



# OFFICE OF RESEARCH ADMINISTRATION

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“Yale has a clear obligation to comply with all regulations pertaining to the administration of federal grants, and we will spare no effort to remedy any deficiencies in our practices.” *President Rick Levin*

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## CHANGES IN EFFORT REPORTING PERIODS

### Clerical and Technical Effort Reporting

For many years Principal Investigators at Yale have been burdened with the monthly certification of Effort Reports for clerical and technical staff. This certification requirement is mandated by the Office of Management and Budget's Circular A-21 unless otherwise negotiated.

Last spring the Office of Research Administration (ORA) requested consideration of this requirement with Yale's cognizant agency, the Department of Health and Human Services (DHHS). In late December ORA received approval from DHHS to change the effort reporting frequency for clerical and technical staff from monthly to semi-annually. Beginning in calendar year 2008, Effort Reports will be generated for clerical and technical staff in July for the period January to June and in January for the period July to December.

On a monthly basis Yale generates approximately 550 clerical and technical Effort Reports. This change in reporting periods will reduce the number of effort reports requiring certification by approximately 5,500 annually.

### Graduate Student Effort Reporting

Starting January 2008, Effort Reports for Graduate Students will be generated on a semester and summer reporting basis rather than a semi-annual basis. This change in reporting periods is in response to concerns expressed by faculty. Often the Effort Report will include activities such as teaching that can confuse the effort calculation. Changing the effort reporting periods to coincide with the academic terms will generate a more meaningful report. This change in reporting periods will increase the number of effort reports annually by approximately 400 reports.

## ERS UPDATE

This past fall four departments-- Cellular and Molecular Physiology, Chemistry, Molecular Biophysics and Biochemistry, and Physics participated in the pilot of Yale's new web-based Effort Reporting System (ERS). Within 4 working days, 49 of the 119 effort reports in the pilot had been completed; approximately 75% of the effort reports were certified within 45 days of "Go-Live." Feedback from pilot participants has been positive. Several participating faculty members found the system "intuitive" and "simple" to use. When comparing the new application to the old paper process, one faculty member said the new system was "much better for the environment and less trouble to complete."

The ERS team, under the management of Fran Dykstra, has identified departments and their administrators that will participate in the November 2007 monthly effort reporting cycle for clerical and technical staff. Roll-out for this period is in February 2008. In April 2008, the December 2007 monthly effort reporting cycle for clerical and technical staff will be rolled out bringing the total department participation to fifty seven.

Prior to accessing ERS, departments must ensure that participating administrators:

(1) Successfully complete the following training:

<b>COURSE</b>	<b>WHERE TO REGISTER</b>
<b>ORACLE LABOR DISTRIBUTION</b>	<a href="https://xtrain.its.yale.edu/xtrain/genacc/default.asp">https://xtrain.its.yale.edu/xtrain/genacc/default.asp</a>
<b>ALLOWABILITY OF COSTS AND COST TRANSFER PRINCIPLES (OR ITS PRECURSOR, COST TRANSFER TRAINING —INCLUDES REQUIRED QUIZ.</b>	Course registration and quiz can be found at <a href="http://www.yale.edu/training">http://www.yale.edu/training</a> , under Grant and Contract Financial/GCFA Training
<b>PRINCIPLES OF EFFORT REPORTING—INCLUDES REQUIRED QUIZ</b>	Course registration and quiz can be found at <a href="http://www.yale.edu/training">http://www.yale.edu/training</a> , under Grant and Contract Financial/ GCFA Training
<b>HANDS-ON EFFORT REPORTING SYSTEM TRAINING</b>	Course registration and quiz can be found at <a href="http://www.yale.edu/training">http://www.yale.edu/training</a> , under Grant and Contract Financial/ GCFA Training

(2) Have appropriate Oracle Labor Distribution access; and

(3) Ensure that all legacy system effort reports are completed and certified.

## 2008 NIH SALARY LIMITATION

On January 15, 2008, the National Institutes of Health issued its official notice regarding the salary limitation on grants, cooperative agreements, and contracts. The new Executive Salary Level I pay rate is \$191,300 effective January 1, 2008.

Note: 1. This limitation sets the salary rate that can be used in current year grants; and 2. competing grant applications and contract proposals that include a categorical budget should continue to reflect the actual institutional base salary of all individuals for whom reimbursement is requested.

The Executive Salary Level I limitation, applicable to NIH, is established in the DHHS/NIH annual appropriation bill. The salary limitation is also applicable to some DHHS operating divisions (e.g., the Agency for Healthcare Research and Quality, and the Substance Abuse and Mental Health Services Administration).

### *Did you know ...*

Principal Investigators are required to successfully complete the Sponsored Projects Administration for Faculty module. If a faculty member has not completed the training prior to the set-up of a new or competing renewal award, the Office of Grant and Contract Administration will send a reminder of this obligation. In order to access the module and accompanying self-assessment, please click [here](#).

## 35% INDIRECT COST LIMITATION FOR DOD BASIC RESEARCH AWARDS

**Effective November 14, 2007, certain sponsored projects funded under the Section 8115 of the Department of Defense (DoD) Appropriations Act 2008, are subject to an indirect cost limitation of 35 percent of the total cost of the award. This limitation applies to basic research contracts, grants, or cooperative agreements and is not passed down to subrecipients.**

### What DoD awards are affected?

- Awards received between November 14 (the date the cap became effective) and December 1 (the date stamped on the DoD internal memo) may have to be amended to account for the cap.
  - The DoD cap is applicable to “basic research” that is funded from the DoD Research, Development, Test and Evaluation appropriation also known as “6.1 funds”. Awards made for “applied research” and “development” (“6.2 funds” and “6.3 funds”, respectively) are not affected.
  - The DoD cap is applicable to FY08 appropriated funds that meet the criteria included above. The cap will be applicable to FY09 funds only if the same cap language is included in the FY09 DoD Appropriations Bill.
  - Award renewals are not affected by the cap. For example, an award continuation made from FY08 DoD funds is not subject to the cap.
  - Yale has a DoD contract waiver as part of its F&A rate agreement that allows Yale to charge the uncapped administrative portion of its F&A rate on selected DoD contracts. In these situations, the same analysis and management of the 35 percent cap is applicable.
- Congressionally Directed Medical Research Programs (CDMRP) encompass breast, prostate, and ovarian cancers, neurofibromatosis, military health, and other specified medical research areas. A small portion of CDMRP is funded from the Research, Development, Test and Evaluation appropriation, and is subject to the cap. The majority of CDMRP is funded from the DoD Operations and Maintenance appropriation, and is not subject to the cap.

### Implementation Issues

**At the application stage, PIs should use Yale’s negotiated F&A rate when developing the budget proposal. If the budget proposal includes proposed costs that exceed the cap, the agency may do one of the following upon award:**

- Inform Yale that the cap has been exceeded in the budget proposal. In these situations, the PI will need to adjust the budget proposal, accordingly; or
- Not indicate that the budget proposal should be adjusted but rather Yale will be responsible for managing the cap. Subsequently, the University may rebudget F&A costs in excess of the cap to an allowable direct cost category.

For further assistance regarding the submission of proposals to any of the DoD agencies or the set-up of DoD awards, contact the Office of Grant and Contract Administration.

## NIH CONTINUES FCOI COMPLIANCE AND OVERSIGHT ACTIVITIES

The term “financial conflict of interest” (FCOI) garners much attention in the medical research community. Since 1995, NIH-supported grantee institutions have been required to comply with the FCOI regulations (42CFR Part 50 Subpart F) as they pertain to NIH grants. The NIH recently announced a pilot compliance program to assess institutional compliance with the regulatory requirements of FCOI in research pertaining to NIH grants and cooperative agreements. A number of institutions will be selected for review by requesting a copy of their FCOI policy and related information. The compliance program is a follow-up to the NIH targeted site reviews that took place in 2006 as part of NIH’s over-

sight responsibilities. The NIH Division of Grants Compliance and Oversight, Office of Policy for Extramural Research Administration, OER, conducted targeted site reviews of 18 NIH-supported institutions to determine if grantee institutions were fully and correctly implementing the FCOI regulation and if reporting requirements are being met. These 18 institutions represented approximately \$4 billion in fiscal year 2005 research grant awards, or about 25 percent of the NIH budget allocated for research grants that year. As with the targeted site reviews, if areas of noncompliance are noted as a result of the current compliance program,

institutions will be expected to formally address and resolve the issues with the NIH Division of Grants Compliance and Oversight. The results of the pilot program will be shared with the NIH research community as part of its continuing educational efforts to improve and enhance compliance with FCOI requirements. The continuation of this program will be based on an assessment of this pilot.

This pilot program is an outgrowth of the NIH Targeted Site Reviews on FCOI that focused on institutional

compliance with the FCOI regulation. As a result of the site reviews, an observational document was developed for use by the wider grantee community as a resource for evaluating implementation of the regulation. It contains a discussion of compliance issues and suggestions for implementation.

## FAQ

### FREQUENTLY ASKED QUESTIONS FROM THE DIVISION OF GRANTS POLICY, OPERA, NATIONAL INSTITUTES OF HEALTH

#### **Who are “senior/key personnel” and how do they differ from “other significant contributors?”**

##### **What about consultants?**

Senior/key personnel are defined as individuals who contribute to the scientific development or execution of a project in a substantive measurable way. The program director/principal investigator (PD/PI) is always considered senior/key personnel. The PD/PI may designate other senior/key personnel if they fit the definition. *Biosketches, other support information, and level of effort greater than zero person months are all required of senior/key personnel named in the application.* “Other significant contributors” are those that are committed to contribute to the project, but without measurable effort (zero person months or “as needed”). Biosketches of other significant contributors are required; however, other support information is not.

A “consultant” is defined as an individual hired to give professional advice or services for a fee. Generally, a consultant is not considered senior/key personnel. Grantees should describe the services to be performed by the consultant(s) in their justification and include the number of days of anticipated consultation, the expected rate of compensation, travel, per diem, and other related costs for each. In those cases where a consultant may actually meet the definition of senior/key personnel, the applicant should list them as such and include the appropriate biosketch and other support information.

#### **Does a significant change in level of effort for senior/key personnel require the prior approval of the grants management official (GMO)?**

The NIH Grants Policy Statement requires prior approval of changes in status of senior/key personnel who are specifically designated in the Notice of Award (NoA).

Change in status is defined as withdrawal from the project, absence for any continuous period of three months or more, or reduction of time devoted to the project by 25

percent or more from the level in the approved application. The PD/PI is always named on the NoA and when multiple PD/PIs are involved all are automatically named on the NoA. NIH program officials use discretion in naming senior/key personnel other than the PD/PI(s) in the NoA. This does not diminish the scientific contribution to the project of the other senior/key personnel; it merely limits the number of individuals that are affected by the prior approval requirement to those specifically named on the NoA. PIs who need prior approval from the NIH for changes in status must work with the Office of Grant and Contract Administration to obtain prior approval.

#### **What about the Key Personnel Report in the PHS 2590 Non-Competing Grant Progress Report?**

There are several places where senior/key personnel are mentioned in the Progress Report. The PHS 2590 streamlined non-competing award process (SNAP) instructions request information on (1) changes in other support of senior/key personnel since the last reporting period, and (2) significant changes in the next budget period in the level of effort for the PD/PI or other personnel designated on the NoA from that which was approved for the project.

**SNAP Question #1**— changes in other support of senior/key personnel— refers to changes in active support of the PD/PI, and of all other personnel considered by the PD/PI to meet the definition of senior/key personnel (i.e., individuals who contribute in a substantive measurable way to the scientific development or execution of the project).

**SNAP Question #2**— significant change in level of effort— applies only to the PD/PI and other individuals designated on the NoA. For both SNAP and non-SNAP Progress Reports a Key Personnel Report (form page 7) is also required. This report once again covers all individuals designated by the PD/PI as senior/key personnel. Remember to include biosketches in the Progress Report for any new senior/key personnel.

## WHO SHOULD YOU CALL?

There are new staff members and new responsibilities in the Offices of Grant and Contract Administration and Grant and Contract Financial Administration. Linked below are

complete lists for each office, including phone numbers and e-mail addresses.

[Grant and Contract Administration](#)  
[Grant and Contract Financial Administration](#)

## RESEARCH ADMINISTRATION TRAINING OPPORTUNITIES

On November 29, 2006 the Provost sent a memo to faculty involved in sponsored projects regarding training. Click [here](#) to review the memo. Training is required for all faculty involved with a sponsored research project. For access to the on-line training module, please click [here](#).

In addition, the Offices of Grant and Contract Administration and Grant and Contract Financial Administration provide the following training opportunities to members of the Yale community. For additional information or to register for any of these programs click [here](#) and select Grant and Contract Financial Administration.

click [here](#) for: ORA Newsletter Archive

### *Did you know ...*

Under certain conditions the purchase of books and journals may be appropriate to direct charge to a federal award.

One of the components of the University's Facilities and Administrative (F&A) cost rate are library expenses (OMB A-21 Section F.8) which "... includ[es] the cost of books and library materials purchased for the library." Therefore charging books as direct costs to a federal sponsored project would be unallowable if it were already available in the library since this would be a double charge (direct + F&A). The NIH in its December 1, 2003 Grants Policy Statement (GPS), addresses the allowability of certain costs as either direct or as an F&A cost. In respect of Books and Journals, the GPS states: "Allowable. If an organization has a library, books and journals generally should be provided as part of normal library services and treated as F&A costs."

Confounding this general proscription of treating books and journals as direct costs is the National Science Foundation (NSF) Grant Proposal Guide effective June 1, 2007. The Guide states, "...Reference books and periodicals may be charged to the grant only if they are specifically allocable to the project being supported by NSF." "Allocable" in part means that a benefit to the project can be demonstrated (a requirement for any expenditure on an award). The NSF Awards and Administration Guidelines are silent on the issue of Books and Journals and defer to the Office of Management and Budget's (OMB) Circular A-21.

In the inaugural issue of the ORA Newsletter (<http://www.yale.edu/oranewsletter/documents/ORA.No1.news.pdf>) a chart of various costs was published indicating if the cost was considered to be normally a direct or F&A cost as prescribed by OMB Circular A-21. In this chart Books and Subscriptions are indicated as being both, viz.:

"Normal Direct Costs: Books and subscriptions not available in University or departmental library."

"Normal F&A Costs: Books and subscriptions available in University or departmental library and general purpose books and reference materials."

In conclusion, if a book is necessary for the conduct of the project and the book is part of the Library collection but is either, unavailable and thereby impeding the progress of the research, or it would be unreasonable to take the book out on an extended loan, then charging it to the sponsored project would be allowable. Certainly a methodology book could pass this test, while a general lab subscription to a technical journal would be less likely to pass this test. Documentation to the award file justifying the purchase must be maintained within the department. Note that buying a book merely for writing a new or competing grant application would violate the OMB Circular A-21 prohibition of charging costs of preparing applications for funding to sponsored projects and is prohibited.

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