

Washington University

Hilltop Campus

Research Administrator's Forum

March 2002

Presented by

The Research Office and Sponsored Projects Accounting

Discussion Topics

- **New F&A Rates**
- **NSF Cost Sharing**
- **Program Income**
- **Unallowable Costs**
- **NIH Salary Cap**
- **Staffing Updates**

Facilities and Administrative Cost (F&A) Rates

- **New rate agreement dated 12/4/01.**
 - *Predetermined rates until 6/30/04*
 - *Provisional rates effective 7/1/04*
- **Applicable to new and competitive renewal awards issued on or after 12/4/01.**
- **New and competitive renewal awards issued *prior to 12/4/01 will utilize old rates.***

F&A Rate Specifics

- **New On-Campus Organized Research and Instruction Rate**
 - **53% MTDC**
 - **For the period 7/1/02 - 6/30/04**
- **No change to other rates.**
 - **Off-Campus Research = 26%**
 - **On-Campus Other Sponsored Activities = 30%**

F&A Rates - Incoming Awards

- **RO will contact agency if incoming competitive awards contain incorrect rate.**
- **Excess F&A will be budgeted into BUOB #8683 pending receipt of revised NGA.**
- **Will be noted in profile comments**

F&A Rate Implementation - FIS

- **The F&A rate in the FIS system will be revised in July 2002 for awards with a competitive start date on or after 12/4/01.**
- **The F&A rates on awards issued prior to 12/4/01 *will not be revised.***

F&A Rate Implementation for July 2002 - FIS

Competitive Start Date

Research Rate

On or before 6/30/98

56% MTDC

7/1/98 through 12/3/01

54% MTDC

12/4/01 and beyond

53% MTDC

GBUD Rate Calculation

<u>Proposal Type</u>	<u>Start Date</u>	<u>Rate(mtdc)</u>
New or Competing Renewal	12/4/01 or after	54% to 6/30/02 53% at 7/1/02

GBUD Rate Calculation

<u>Proposal Type</u>	<u>Last Competitive Start Date</u>	<u>Rate(mtdc)</u>
Noncompeting Continuation	After 7/1/98 and before 12/4/01	54%
	Before 7/1/98	56%

GBUD Rate Calculation

- **Noncompeting Renewal Proposals**
 - Use the rates for the “life” of the project (through the end of the project period)
 - Rates will need to be manually overridden in **GBUD**

NSF Cost Sharing Audits

- **NSF Inspector General reported to Congress that, “significant problems persist with award recipients not meeting their cost sharing requirements.”**
- **One of the most important priorities for NSF management to address.**
- **Additional audits are planned.**

NSF OIG - Audit Findings

- **Lack of proper accounting records for c/s.**
- **Unallowable costs counted as cost sharing.**
- **Improper valuation of in-kind contributions.**
- **Missing certification of cost sharing commitments to NSF (>\$500k).**
- **Lack of understanding of NSF cost sharing requirements and monitoring by central administration.**

NSF Cost Sharing Requirements

- **NSF requires that each grantee share in the costs of research projects resulting from unsolicited proposals.**
- **Cost share a minimum of one percent of total costs (direct + f&a) on each NSF project.**

NSF Cost Sharing Exclusions

- **International travel**
- **Construction, improvement or operation of facilities**
- **Acquisition of research equipment**
- **Ship operations**
- **Education and training**
- **Publication, distribution of scientific data/info.**
- **Conferences/workshops**
- **Special studies authorized by NSF.**

One Percent Calculation

Example:

NSF Award, Year 1:	\$150,000
F&A Rate:	54% mtdc
NSF C/S Amount (1%):	\$1,500
Direct: 974	(1,500/1.54)
F&A: 526	(1,500-974)

NSF - Solicited Research Projects

- **NSF encourages organizations responding to program solicitations to contribute to the cost of the performing the research.**
- **Unless otherwise specified, cost sharing is not a prerequisite to the award of a grant to support a project resulting from a program solicitation.**

NSF - Reporting Requirements

- **For cost sharing commitments of \$500,000 or more on an NSF project:**
 - **Must report amount of cost sharing on an annual and cumulative basis.**
 - **Figures must be certified by SPA.**
 - **PI must include cost sharing data in his/her annual progress and final project reports.**

Program Income

- **Defined as: Gross income earned by a grantee, a consortium participant, or a contractor under a grant that was directly generated by the grant-supported activity or earned as a result of the award.”**

Program Income Treatment

- **Per OMB Circular A-110 and the NIH Grants Policy Statement, there are four ways to treat program income.**
 - **Additive Alternative**
 - **Deductive Alternative**
 - **Combination Alternative**
 - **Cost Sharing or Matching Alternative**

Additive Alternative

- **Program income is added to the funds committed to the project/program and is used to further eligible project/program objectives.**
 - **Utilized as the standard treatment for NSF grants, unless otherwise specified in the award (see NSF GPM 753).**

Deductive Alternative

- **Program income is deducted from the total allowable project/program costs to determine the net allowable costs on which the Federal share of costs is based. This is similar to an applicable credit being applied to reduce the amount of the Federal award.**

Combination Alternative

- **The first \$25,000 of program income is added to the funds committed to the project/program (additive alternative) and any amounts exceeding \$25,000 are deducted from total allowable project/program costs to determine the net allowable costs on which the Federal share is based (deductive alternative).**

Cost Sharing or Matching Alternative

- **Program income is used to finance some or all of the non-Federal share of the project / program.**

Unallowable Costs

- **There are certain types of costs that cannot be charged (directly or indirectly) to federally funded sponsored agreements.**
- **OMB Circular A-21 identifies specific cost items.**

Unallowable Items

- **Advertising**
- **Alcoholic Beverages**
- **Charitable Contributions**
- **Entertainment**
- **Fines and Penalties**
- **Food Costs**
- **Losses on sponsored agreements (deficits)**
- **Personal use of goods or services**

NIH Salary Cap

- **Announced in NIH Guide, 1/25/02.**
Includes full text, examples, calculations and Q&A's.
- **Salary cap remains at Executive Level I for FY 2002.**
- **Max salary rate increased to \$166,700/yr.**
- **Applicable to NIH, SAMHSA & AHRQ**

NIH Salary Cap - FY 2002

Budget Period

Max Salary Rate

10/01/01 – 12/31/01

\$161,200

01/01/02 and beyond

\$166,700

NIH Salary Cap- FY 2001

Budget Period

Max Salary Rate

10/01/00 – 12/31/00

\$157,000

01/01/01 – 12/31/01

\$161,200

01/01/02 and beyond

\$166,700

NIH Salary Cap - FY 2000

Budget Period

Max Salary Rate

10/01/99 – 12/31/99

\$136,700

01/01/00 – 12/31/00

\$141,300

01/01/01 and beyond

\$145,100

NIH Salary Cap

- **Additional funding will not be provided for awards issued under previous salary cap rates.**
- **PI can rebudget funds and charge salary at the new rate, provided there is sufficient remaining funding in the project.**

NIH Salary Cap

Competing Applications

- **GBUD Document - Utilize the override function on detail personnel screen (F14) to enter salary limit.**
- **Hard Copy Proposals - List institutional base salary (option #'s 1, 2, or 3). If option 1 or 2 is selected, must include appropriate statement in budget justification section.**

NIH Salary Cap

Non-Competing Applications

- **Bottom line is restricted (dollars recommended on the award notice).**
- **Utilize new salary cap rate (\$166,700) when a budget is required.**
 - **Because of SNAP, most non-competing continuations don't require a budget.**

SPA Staffing Update

- See attached organization chart.

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