account close out

- Property Services will contact PI within 30 days of the estimated placed-in-service date
- If item is not completed at that time, revised estimated placed-in-service date will be requested
- When fabrication is ready to be placed in service, Project Accounting will review expenditures for allowability
- Property Services will place the asset in service and Project Accounting will close the PTA

Administrative Salaries as a Direct Cost and the Duke Audit

Grants.gov

Questions