Managing Cost Sharing

By Marie Mui, OSR Assistant Director, Post-Award

Once cost sharing is committed, whether voluntary or mandatory, the activity becomes a binding commitment which the PI must fulfill as part of the performance of a sponsored research agreement.

Cost sharing commitments require separate tracking and accounting to capture mandatory cost sharing (required by the sponsor) or voluntary cost sharing (not required but proposed and approved in the budget).

PIs and department administrators must be diligent to ensure all cost sharing requirements are met. Failure to meet cost sharing commitments may result in audit findings and disallowance of costs on the sponsored account by the sponsor.

Cost sharing accounts (PTAs) can be setup during the initial account setup process, or during the life of the project. A cost sharing PTA can be setup simultaneously with the sponsored PTA shortly after an award is received. Departments can request the setup of additional cost sharing PTAs to account for cost sharing committed by different PIs or departments via the SeRA OSR Request Form.

During the life of the project a cost sharing PTA may be requested, also via SeRA OSR Request Form, should a PI choose to cost share his or her effort instead of direct charging to the sponsored PTA to fulfill the committed PI effort on the project.

If during the life of the project, a PI anticipates project costs to exceed sponsored funding, a department can request the setup of an overdraft cost sharing PTA to capture the overrun by using the OSR Request Form.

Mandatory cost sharing is required to be reported to sponsors during the life of a project. For interim reporting, OSR accountants verify the allowability of expenses posted to the cost sharing PTA. The department is contacted if the commitment posted is not in proportion to the awarded budget for that specific reporting period.

Failure to meet cost sharing commitments may result in the sponsor withholding payments and future funding. Reduction of cost sharing commitment requires sponsor approval and should be discussed with the appropriate OSR or RMG Institutional Official.

At the closeout stage, OSR accountant will again verify the allowability of expenses in the cost sharing PTA and verify with the department that the commitment has been fully met. If the commitment is not fully met, the PI is required to work with the Institutional Official in order to request a cost sharing reduction approval from the sponsor. OSR will process a fund transfer to fund the cost sharing PTA once cost sharing is reconciled.

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Voluntary cost sharing is not required to be reported on a financial report during the life of the project or at closeout. However, voluntary cost sharing is still committed cost sharing, and the PI must fulfill the commitment. OSR accountants will work with the department to verify that the commitment has been met by making sure the total allowable expenses match the award budget.

A different type of cost sharing - overdraft cost sharing, occurs when expenses exceed sponsored funding. When a sponsored account has expired and is overspent by more than $500 in total costs, a cost sharing PTA for overdraft purposes must be requested by the department via the OSR Request Form. Overdraft cost sharing is not committed cost sharing, but the cost overdraft must be accounted for in the same manner as cost sharing.

The overdraft costs must be included in a cost sharing PTA to ensure they are included in the Modified Total Direct Cost (MTDC) base used for indirect cost (IDC) calculations. Accurate calculations are required for the negotiation of IDC rates agreements with the Federal Government.

Cost sharing accounts are required to be funded at the fiscal year (FY) end. Departments must review and reconcile cost sharing expenses and identify the funding account which will “pay” for the cost sharing expenses at FY end. OSR accountants will contact departments for the funding account information in order to process fund transfers to fund the cost sharing accounts. Contact your OSR accountant for assistance.

Going Global with Sponsored Research Projects

Stanford Global Business Services will host a special presentation on Sept. 22nd from 2:30 to 4:00 pm at the Clark Center, Room S360. The session will focus on planning for research projects with global elements. GBS provides expert consulting on projects which involve global activities.

Conducting research in a foreign country can have significant implications to project and personnel. The project location, scale and duration may have employment, legal, tax and regulatory implications, which impact project costs or delay the research. If your project is going global, GBS can help!

NIH Policy on Single IRB for Multi-Site Research

The National Institutes of Health (NIH) is issuing policy on the use of a single Institutional Review Board (IRB) for multi-site research to establish the expectation that a single IRB (sIRB) of record will be used in the ethical review of non-exempt human subjects research protocols funded by the NIH and carried out at more than one site in the United States.

The goal of this policy is to enhance and streamline the IRB review process in the context of multi-site research so research can proceed as effectively and expeditiously as possible.

Eliminating duplicative IRB review is expected to reduce unnecessary administrative burdens and systemic inefficiencies without diminishing human subjects protections. The shift in workload away from conducting redundant reviews is also expected to allow IRBs to concentrate more time and attention on the review of single site protocols, thereby enhancing research oversight. See this notice for more information.
PI Effort During No-Cost Extensions

By Tim Reuter, Director, Post-Award

The NIH and NSF no longer require prior approval to reduce effort during a no-cost extension period, unless award terms state otherwise. However, some amount of PI effort must be charged during the no-cost extension period. Below are references to NIH and NSF resources regarding the interpretation of PI effort during no-cost extension periods.

NIH Grant Policy Statement 8.1.1.3 - Extension of Final Budget Period of a Previously Approved Project Period without Additional NIH Funds

The recipient may extend the final budget period of the previously approved project period, one time, for a period of up to 12 months beyond the original completion date shown in the Notice of Award if:

- no term of award specifically prohibits the extension,
- no additional funds are required to be obligated by the NIH awarding IC (Institute & Center), and
- the project's originally approved scope will not change.

Such an action affirms that additional work remains to be completed on the project, and that resources are available to continue to support the project, or that additional time is needed to provide for an orderly closeout. The fact that funds remain at the completion date of the grant is not, in itself, sufficient justification for an extension without additional funds.

NIH GPS 8.1.1.3 on No-Cost Extensions Revised November 2015:

Section 8.1.1.3 on no-cost time extensions
Summary of significant changes

NSF Revised Cost Sharing Policy - Updated January 2013 - FAQs Question on Cost Sharing Relating to PI Effort during a No-Cost Extension Period

Question #19: My award, which funded two months of PI effort, has received a 12-month no-cost extension. However, not enough funds remain to pay all of the remaining award expenses and additional PI effort during the no-cost extension period. Is the PI required to provide additional effort?

Answer: Additional effort on the part of the PI beyond what was initially funded in the proposal is not implied by a no-cost extension. Generally, a no-cost extension is a rearrangement in the timing of when the effort will take place. The two-month commitment originally funded by NSF should be provided for by the awardee institution. However, if the PI was funded two months per year, on a three year grant, the PI should provide six total months over the entire award period. A 12-month no-cost extension would not increase the PI effort to 8 total months. It simply provides an additional year, in which the originally proposed effort is to take place.

NSF Revised Cost Sharing FAQs by visiting:

New Do It Yourself NSF Password Resetting!

On August 1st, 2016, NSF implemented a more convenient and secure process for resetting NSF passwords.

NSF awardees and proposers will no longer be able to reach out to OSR or RMG to reset their passwords on both FastLane or Research.gov; instead, they can reset their own password.

Awardees and proposers will go to www.research.gov and click “Log In,” then “Forgot Password.” After entering their NSF ID and clicking the “Send Temporary Password” button, they will be able to reset their passwords using the temporary password sent to their email address on file.

For additional assistance, please contact the NSF Help Desk at 1-800-381-1532 or Rgov@nsf.gov.

OSR Brown Bags “Let’s do lunch!”

OSR Brown Bags sessions take place the second Tuesday of each month from 11:30 am to 1:00 pm. Discussion topics and locations are announced by email a week before each session to address the most current issues.

No registration is required. Just drop in with your lunch.

Click on 2016 Schedule to view the upcoming sessions.
Consolidated Expenditure Reporting (CER) Update
By Marie Mui, OSR Assistant Director, Post-Award

The March release of the new Consolidated Expenditure Reporting (CER) financial reporting tool, in Oracle Business Intelligence (OBI) has been met with favorable response. The Expenditure Award to Date and Award Detail report, similar ReportMart3’s 179 report, was added to CER on July 29th. Due to high demand, a roll-out of a new one-to-one conversion of the RM3 285 report in OBI will be coming soon. User acceptance testing began in July.

Financial Management Services is conducting a campaign to move more financial report users to CER, offering free ice cream to every Stanford business unit whose report-users make the switch by September. The ice cream promotion was announced in the July OBI News.

Drop-in Open Labs will be held every Friday, except the first Friday of each month, from 9:00 am to 12:00 pm at Birch Lab B. On the first Friday of each month, Open Labs will be held at the 3160 Porter Drive Training Lab from 9:00 am to 12:00 pm. These Open Labs will be held through September 2016.

The Open Labs will provide individual and customized support for questions related to OBI Financial Reporting (dashboard reports and ad hoc analysis). An OSR representative will be available at the Porter Drive Training Lab to answer your questions on running your dashboard and ad hoc reports for sponsored research accounts.

Since the release of CER in March, OSR accountants have found the dashboard reports to be user-friendly with more a robust interface. We will be reaching out to individual departments who are seeking or need supplemental training. If you have any questions on using CER dashboard reports, or would like to request training, please contact your OSR accountant.

How to Effectively Manage Your Subaward Invoices
By Laura Register, OSR Assistant Director, Subaward Oversight & Compliance

With all the responsibilities of managing sponsored research projects, subaward invoices may fall to the bottom of the stack. Diligent subaward invoice management is a key part of the department’s subrecipient monitoring responsibilities. Here are some invoicing questions to ask for successful subaward management.

<table>
<thead>
<tr>
<th>What is being invoiced?</th>
<th>How much is invoiced?</th>
<th>When are you getting invoiced?</th>
<th>What are your expectations?</th>
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<td>Almost all subawards issued by Stanford are cost-reimbursable, so invoices should be for costs already incurred. Subaward invoices should have a breakdown by major cost category so you can see what the subrecipient expended funds for.</td>
<td>The subaward invoice amount should align with the budget and progress of the project to date.</td>
<td>The subrecipient should be invoicing in accordance with the subaward agreement. Invoice frequency is usually monthly, but no less than quarterly unless a payment schedule is employed. Late invoices without justification may be a sign of many things. Late invoicing can be detrimental to a project and your ability to pay due to Oracle Task and Award end dates.</td>
<td>It’s important to understand the desired outcomes and deliverables of from the subrecipient and how they can be tracked to appropriately review and pay invoices. Knowing the prime and subaward agreement terms and conditions will help you determine if invoiced expenditure items are allowable and in keeping with the technical progress to date.</td>
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<td>Tip – Compare the cost categories with the subrecipient budget and make sure costs align with the budgetary categories. For example, travel expenses or equipment purchases on a project with no travel or equipment budgeted may warrant additional justification. Don’t pay an invoice when you can’t tell what the payment is for.</td>
<td>Tip – Keep an eye out for large or irregular invoices and compare with the budget or scope of work to see if they align. If the expenses seem irregular or out of line with spending on the project to date you can always ask for additional documentation.</td>
<td>Tip – Make sure you let a subrecipient know if they are delinquent in invoicing and whether you need invoices by a specific date. If they are unresponsive you can involve the PI and reference the subaward agreement invoicing terms to remind them of their contractual obligation to submit timely invoices.</td>
<td>Tip - When you review your invoices make sure that any expected deliverables or reports have been received prior to payment. You can withhold the payment of an invoice to require the submission of outstanding documentation or deliverables by subrecipient.</td>
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New Indirect Cost Rates for Fiscal Years 2017 & 2018

Stanford and the Office of Naval Research agreed on predetermined Facilities and Administrative (F&A) rates for University fiscal years 2017 and 2018. Information on Stanford F&A rates, also commonly known as indirect cost (IDC) rates can be found on the Stanford DoResearch Rates webpage.

Application of FY 2017 and 2018 F&A/IDC Rates

- **New & Competing Proposals with Period of Performance start dates on, or after September 1, 2016:** Effective August 2, 2016 all new proposals and competitive segments for awards with period of performance start dates after August 31, 2016 shall use the predetermined FY2017 and FY2018 F&A rates.

- **Awards with Period of Performance Start Dates on, or after August 2, 2016 through August 31, 2016:** These awards are subject to the final FY2016 rates for the remainder of FY2016 and to the predetermined FY2017 and FY2018 rates beginning September 1, 2016. The FY2018 rates will remain in effect (“fixed”) for the life of the award or until the next competitive submission.

If you have questions about the application of these rates, please contact your OSR or RMG representative.

Subrecipient OSR Form 33 has a New Look and Name

By Laura Register, OSR Assistant Director, Subaward Oversight & Compliance

Effective August 17, 2016 the **OSR Form 33** will be renamed and revised from the **Subrecipient Commitment Form** to the **Subrecipient Statement of Collaborative Intent**. The form renaming and revision is due to Stanford’s participation in the Federal Demonstration Partnership (FDP) Expanded Clearinghouse Pilot. The pilot will test the use of a national data repository which collects and provides the institutional information of FDP members instead of requesting such information on a transactional basis.

Starting August 17, 2016, please download and use the revised form if you will be submitting a proposal with a subaward, or issuing a subaward to a collaborative institution from an existing prime award.

OSR Team - Both New and Familiar Faces

By Tim Leung, OSR Assistant Director, Client Advocacy and Education

OSR is pleased to announce a change in title/promotion for Laura Register from Subrecipient Monitoring Officer to Assistant Director of Subaward Oversight & Compliance. She continues her responsibilities for compliance on subaward process, policy implementation and systems in addition to being the subaward point-of-contact for subaward and subrecipient monitoring, audits and the annual A-133 audit.

Our newest Contract and Grant Officer, Michala Welch, comes from Stanford’s Graduate School of Business where she supported faculty on corporate, legal and administrative business matters. Prior to GSB, Michala was with the Michigan State Department of Treasury. She has a Juris Doctor degree from Michigan State University.

Chaz’a Bullock is our latest addition joining us as a Contract and Grant Associate. Chaz’a was recently with a biotechnology company as a Lead Customer Support Specialist. She has held roles in administrative support for local companies and a university before joining Stanford. Chaz’a has a Bachelor of Arts in Communication from California State University, East Bay.

Hung Tran has been with OSR in a fixed-term role, but we’re happy to announce he has transitioned to a permanent Research Accountant position. Prior to Stanford, Hung held financial analyst and banking positions.

Christine Cervantes also joins OSR as a Research Accountant. She has been at Stanford for many years. Her last six years were with the School of Engineering’s Engineering Research Administration.

Click to see: **OSR Pre-Award - Department Assignments** or **OSR Post-Award - Department Assignments**
Thank You
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2016 OSR Fair!

Missed the Fair?
View or download table topic materials at our website