

Learn More: *NU's Contributions
to Research, Cost Sharing &
Commitments*

RESEARCH ADMINISTRATION

October 2017

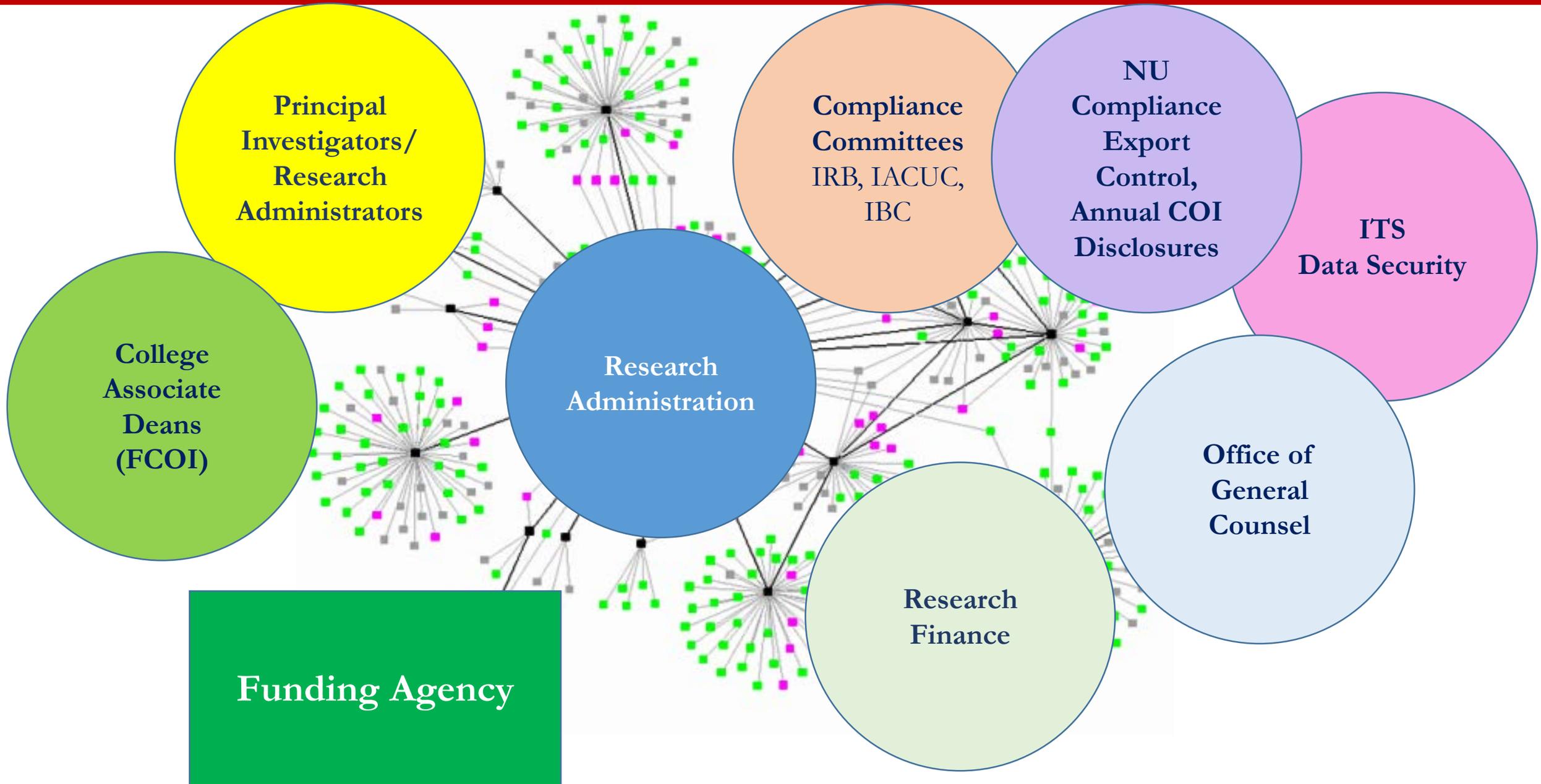
Learning Objectives

- Understand Research Administration's role in verifying that investigators and Northeastern University have complied with the awarding agency's requirements related to level of commitment, salaries charged to grants, cost sharing and F&A recovery.
- Understand the distinction between commitments subject to audit and those that are not.
- Understand prior approval requirements related to changes in level of commitment proposed.
- Understand the how under recovery of F&A undermines future rate agreements.
- How you can help facilitate the process.

Institutional Certifications and Assurances

- Northeastern University, as a grantee, provides at the time of proposal submission and throughout the life-cycle of an award certification and assurances that it is in full compliance with all relevant laws, rules and regulations.
- How each grantee implements its research management responsibilities varies but all grantees should include documented practices that address specific regulatory requirements.
- Some regulations required that the grantee monitor the research activity; monitoring involves verification and tracking of compliance with a specific term or condition of the award.

Northeastern University



KEY CONCEPTS

- **Cost Sharing**
 - **Stipulated/Mandatory**
 - **Voluntary Committed**
 - **Voluntary Uncommitted**
- **F&A**
 - **Stipulated Under Recovery**
 - **Voluntary**
 - **Offset**
- **Level of Commitment vs. Time & Effort Certification**
- **Salary Cap/Salary Limitations;**

FEDERAL REGULATIONS

- **No expectation of Cost Sharing, 2 CFR 200.36**
- **NIH Salary Cap does not constitute Cost Share**

COST SHARING

Cost Sharing means the amount or proportion of the project costs that are not paid by the funding agency.

See also 2 CFR 200.29

FEDERAL REGULATIONS

- No expectation of Cost Sharing 2 CFR 200.36

may not constitute cost sharing.

§ 200.306 Cost sharing or matching.

(a) Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity. Furthermore, only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing the indirect (F&A) cost rate or reflected in any allocation of indirect costs. See also §§200.414 Indirect (F&A) costs,

TYPES OF DIRECT COST – COST SHARE

Mandatory/ Stipulated	Costs related to the project that must be paid by Northeastern as a condition of submitting the proposal.
Voluntary Committed	Costs related to the project that Northeastern voluntarily agrees to paid for as documented in the budget and/or budget justification.
Voluntary Uncommitted	Costs incurred by Northeastern over and above what was committed and budgeted for in the proposal.

INDIRECT COSTS – COST SHARE

Under Recovery of F&A can only be used to meet a cost share requirement when authorized by the funding agency.

COST SHARING & AUDITS

Mandatory/ Stipulated	Audited (need companion account)
Voluntary Committed	Audited (need companion account)
Voluntary Uncommitted	Not subject to Audit

FEDERAL REGULATIONS

Memoranda 01-06 --
Clarification of OMB A-21
Treatment of Voluntary
Uncommitted Cost Sharing
and Tuition Remission Costs

January 5, 2001

M-01-06

LEVEL OF COMMITMENT & MEASURABLE EFFORT

In addition, most Federally-funded research programs should have some level of committed faculty (or senior researchers) effort, paid or unpaid by the Federal Government. This effort can be provided at any time within the fiscal year (summer months, academic year, or both). Such committed faculty effort shall not be excluded from the organized research base by declaring it to be voluntary uncommitted cost sharing. If a research program research sponsored agreement shows no faculty (or senior researchers) effort, paid or unpaid by the Federal Government, an estimated amount must be computed by the university and included in the organized research base. However, some types of research programs, such as programs for equipment and instrumentation, doctoral dissertations, and student augmentation, do not require committed faculty effort, paid or unpaid by the Federal Government, and consequently would not be subject to such an adjustment.

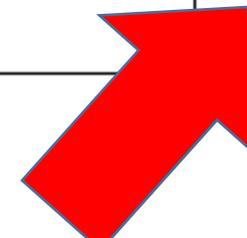
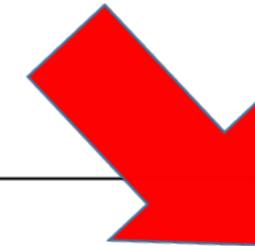
LEVEL OF COMMITMENT & MEASURABLE EFFORT

Investigators are expected to propose levels of commitment that correspond to the level of effort they will spend on this project.

At a minimum, measurable effort should be listed on research projects. This effort is reported in person months and listed on, e.g., NIH's Other Research Support reports.

Format

<u>NAME OF INDIVIDUAL</u> <u>ACTIVE/PENDING</u>		
Project Number (Principal Investigator) Source Title of Project (<i>or Subproject</i>)	Dates of Approved/Proposed Project Annual Direct Costs	Person Months (Cal/Academic/ Summer)
The major goals of this project are...		
<i>OVERLAP (summarized for each individual)</i>		



CALCULATING PROPOSED EFFORT

$$\% \text{ Effort} = \text{Person Months}$$

Employment Status: Full-Time (1.0) or Part-Time (.X)

Appointment: Academic, Summer, Calendar (8, 3.2, 12)

$$1.0 \text{ (Employment Status)} \times 3.2 \text{ (Summer)} \times 50\% = 1.6 \text{ person months}$$

WHY/WHAT ELSE?

Proposal Review: Is there sufficient

Overlap/Over Commitment

Change in Level of Commitment/Status

OMB Functions: Research, Instruction, Other Sponsored Activities

Concurrent Effort

SALARY CAP & LIMITATIONS

NIH: Executive Level II \$187K

NSF: History, UG & Updated Rebudgeting Authority

As a general policy, NSF limits the salary compensation requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year. This limit includes salary compensation received **from all NSF-funded grants**. This effort must be documented in accordance with 2 CFR § 200, Subpart E, including 2 CFR § 200.430(i). If anticipated, any compensation for such personnel in excess of two months must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award notice budget.¹⁷ Under normal rebudgeting authority, as described in Chapters VII and X, a recipient can internally approve an increase or decrease in person months devoted to the project after an award is made, even if doing so results in salary support for senior personnel exceeding the two month salary policy. No prior approval from NSF is necessary as long as that change would not cause the objectives or scope of the project to change. NSF prior approval is necessary if the objectives or scope of the project change.

RESOLUTION OF NSF'S CONFLICTING GUIDANCE

I OIG said that “Payroll transactions incurred after NSF revised its policies and procedures (December 26, 2014) will be audited against those procedures, which now permit awardees to unilaterally increase salary budgets for senior personnel in excess of two months of their regular salaries. The revisions were prospective and do not apply to payroll transactions made before December 26, 2014.”

**TIME & EFFORT CERTIFICATION
AKA PAYROLL DISTRIBUTION**

Tracking and reporting payroll related costs to make sure that the final amount charged is accurate, allowable, and allocable.

Certification of salary charged to the award is a percentage of total professional effort.

F&A RECOVERY

- **DHHS Rate Agreement**
- **Funding Agency Stipulated Rate**
- **Voluntary Under Recovery of F&A Costs – Rebate and Recovery**
- **Offsets**
- **Negotiating Future Rate Agreements**

For more information please see
<http://www.northeastern.edu/research/raf/>

Northeastern University
Office of Research Administration and Finance

Search ORAF

ORAF Content

ORAF HOME COMPLIANCE FUNDING RESOURCES FORMS POLICIES & GUIDELINES PROPOSAL PREP FAQs CONTACT RESEARCH ▾

How Do I:

find funding

notify oraf

develop my proposal

submit my proposal

manage my award

Quick Links

- Getting Started with ORAF**
Roles and Responsibilities
- Research Finance Resources**
Banner/Cognos Access, Training, and more
- Corporate Sponsored Research Agreements**
Read More
- Administrators Toolbox**
Information, tips, and training

Welcome New Investigators
Help to transfer your grant

Or Contact RA at:
ORAF@northeastern.edu

Thank you!