

Research Administration Forum

November 20, 2019





Agenda

- Welcome
- Documentation of Expenditures
- Managing Salary Caps
- Matching on Federal Capacity Grants
- Monitoring Project Activity
- SFS Updates
- Update on Foreign Gift/Contract Reporting
- Q&A



Documentation
Subsection 200.403

Factors affecting allowability of costs





Documentation

- Costs must be:
 - Reasonable and Necessary
 - Allocable to the project
 - Within the period of performance
 - Cost benefiting two or more projects must be allocated in accordance with .405
 - Permitted by agreement terms and conditions
 - Adequately Documented



Documentation

- “Adequately” Documented?
 - Required Transactional Documentation
 - Detailed invoices/receipts
 - Policy 3.14: Business Expense Policy
 - Foreign Currency
 - Conversion rates documented



Documentation

- **Business Purpose:**
 - How does it relate to the project?
 - **Brief Summary:**
 - What was bought?
 - Why was it bought?
 - How will it be used?



Allocation of Costs

- How much money is left should not be a factor
- Funding Restrictions
 - Do not use allocation to circumvent
- Institutional use (e.g., Lab Equipment, Repairs)
 - Ensure that the institutional use is incorporated into allocation
 - Note that necessary equipment identified in an award budget may follow that allocation regardless of the eventual use (.405(d))



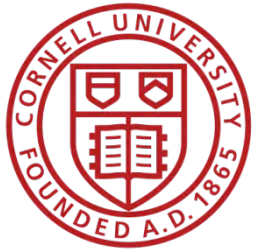
Allocation of Costs

- Principal Investigator (PI) may determine appropriate allocation
 - Benefit to project(s)
- Documented in transaction supporting materials



Cost Transfers

- Cost transfer must be clearly explained with supporting documentation.
 - Business Purpose
 - Benefit to project(s)
- Late Cost Transfers
 - Exception, not normal business
- Cost Transfers on Sponsored Agreements



Salary Caps

Public Law 115-245:

Restricts DHHS direct salary to Executive Level II
of the Federal Executive Pay Scale





Salary Cap

- U.S. Office of Personnel Management
 - Salary Table No. 2019-EX
 - U.S. Dept. Health and Human Services
 - National Institutes of Health (NIH)
 - Effective January 2019, \$192,300
 - USDA-NIFA has separate requirements limiting salary to Executive Level IV unless salary is stated in the proposal budget.
 - See also specific sponsor or award requirements



Salary Cap

- “An individual's institutional base salary [IBS] is the annual compensation that the applicant organization pays for an individual's appointment, whether that individual's time is spent on research, teaching, patient care, or other activities.”
- Excludes salary supplements and allowances



Salary Cap

- Based on the IBS below, what is annual *rate* of pay:
 - Vet professor, with a 12-month, full time, appointment, earning \$8,333.33 semi-monthly?
 - Plant Biology professor, with a 9-month, full time appointment, earning \$150,000 per year?
 - Research scientist, with a 3-month, summer, quarter time appointment at \$4,166.67 per month?



Salary Cap

- Vet professor, with a 12-month, full time, appointment, earning \$8,333.33 semi-monthly?
 - $8,333.33 \times 2 \times 12 = \$200,000$
- Plant Biology professor, with a 9 month, full time appointment, earning \$150,000 per year?
 - $(150,000/9) \times 12 = \$200,000$ (or $150,000 \times 12/9$ ths)
- Research scientist, with a 3-month, summer, quarter time appointment at \$4,166.67 per month?
 - $4,166.67 \times 4 \times 12 = \$200,000$



Salary Cap

- If the salary cap is \$192,300 for full-time effort charged to an NIH award over a 12-month period, how much is charged to an award with 30% budgeted for faculty earning \$173,070 annually on a 9-month appointment?
 - $\$192,300/12 \times 9 = \$144,225$ (capped rate)
 - $30\% \times \$173,070 = \$51,921$ (total earned – 30%)
 - $30\% \times \$144,225 = \$43,267.50$ (direct charged – 25%)
 - $\$51,921 - 43,267.50 = \$8,653.50$ (exceedance – 5%*)
- *Must be recorded on a cost share sub account of the project with a title that includes “**NIH Cap**”



Salary Cap

- Policy 3.11, Salary Confirmation, details this procedure (for NIH cap)
- At least one KFS cost sharing (type CS) sub account must be established for each award on which capped individuals are working.
 - This sub-account cannot be used for any other purpose (e.g. cost shared effort or other expenses) and the title must begin with ‘... CAP’.



Salary Cap

- NIH guidance: proposal should budget and indicate the full, institutional base salary (IBS), for all individuals.
 - In practice, in some cases, units use the capped amount.
- The agency will reduce the award to the capped level in effect at the time of award or increment.
 - For example, an award made in September 2019 will only award funds salaries up to a full-time twelve-month rate of \$192,300.



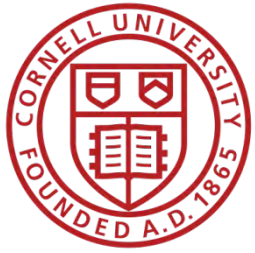
Salary Cap

- Expenditures may be made up to the level in effect at the time the expense is incurred.
 - For example, if the salary cap increases this coming January, a payment that will post in 2020 can be charged to the award at the higher rate.
 - Caution: Some DHHS *contracts* include terms and conditions that limit the expense throughout the period of performance to the capped level in effect at the time of award or increment.



Salary Cap

- Managing Cap
- <https://www.dfa.cornell.edu/sites/default/files/nih-salary-cap2015.pdf>
- Calculators
 - Online Calculator – anticipated
 - Excel template
 - Contact Beth Peet eap2@cornell.edu for assistance.



Federal Capacity Grants Hatch, McIntire Stennis, and Multistate Match Requirements





Federal Capacity Grants

- REEport Annual and Final Progress Report
 - Submitted by the PI
- REEport Financial Report
 - Submitted by SFS



Federal Capacity Grants

- REEport

- FTEs are required for both the REEport Financial Report and for individual Progress and Final Reports.

Staff Support

Non-Federal Employed Staff Support (Report nearest 0.1 Year)

Scientists (Assistant Professor and above)	241	<input type="text" value="3.0"/>
Professional Support	242	<input type="text" value="0.2"/>
Technical Support	243	<input type="text" value="0.1"/>
Clerical, Labor and Other	244	<input type="text"/>
Total Staff Years	350	3.3



Federal Capacity Grants

- Review your Capacity Grant project accounts
 - Ensure that a cost share sub-account is established, and utilized

- Additional Information:

<https://cuaes.cals.cornell.edu/funding/funding-research/>

<https://www.dfa.cornell.edu/sfs/managingawards/activity/costshare>



Monitoring Activity

Monitor Project Activity





Monitoring Project

- University sponsored accounts must be reviewed at least every other month (but preferably monthly)
 - review transactions for allowability and allocability
- When a sponsored project crosses unit lines, each unit is responsible for ensuring that the accounts in their organization are monitored



Monitoring Project

- Why is this important?
 - An agency is expected to be invoiced regularly
 - Based on general ledger activity, with certified invoices
 - Corrections should be addressed timely
 - Prevents improper billing to sponsors



Monitoring Project

- Why is this important?
- Agency questions spend patterns
 - Why hasn't Cornell invoiced?
 - Why did Cornell invoice for this restricted item?



Monitoring Project

- Why is this important?
- Sometimes a subaward can be a significant portion of the project
 - Subaward invoices should be submitted timely
 - And paid within 30 days of receipt
 - Unless circumstances warrant otherwise (and these should be documented)



Monitoring Project

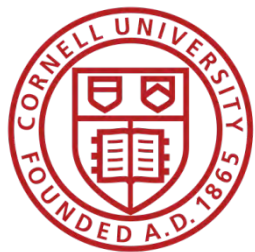
- Project closeout
 - Monitoring activity ensures a seamless closeout
 - 90 days prior to expiration
 - Review the need and availability of an extension
 - Request, if warranted
 - Review project plan for close



Monitoring Project

- Project closeout
 - Update staffing allocations
 - Finalize Subaward activity (invoicing)
 - Review activity to ensure compliance
 - Cost Share commitment met, if applicable
 - All financial activity complete:
 - 30 days prior to final financial report due (and no more than 60 days after termination date)

<https://www.dfa.cornell.edu/sfs/managingawards/closingout>



SFS Updates

What's going on?





Staffing updates

- Entire team supports transition of responsibilities to create efficiencies
- Portfolio Transitions
- Welcome Kyle!
 - Supports project establishment
 - Reviews/Approves new project accounts
 - Submits initial agreement budget



SFS updates

- Implementation of Contract & Grant Billing
 - Minimize reliance on manual process (excel files) for invoicing
 - Shift focus to other aspects of post-award administration
 - Including: Education and Outreach



SFS updates

- 2020 - Resume SFS Dialogs
- Consider trainings related to sponsored administration:
 - FIN 114 – Financial Management of Sponsored Projects
 - FIN 116 – 13 Online Modules – targeted topics



Research Administration Forum Update on Foreign Gift and Contract Reporting (HEA 117)





HEA 117 Reporting

- As a condition of receiving federal student financial aid Cornell must report gifts and contracts from foreign entities pursuant to section 117 of the Higher Education Act
- This information is reported semi-annually
- A requirement exists to report similar data to New York State annually



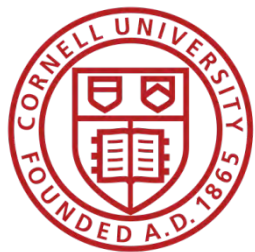
Cornell History

- Cornell reported the foreign gifts and contracts, but due to a variety of factors some activity was omitted
- U.S. Department of Education launched an inquiry into the reporting at Cornell and several other institutions
- Cornell thoroughly researched past data, responded to ED and updated past reports



Issues for Today

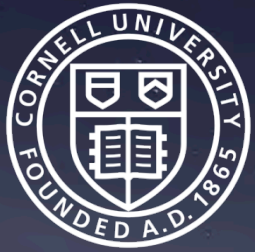
- Going forward the university is committed to improvements
- A senior-level advisory group and a working group are developing policies and procedures to facilitate compliance
- Central offices (In Ithaca: OSP, AA&D, CTL, Global Operations) will take the lead in submitting data under their management.
- **Each college has responsibility for agreements not managed centrally, and moving towards incorporating them in Icertis.**
 - **Watch for information from your college with detail**
- DFA will receive and process data for review and submission
- Next report is due at the end of January.



Research Administration Forum

Q&A





Contact us at
sfs-help@cornell.edu
for further information
on any of these topics

Thank you!

