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
“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
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
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
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
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 it's 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;
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
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
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.
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.
• 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 *not* 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
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
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
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
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:
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
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 export controlled
  - 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
Welcome to the Caltech Export Compliance Awareness Program

To find a presentation, scroll through the list below. The presentations are arranged alphabetically by subject area. To filter on the presentations, click on the yellow "Tags" button and select the tag or tags for your area of interest. PLEASE NOTE: After you use the Tags to filter for your selection, you will need to click on the "Content" button at the top left of your screen to return to the original Content list. If you are required to complete one or more of the courses listed here, you will be notified by the Provost’s Office or the Office of Export Compliance beforehand. For more information regarding the Caltech Export Compliance Awareness Program, please contact Adnisa Koch, Director of Export Compliance, at Ext. 4460. For other questions, or if you need help finding or completing a course, contact the BICS Help Desk at #3500 or bics@caltech.edu.

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Email: exportcompliance@caltech.edu
Telephone: x2641
Website: http://researchadministration.caltech.edu/export
Thank you for coming!

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