Research Administration Forum

MARCH 6, 2012

Agenda

- Recovery Act Awards
- NIH Salary Cap
- Facilities Use/Technical Service Agreements
- Cost Sharing - Revisited
- Program Income
- JPL Service IAs
- Participant Support Costs
- Initial Roll-Out of Export Compliance Faculty Awareness Program

Recovery Act Awards, NIH Salary Cap, Facilities Use/Tech. Svc Agreements

GAYLE LUND

Recovery Act Awards

- "Accelerating Spending of Remaining Funds from ARRA Grants" (OMB Notice 9/15/11)
  - Grantees are strongly encouraged to accelerate spending, consistent with good management practices (e.g., allowable, allocable, reasonable)
  - No ARRA funds may be expended past 9/30/13 unless there are exceptional legal, policy or agency operational needs.
  - Each such exception must be approved by OMB

Recovery Act Awards (cont.)

- Agencies have now issued implementation
  - Will modify awards which were issued with end dates after 9/30/13 to end *on* 9/30/13
  - Grantee-approved NCEs may not go past 9/30/13
  - Agencies will not grant NCEs that take the project past 9/30/13
  - Each PI of an ARRA award should already have received notification directly from the sponsor

Recovery Act Awards (cont.)

- Caltech implementation
  - Caltech will not approve NCE requests past 9/30/13 for ARRA awards
  - Caltech will not submit to agencies NCE requests that go past 9/30/13
  - OSR will send out a notification to all PIs of active ARRA awards with this information so that they may adjust their project effort within good fiscal management guidelines

NIH Salary Cap

- FY 2011 and earlier salary cap linked to Executive Schedule Level I ($199,700)
- FY2012 appropriation links cap to Executive Schedule Level II ($179,700)
- FY2012 appropriation passed on 12/23/2011

NIH Salary Cap (cont.)

- NIH Guidance issued February 2012 – three categories of awards relative to application of new cap:
  - Awards issued prior to 10/1/11 (Level I - forever)
  - Awards issued between 10/1/11 and 12/22/2011 (Level I through 9/30/12, Level II thereafter)
  - Awards issued 12/23/2011 and after (Level II forever)
  - Determined by Issue Date on NIH award notice

NIH Salary Cap (cont.)

- Caltech Implementation - Categories
  - Category I (Issue Date pre-10/1/11): these funds will continue at Level I cap; no subsequent funds (supplemental, continuing, renewal) may be added to a "pre-10/1/11" Project
  - Category 2 (Issue Date 10/1/11-12/22/11): these funds will carry the Level I cap until 9/30/12, then become subject to Level II cap; no subsequent funds (supplemental, continuing, renewal) may be added to a "pre-12/22/11" Project

NIH Salary Cap (cont.)

- Caltech Implementation - Categories
  - Category 3 (Issue Date 12/23/2011 and later): these funds carry the Level II cap forever; they may not be co-mingled with Level I funds

NIH Salary Cap (cont.)

- Caltech Implementation – PTA Management
  - For new/competing continuation (renewal) awards a new PTA is created, subject to the Level II Cap
  - For awards in effect prior to 10/1/11, a new Project # must be established for any funds with a NIH Issue Date of 10/1/11 or later
  - There are five Caltech awards that received new or continuing funds (FY 2012) between 10/1/11 and 12/22/11; the Divisions will need to manage these awards in coordination with Project Accounting

NIH Salary Cap (cont.)

- Caltech Implementation – PTA Management
  - OSR will notify Divisions of need for new Project # on existing awards: these Projects will have the same begin date as the original Project (unless carry forward is restricted)
  - For funding received on or after 12/23/11, but prior to NIH guidance, OSR appropriated funds to the old Project #. New Projects are now being created. When activated, the Division should work with PA to realign funds and transfer costs to the new Project
  - Revisions that add funds to pre-12/23/11 awards will be handled based on Issue Date of Revision

NIH Salary Cap (cont.)

- Caltech Implementation – Practical Impact
  - Since Level II cap is lower, more projects will be impacted since more employees will be subject to the cap
  - Divisions may require a few more NIHSAL.XXX accounts (or xxxSAL.xxx for subawards)

Facilities Use/Technical Service

- Now handled by OSR, even for amendments to ongoing FUAs/TSAs – David Mayo is the contact
- Only David Mayo is authorized to sign FUAs/TSAs
- Caltech standard FUA/TSA templates must be used, unless OSR determines otherwise
- Do not permit _any_ collaboration between external users and Caltech personnel, other than necessary training to utilize facility

Facilities Use/Technical Service (cont.)

- Information Form required, includes:
  - SOW – to determine nature of work
  - Physical location of facility to be used – to monitor private use in the case of bond-funded buildings
  - Identify users and their roles
  - Nature of user fee/rate
  - Signed by Division Chair or delegate
- No DAF required because its not a sponsored Caltech activity

Facilities Use/Technical Service (cont.)

- Visitor Patent/Confidentiality Agreements not required because there is no collaboration
- Overhead not *currently* assessed
- Post-award handled by:
  - Project Accounting if federal; each agreement will require a PTA separate from any other funds;
  - Finance (Matt Brewer) if non-federal; to be handed over to G&E Accounting in near future;

Cost Sharing – Revisited

- What is cost sharing?
  - Any project cost that is not charged to the sponsor
- What is committed cost sharing on a federally sponsored project?
  - Any *quantified* resource in the proposal that is not charged to the sponsor.
- When must cost sharing be tracked and reported?
  - Anytime there is *committed* cost sharing

Cost Sharing – Revisited (cont.)

- What policies apply to cost sharing?
  - Sponsor policy
  - Caltech Cost Share Policy
    - Committed cost share must be tracked and reported
  - Caltech PI Effort Policy – *for cost shared portion of PI/Co-PI effort*
    - Minimum 1% commitment
    - Penalty for unrecovered overhead
    - Caltech PI Effort Policy applies only to the Caltech PI/Co-PI

Cost Sharing – Revisited (cont.)

- What about committed but unfunded (not funded by the project) personnel?
  - If there is a *quantified* commitment in the proposal (e.g., % or $), it must be tracked and reported
  - If their effort is not charged to the sponsored award, a value must be determined, based on their salary or % effort committed

Cost Sharing – Revisited (cont.)

- What if the unfunded personnel are not Caltech employees?
  - If there is a *quantified* commitment in the proposal (e.g., % or $), it must be tracked and reported
  - *Someone* is paying them, even if it's not the sponsored award; thus a value can be determined
  - Will be necessary to obtain certification for the cost shared effort

Cost Sharing – Revisited (cont.)

- What if the unfunded personnel are *truly* unfunded (e.g., volunteers)?
  - If there is a *quantified* commitment of effort in the proposal, it must be tracked and reported
  - Minimum wage can be used to calculate value of committed, volunteered (no-one-is-paying-them) effort
  - Will be necessary to obtain certification for the cost shared effort

Cost Sharing – Revisited (cont.)

NASA proposal guidelines require that all "necessary" personnel be listed in budget justification along with level of effort, *even if unfunded*

Case Study 1

○ Proposal includes two unfunded Caltech faculty at 1.16% each of whom are *not* identified as PI/Co-PI

○ Caltech PI Effort Policy does not apply

  ✕ No minimum level of effort required

  ✕ No unrecovered overhead penalty incurred

○ Must be tracked and reported – ZOACS required

○ Non PI/Co-PI faculty are <u>not</u> listed on the DAF

Cost Sharing – Revisited (cont.)

Case Study 2

- Proposal includes unfunded, non-Caltech collaborator at 10% effort, identified as Co-PI
- Requires VP Research approval for PI who is non-Caltech faculty
- Caltech PI Effort Policy *does* apply (because collaborator is a Co-PI). Would not apply if not a PI/Co-PI
  - Minimum level of effort required
- Must be tracked and reported – certification required because costs not in Caltech financial system

Program Income, JPL Service IAs, and Participant Support Costs

URMILA BAJAJ

Program Income

- Definition from OMB A-110: "Income earned by the recipient that is directly generated by a supported activity or earned as a result of the award."

- Program income examples are:
  - Fees from services performed
  - use or rental of real or personal property acquired under federally-funded projects
  - sale of commodities or items fabricated under an award

- Program income does not include
  - Receipt of principal on loans, rebates, credits, discounts, etc.
  - Interest earned on advance payments

Program Income (cont.)

- Federal guidelines allow recipients to use such earnings but account for them separately
  - OMB A-110 requires
    - tracking and reporting such earnings
    - using income in one of the following ways:
      - add to the funds committed by the agencies
      - finance non-federal share of research costs (cost share)
      - deduct from the total project costs
  - NSF, NIH, Army, Air Force, DOE, DOC, EPA and other FDP agencies default to Research Terms and Conditions (RTC) guidelines which allow adding income to the committed funds

Program Income (cont.)

- Anticipated program income should be included in proposal budgets, but projects can also earn program income during the life of the award

- Caltech labs sell reengineered/ fabricated products to outside entities
  - invoices are sent to outside entities directly from the laboratories
  - payments are sent to PA for depositing cash directly to federal award/s

- Remember to
  - have a Material Transfer Agreement (MTA) in place
  - contact OSR and set up a program income PTA

JPL Service IAs

- Service IAs are authorizations issued by JPL when JPL wants to use:
  - Caltech facility or service centers
  - Services of Caltech central administrative departments
- Service IAs
  - are for services provided to JPL by Caltech MPS, technicians, shops or service center members
  - assess full Caltech federal overhead, on or off-campus rates
  - require statements of work with defined periods of performance and budgets
  - Project Accounting coordinates with JPL accounting and activates PTAs

JPL Service IAs (cont.)

- Typically, Service IAs will not
  - involve Caltech faculty effort
  - include research related activities
- Activities that are not Service IAs
  - Caltech faculty or researchers providing consulting services to JPL
  - Modifications on fabricated equipment
  - Other activities supervised by Caltech faculty

FAQs on Service IAs in Project Accounting website:
https://researchadministration.caltech.edu/documents/407-service_interdivisional_authorization_faqs.pdf

Participant Support Costs

- Participant support costs are:
  - Required by NSF to be paid to (or on behalf of) participants of trainees (not employees) for participation in meetings, conferences, symposia, and workshops and other training activities
  - Direct costs, for items such as stipends or subsistence allowances, travel allowances and registration fees
  - Identified specifically in NSF budgets and required to be accounted for separately
  - Restricted and cannot be re-budgeted to other categories of expenses without prior written approval of the cognizant NSF program Officer
    - Requests must be submitted electronically via the NSF FastLane system
- Monitoring participant costs the Caltech way
  - Participant support costs
    - are budgeted in separate projects
    - have specific expenditure types which are exempt from overhead

INITIAL Roll-out of Export compliance faculty Awareness program

ADILIA F. KOCH

Who needs to participate?

- All Faculty & Researchers should be aware of the limitations of the Fundamental Research Exclusion in the regulations; HOWEVER, initial roll-out is for:

- Faculty & Researchers who may be exposed to JPL or other 3rd party <u>export controlled</u>
  - Technology
  - Software
  - Hardware
  - Technical data

- Proposals or IAs with JPL involvement, sensitive/controlled technologies, or military funded projects

Where can Faculty & Staff Access the Export Modules?

- Log In: access.caltech

Articulate On-Line Topics At-a-Glance

- Export Compliance Awareness
- Travel Briefing
- Exporter & Importer Responsibilities
- International Shipments
- JPL Interdivisional Authorizations
- Restricted Party Screening
- Sanctions & Embargo - IRAN

Articulate On-Line Topics At-a-Glance (cont.)

DISCUSSION & QUESTIONS

Email: exportcompliance@caltech.edu

Telephone: x2641

Website:
http://researchadministration.caltech.edu/export

Thank you for coming!

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