

2010 BRINGING ADMINISTRATORS TOGETHER CONFERENCE

**Life Cycle
of
A Sponsored Project Activity**

UIC UNIVERSITY OF ILLINOIS
AT CHICAGO

Succeeding in Challenging Times

Workshop Presenters

- Name: **Ahlan Al-Kodmany** PhD
- Title: Director, IHRP Financial Operations Institute for Health Research and Policy,
- Contact Information: 312-996-7458 ryyan@uic.edu
- Name: **Mee Mee Lee-Choi**
- Title: Associate Director OBFS - Grants & Contracts
- Contact Information: 312-996-5961 meemlee@uic.edu
- Name: **Patti Manheim**
- Title: Associate Director, Office of Research Services
- Contact Information: 312-996-9405 pmanheim@uic.edu
- Name: **Luis Vargas**
- Title: Executive Director, Office of Research Services
- Contact Information: 312-996-6150 lrvargas@uic.edu

Workshop Objectives

- Understand the complete cycle of a sponsored project activity
- Understand which offices play key roles in the administrative aspect of sponsored project activities
- Discuss some frequently asked questions
- Discuss some potential problem areas

What is a sponsored project activity?

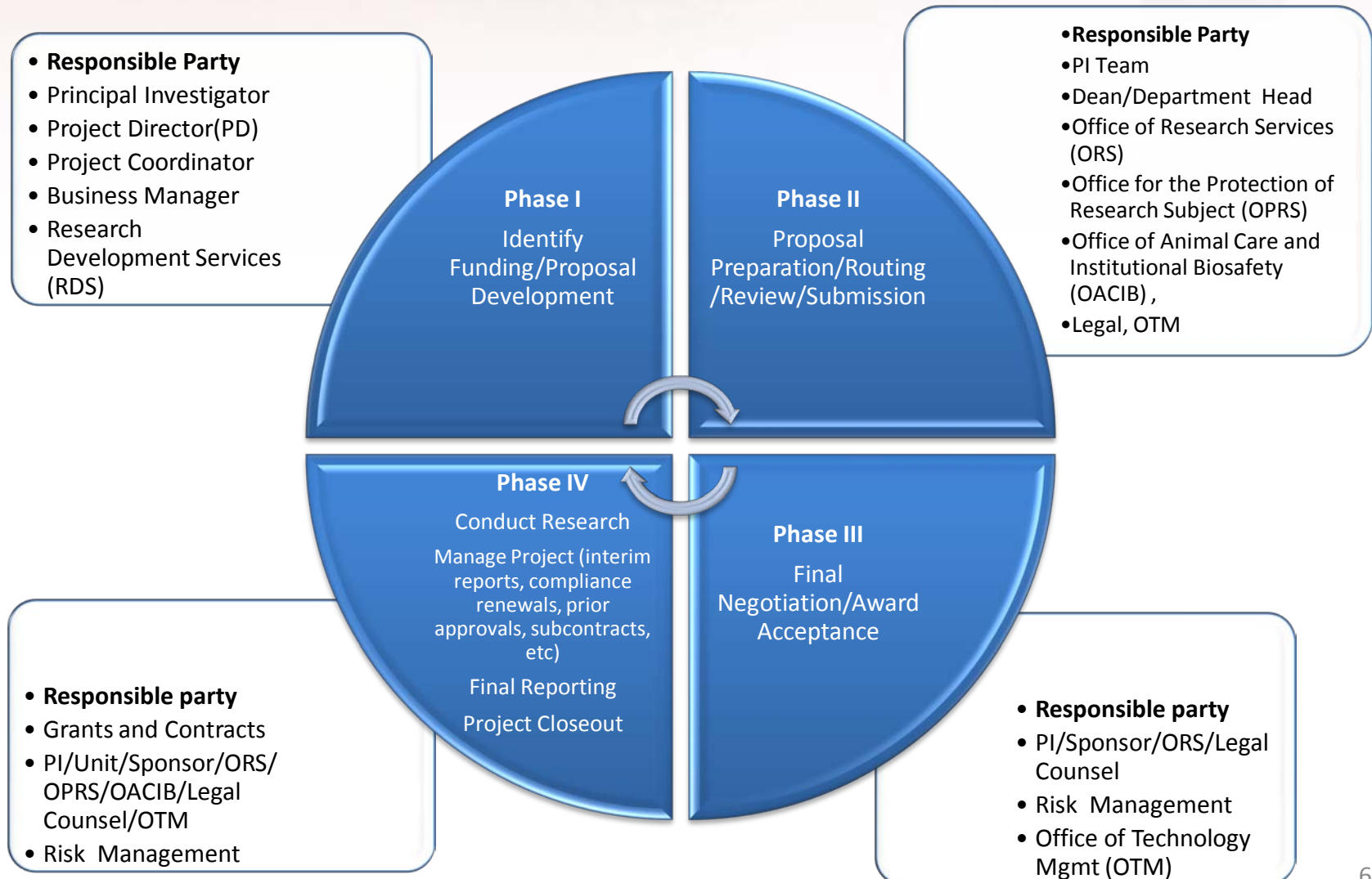
- Externally funded research, instruction, public service
- Specific statement of work
- Specific deliverables – technical, financial, programatic
- Detailed specific budget – allowable, allocable, reasonable
- Restrict payment contingent upon reporting
- Restrict publication or use of project results
- Provisions regarding IP
- Provisions regarding unexpended funds
- Facilities and Administrative (F&A) costs
- Unique intellectual expertise

What is NOT a sponsored project activity?

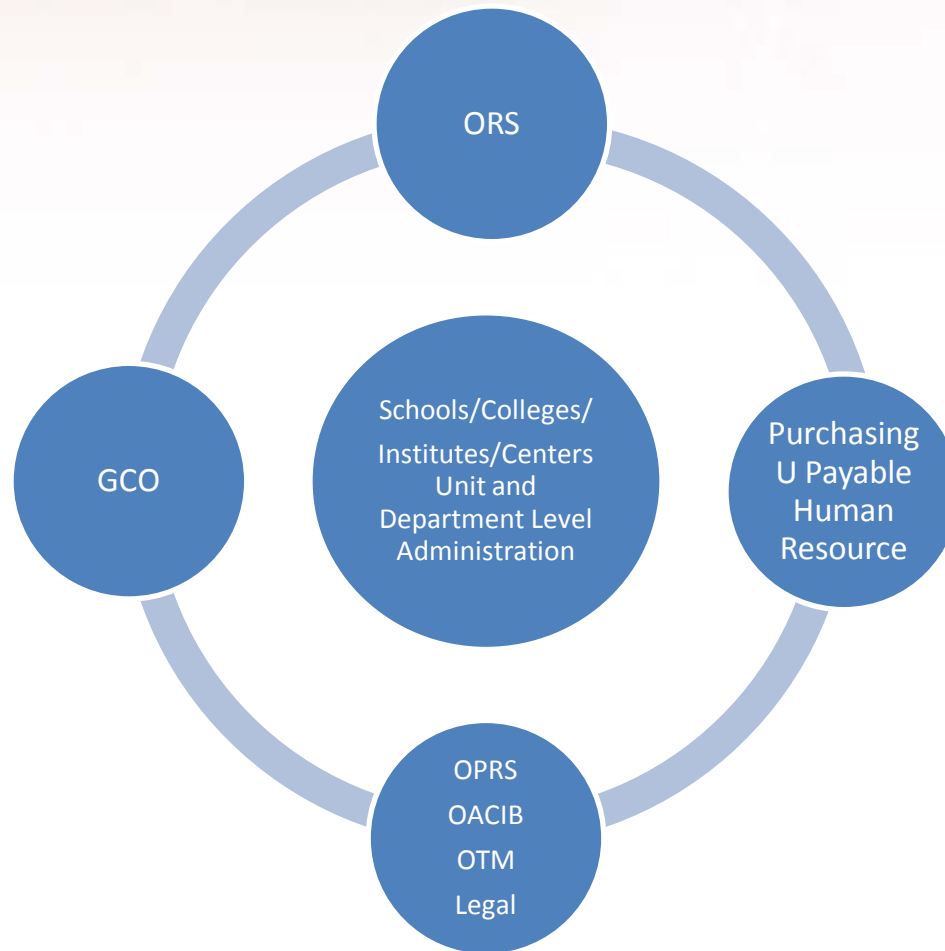
- Revenue Generating Contract (OBFS-Purchasing or OBFS-OBDS):
 - UIC services
 - No unique intellectual expertise
 - Canned “off the shelf” products
- GIFT (U of I Foundation):
 - Minimal requirements – generally related to the donor’s pledge
 - Support for broadly defined activity
 - Irrevocable
 - No return of unexpended funds
 - No reconciliation – no detailed budget

(These are NOT under ORS governance)

Life Cycle of A Sponsored Project



University Administration of Sponsored Project Activities



Phase I – Identify Funding

Pre-proposal Stage:

- Start early
- Early coordination on complex projects
- Always be equipped with a Non-Disclosure Agreement
- Obtain/review sponsor guidelines/expectations in writing
- Do not independently agree to budget/legal terms
- Identify all mandatory/voluntary resources needed
- Identify all potential conflicts
- Ensure the total time and effort commitment does not exceed 100% in the event of funding

Phase I – Identify Funding

Pre-proposal Stage:

- Letter of intent and/or pre-proposals that identify resources must have ORS prior approval
- Attend OVCR (ORS & RDS) workshops
- Questions, contact ORS
- For funding resources, visit <http://tigger.uic.edu/depts/ovcr/research/funding/index.shtml>

Phase II – Proposal Preparation/Routing

- Preparing internal paperwork (proposal approval form- PAF)
- Preparing sponsor application forms either hard copy or electronic submissions
- Obtain and follow sponsor guidelines
- Prepare proposal narrative (scope of work, abstract, research plan)
- Develop detailed budget (including both direct and F&A costs)
- Understand allowable costs per cost principals under A21
- Preparing any applicable compliance and regulatory information and route to appropriate compliance offices (i.e. OPRS, OACIB, UIC Hospital Clinics)
- Be aware of sponsor's deadline and allow time for internal processes

Phase II – Proposal Review/Submission

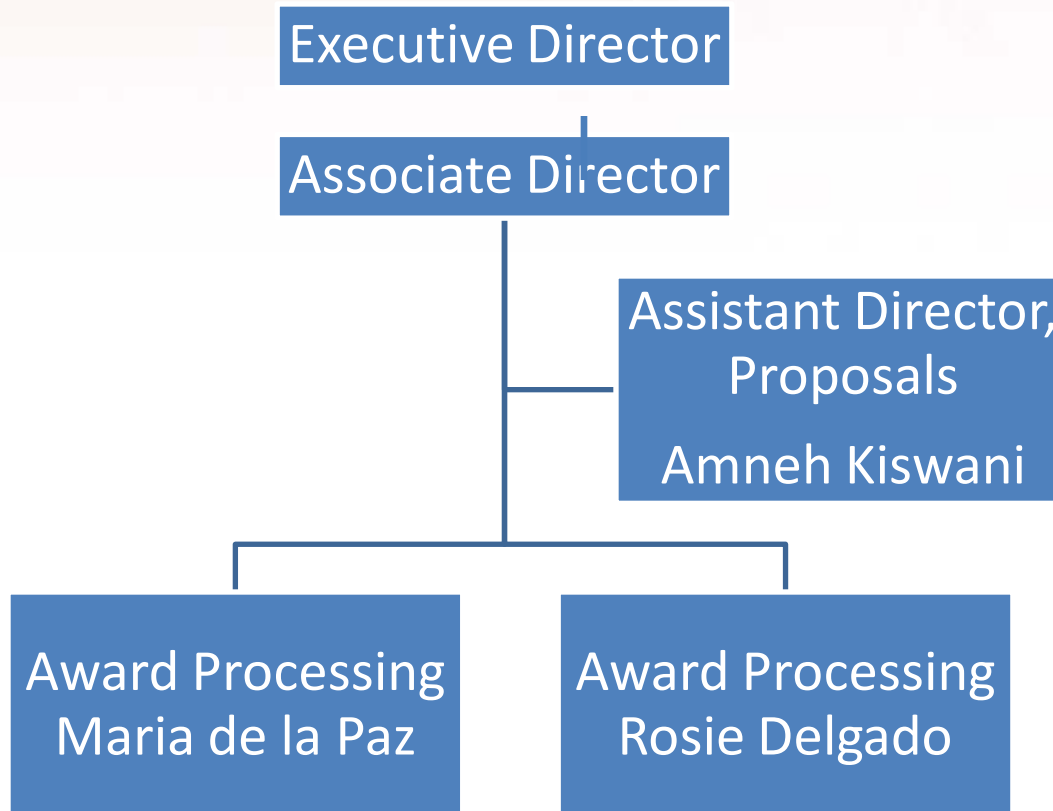
- Proposal package is routed to ORS for review and approval
- Unique number is assigned to proposal (Institution Number/PAF #)
- ORS Research Information Coordinator (RIC) reviews proposal and application packet for completeness;
 - ✓ Information on PAF is consistent with the sponsor application/proposal
 - ✓ Proposal meets both University and sponsor requirements regarding budgets, institutional compliance, cost share commitment, etc.
 - ✓ Scope against activity type (research, instruction, or public service)
 - ✓ Conflict of Interest
 - ✓ Representation & Certification

Phase II – Proposal Review/Submission

- When/If proposal is approved, research information coordinator will secure institutional endorsement and will submit proposal based on submission policy
- Be aware of internal deadlines:
 - ✓ Seven days for grants.gov submission
 - ✓ Five days for other electronic submission
 - ✓ Three days for hard-copy submission
- Returned approved proposal package to PI/BM:
 - ✓ If signature is required, hard copy may be retrieved from the ORS front desk
 - ✓ If no original signature, return electronically

Phase III – Final Negotiation/Award Acceptance

Unilateral Award Processing Team



Phase III – Final Negotiation/Award Acceptance

Unilateral Award Acceptance

- Award Notification received by ORS either electronically or hard copy
 - Within 24 hours of receipt, courtesy email is sent to the PI
- Award Notification received by PI/Dept should be sent to ORS for processing
- ORS staff reviews approved proposal to ensure consistency with actual award terms
- ORS is responsible for all communication with sponsors
- Ensure compliance related issues are resolved

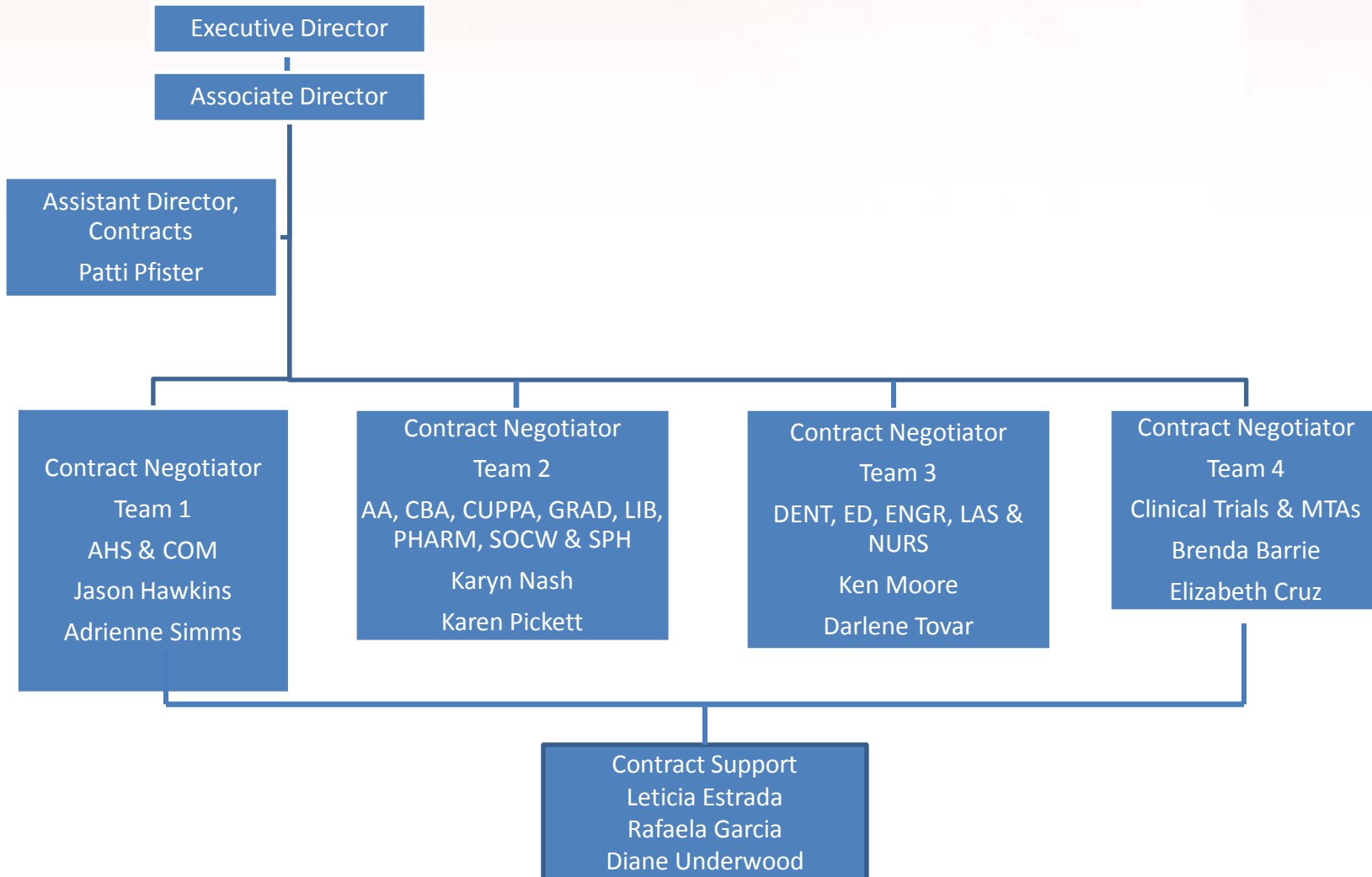
Phase III – Final Negotiation/Award Acceptance

Unilateral Award Acceptance (cont)

- ORS ensures proposal terms match award
- Process all awards received electronically via email notification to PI, Business Manager, Dept. Head, Grants & Contracts and in some cases Deans
 - Email to G&C serves to initiate Account set-up process
- Process all hardcopy awards via email notification to PI, Business Manager, Dept. Head, Grants & Contracts and in some cases Deans
 - Hard copy to G&C serves to initiate Account set-up process

Phase III – Final Negotiation/Award Acceptance

Bilateral Award (Contract Processing) Team



Phase III – Final Negotiation/Award Acceptance

Bilateral Award Acceptance

- Contract is received by ORS either electronically or hard copy
- Assign to negotiators by team (see chart)
- ORS Contract Negotiator reviews:
 - Against PAF
 - Terms and Conditions that may require negotiations (i.e., governing law, intellectual property, publication right, warranty, non cancelable commitments, indemnification, insurance, etc.)

Phase III – Final Negotiation/Award Acceptance

Bilateral Award Acceptance (cont)

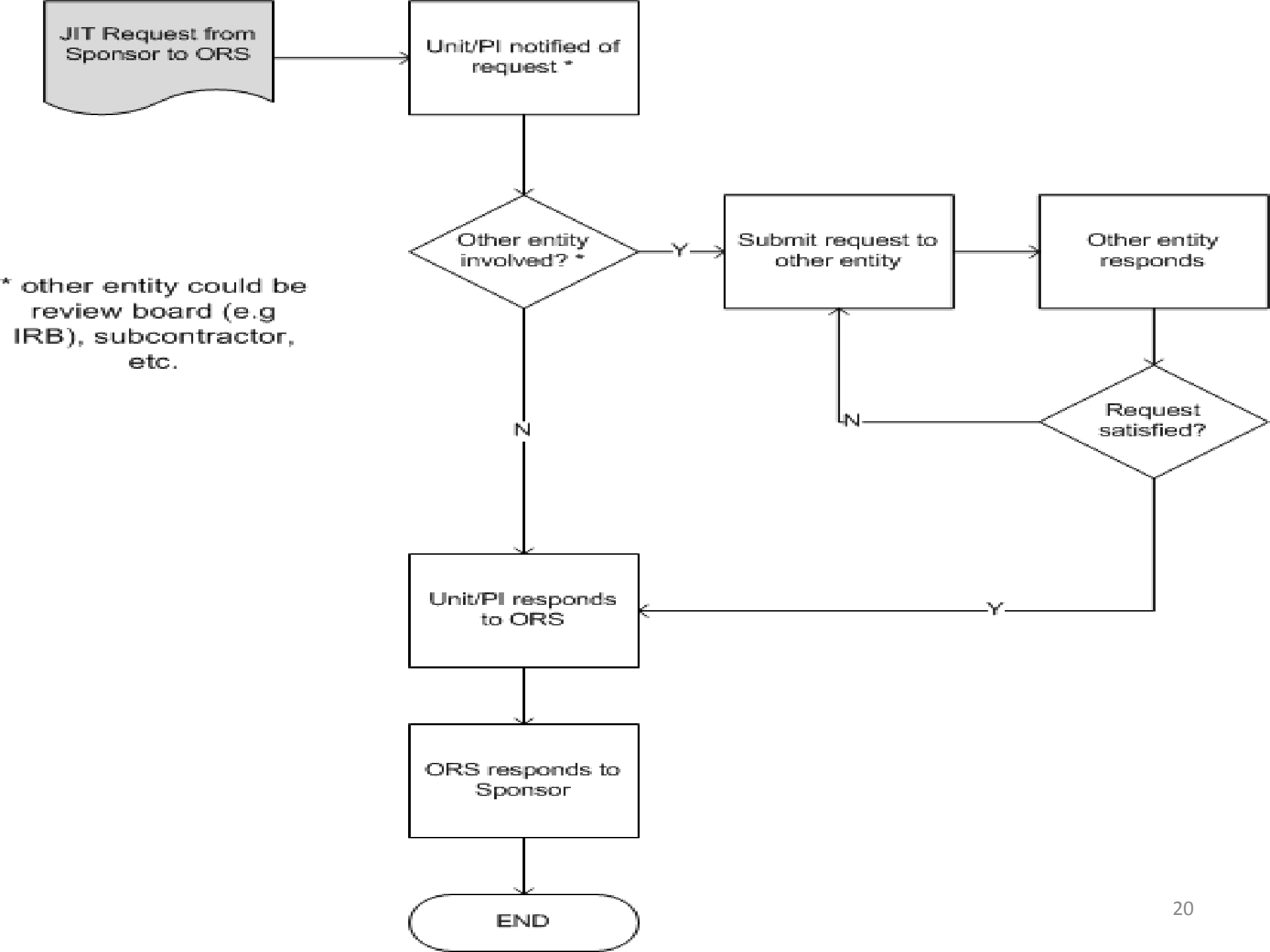
- Once the award is fully executed, congratulatory email is sent to PI, Business Manager, Dept. Head, Grants & Contracts and in some cases Deans
- ORS is responsible for all sponsored agreement negotiations with sponsors

What are some frequently asked questions during Phase I, II & III?

- Why does it take so long to process an award?

Due to various factors. A few examples below...

- JIT requirements could lengthen the process (eg; human, animal)
(also see flow chart on next slide)
- Change in scope
- Re-budget due to reduced/increased funding
- IP disclosure form
- Length of contract negotiation itself
- Many nodes to delay (sponsor, legal, ORS, OTM, PI)



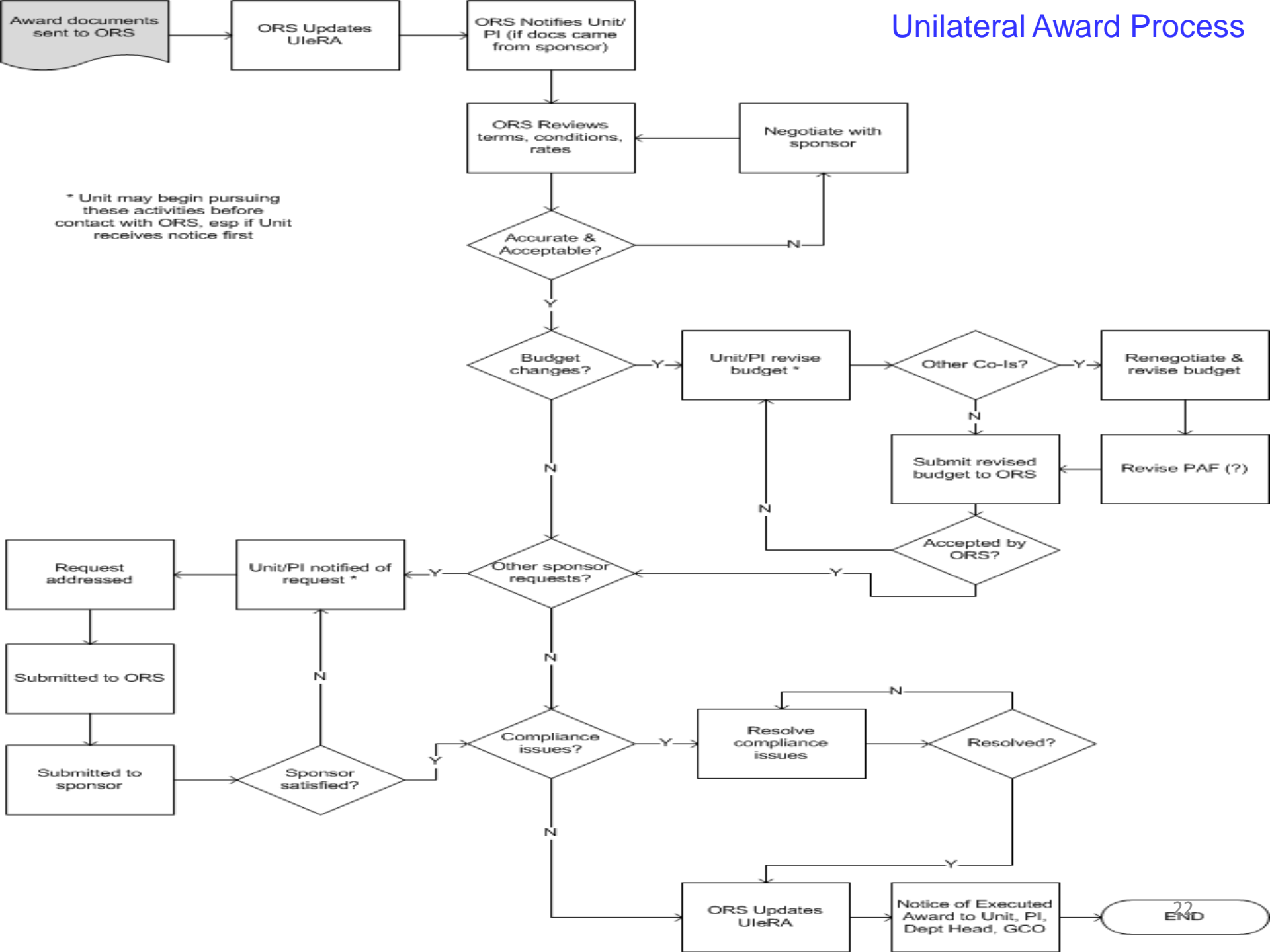
Do you want to know the status of your award?

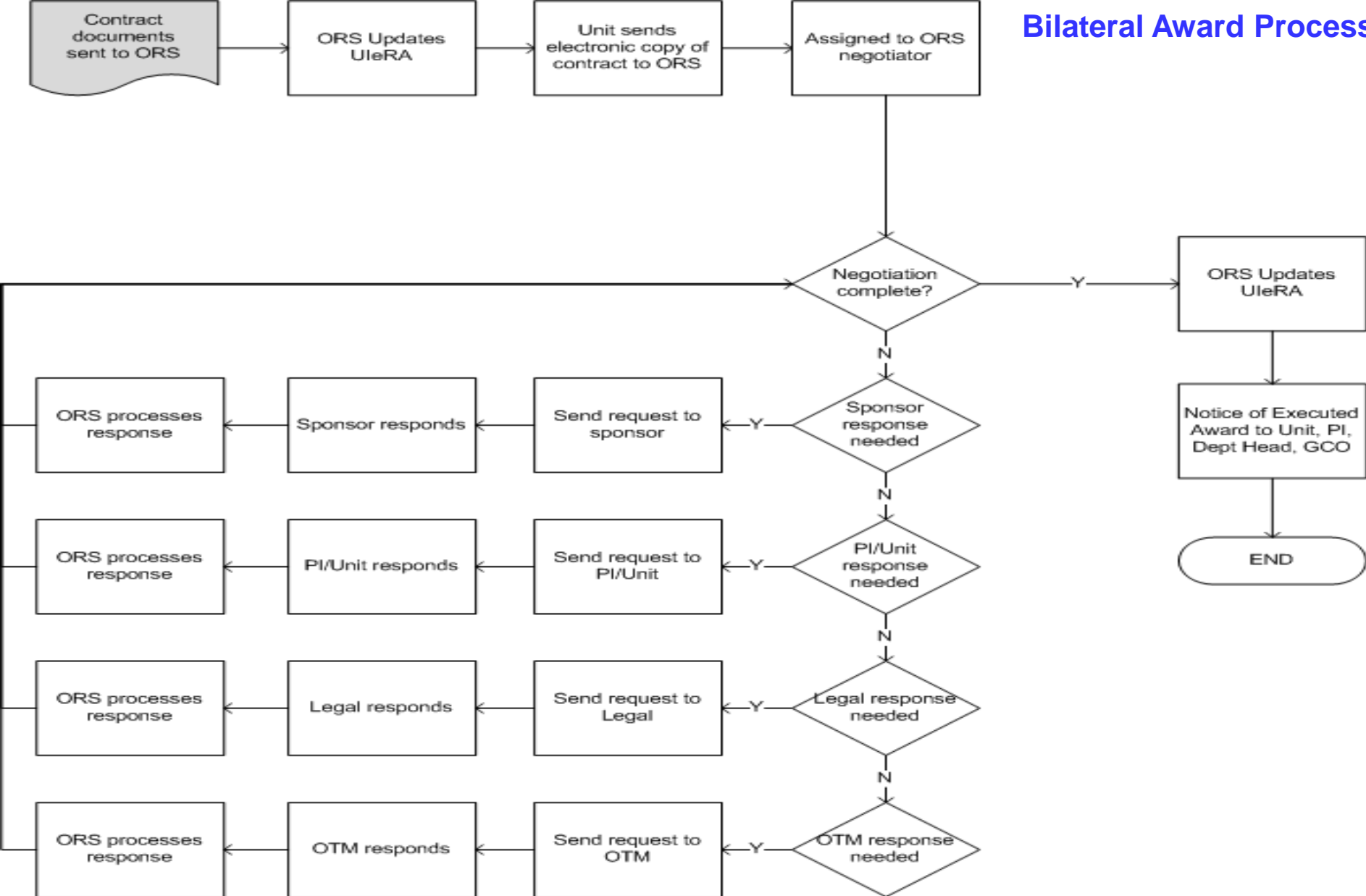
- Obtain access to UleRA to view/track your proposals and award documents on-line

Send your email request to uierahelp@uillinois.edu

- Understand the document flow (see Unilateral and Bilateral Award Process flow charts on next two slides)
- Understand which office and/or who handles each step of the process

Unilateral Award Process





This model assumes the communication among groups is coordinated through ORS, but groups may also be talking directly to one another (e.g. PI & sponsor).

- Who do I contact?

Contact ORS

General office line @
312-996-2862

Prior to Award
Acceptance

Point of
Hand-Off

After Award
Acceptance

Contact GCO

General office line @ 312-996-3373

Visit "Who To Ask" site:

http://www.obfs.uillinois.edu/grantsp/whotoask_chicago.shtml

Visit this site to find out who manages your grant:

<http://public.obfs.uillinois.edu/grantmanagers/>

Contact GCO for:

- Set up of sponsored project accounts & budgets in Banner
- Set up of anticipation accounts
- Creation/removal of subcontract and consultant encumbrances
- Modifications to grant title, project end date, PI, financial manager, etc. in Banner
- Processing of IPAS/OPAS requests
- Inquiries related to
 - Billing for sponsored projects
 - Payments to sponsored projects
 - Financial reporting
 - Project closeout
 - Allowable expenses
 - Grant administration in general
- Approval of cost transfer JVs involving sponsored project funds
- F&A & tuition remission adjustments
- Rates (F&A, Tuition Remission, Fringe Benefit)
- Audit/Compliance/Effort Reporting issues

Contact ORS for:

- Proposal and budget review
- Submission of proposals
- Requests from sponsors regarding pending and awarded projects
- Negotiation, execution, and modification of contracts, subcontracts, consultant agreements
- Receipt and processing of the Notice of Award
- No-cost extensions on grants and contracts
- Prior approval requests/notifications, e.g. permission to carry forward funds, change of PI, change of scope, and major re-budgeting
- Sign-off for relinquishing documents, grant transfers, and NIH Final Invention Statements
- ICR waivers & OVCR cost sharing approval

- Do I need to complete the Proposal Approval Form (PAF) if there are no funding/dollars involved?

YES. See below examples:

- Non Disclosure Agreements
- Material Transfer Agreements
- Confidentiality Agreements
- Memorandum of Understanding
- Data Use Agreement
- Master Agreement
 - » PAF, IP Disclosure, Sponsor documents
 - » Contract Included – Simultaneous Review

- Why do I need to submit a revised PAF when there is a “substantial” variance between proposed and awarded budget?
 - A: PAF is the official authorization that allows ORS to act on behalf of the PI. Any changes to previously approved PAF require re certification.
- Why can't I just submit the application on my own – without ORS approval?
 - A: UIC is the official recipient of sponsored project activity funding. PI is charged with managing the project but University is responsible.
- Why can't I communicate on my own with the funding agency?
 - A: As the official recipient the University maintains centralized procedures to ensure accuracy, completeness and compliance.
- When can I use an electronic communication to modify the award document?
 - A: Generally only a Federal unilateral grant agreement. Any modification to a bilateral agreement must be in writing and signed by both parties.
- Why do I need separate subcontract agreements when the recipient is the same?
 - A: Each Subcontract Agreement governs a specific scope of services/deliverables and corresponding approved expenditures. Cannot co-mingle.

What are some potential problem areas during Phase I, II & III?

- Missed potential funding opportunities
- Giving away information with no protection
- Agreeing to terms/budget that conflict with University policies
- Starting work without a fully executed award on a handshake
- Required resources may not be available
- May have a conflict of interest and/or compliance issues
- Cost-Share requirements may not be identified and/or approved
- Letter of Intent and Pre-Proposals may be identifying resources without required approval

What are some potential problem areas during Phase I, II & III?

- **Proposals are submitted under duress due to insufficient time for thorough review**
- Not identifying all compliance related issues in the project in the internal routing form
- Lack of proposal development leads to insufficient time to prepare best possible proposal
- Greater potential to miss sponsor deadline
- Departments execute contract and/or accepts award improperly on behalf of the University

What are some potential problem areas during Phase I, II & III?

Unit Perspective (PI/Business Manager):

Be mindful of:

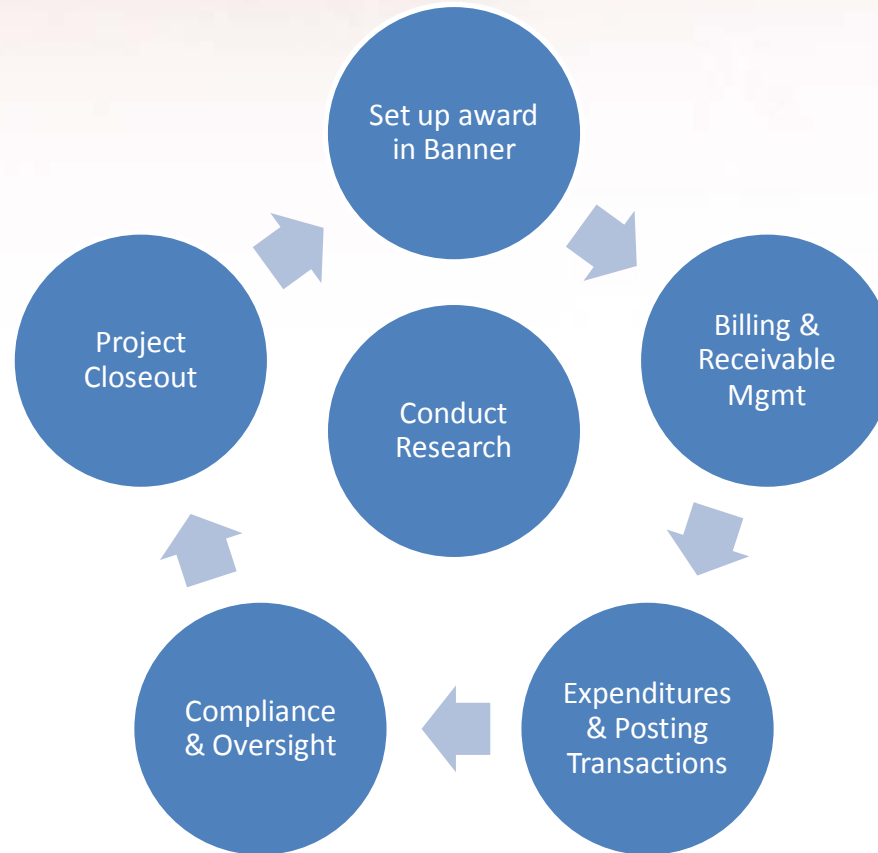
- What you committed to the sponsors in the proposal (deliverables, timeline, etc.)
- Effort commitments for all project personnel
- Sponsor's term of employment (salary cap, citizenship, etc.)
- Follow campus' HR guideline (do not circumvent the HR appointment system through labor redistribution process)

Transition into The Planning Zone...

Planning Zone

- Staffing requirement?
- Any subcontract involved?
- Need to establish purchase order?
- Need to revise the budget?
- Assess resources (space, personnel, equipment, etc.)?
- Need to request an anticipation account?
- Cost share commitment and approval in place?

Phase IV – Post-Award Life Cycle



GCO – Set up award in Banner

- Award notification received from ORS
- Anticipation request received from units
- Grant Specialist is assigned to manage the award
- Create Banner Grant and Fund Codes
- Enter award budget into Banner
 - As proposed and approved
- Set up billing and reporting events per terms and conditions of award
- Assigned grant specialist sends notice of banner codes assignment to units

Academic Unit – Award is received...then what?

- Establish salary appointments for personnel involved in the project
- Initiate applicable expenses against the award via p-cards, purchase orders, payroll, etc.
- Initiate subcontract/consultant agreement if needed
- Manage effort commitment
- Document and track mandatory & voluntary committed cost sharing commitment

Monitor and Manage the Project

Office of Grants & Contracts:

- Effectively manage billing process
- Initiate prompt AR follow-up
- Establish Sub-award encumbrances
- Timely approval of electronic JV transfers
- Timely processing of **IPAS (re-budget) requests**

Monitor and Manage the Project (cont.)

IPAS (Re-budget):

Items to Consider:

- Is the budget transfer allowable by the terms and conditions of the award?
- Does the sponsor require prior approval and if so were the necessary approvals obtained?
- Does my project have F&A (indirect cost)?
- What form do I use?

<http://www.obfs.uillinois.edu/forms/IPASFormC.doc>

Monitor and Manage the Project (cont.)

IPAS (Re-budget):

What Information Does Grants & Contracts Need to Process Your Request?

- Why is budget available in the category you are transferring from?
- Why is budget needed in the category you are moving budget to?
- Has there been a change in scope?
- Has there been a significant change in the effort of the PI or other key personnel?

Monitor and Manage the Project (cont.)

Office of Grants & Contracts (cont):

- Provide advice and clarification related to compliance policies and procedures
- Design and provide more post-award training workshops
- Timely submission of interim financial reports
- Provide more on-line policies and procedures
- Provide monthly electronic reports
 - Overdraft Fund Codes, Anticipation and Terminating Grant Codes

Monitor and Manage the Project (cont.)

Grant Administrator/Financial Manager:

- Review payroll distribution
 - ✓ Does the salary charged to grant match the effort committed?
 - ✓ Are all project personnel being paid from correct funding source?
 - ✓ Are there any non-project-related personnel being paid from the grant?
- Sub-recipient monitoring
 - ✓ Review sub-recipient's invoices for accuracy
 - Is it within approved budget?
 - Is it a duplicate invoice?
 - Are costs allowable per A21 and/or sponsor guideline?
 - Are discrepancies discussed, resolved and documented?

Monitor and Manage the Project (cont.)

Grant Administrator/Financial Manager:

- Manage effort commitment
 - ✓ Does the effort charge on grant match the proposed effort?
 - ✓ Are mandatory and committed cost share effort being tracked?
- Meet with PI regularly
 - ✓ Review terms and conditions, deliverables, financial status of the award
 - ✓ Prepare required budget revision requests
 - ✓ Evaluate need and process as required:
 - Continuations
 - Amendments
 - Carryovers
 - No-Cost Extensions

Monitor and Manage the Project (cont.)

Grant Administrator/Financial Manager:

- Review and reconcile expenses on regular basis
 - ✓ Ensure P-card transactions are reconciled on-time
 - ✓ Use your monthly financial statements instead of the ROE for reconciliation
 - ✓ Process timely cost transfers
 - ✓ Manage small business subcontracting
 - ✓ Revisit the planning zone

Monitor and Manage the Project (cont.)

Please note that Office of Research Services (ORS) still involves **after the award is made!**

- “Post” award role of ORS:
 - Process amendments/modifications to prime award
 - Process new or amended subcontract/consultant agreements
 - Review and submit progress reports
 - Prior approval requests/notifications (i.e. change of PI, change of scope, significant re-budgeting, carry forward requests, no-cost extension requests, etc.)
 - Sign off on certain close out documents

Reports and Closeout

Why Timely Project Close-out Is Critical?

- To ensure receipt of final payment
- Save time, money, and reputation of the institution
- Protect withholding of new awards campus-wide by the awarding agency
- Prevent suspension of payments for costs incurred on other projects funded by the same agency

Reports and Closeout

Office of Grants & Contracts:

- Coordinate closeout activity
- Submit final invoice to sponsors/funding agencies
- Prepare and submit financial status report
- Return unexpended balance per final report
- Prepare supporting forms and reports
- Close sub-award/consultant encumbrances
- Prepare and process closing entries in a timely manner

Reports and Closeout

For Investigator:

- Review Award Expenditures
- Review and Approve Sub-recipient Reports
- Finalize all related forms and reports
 - Technical
 - Invention
 - Patent
 - Effort

Reports and Closeout

Grant Administrator/Financial Manager:

- Confirm project end-date with funding agency
- Review award expenditures (over the life of project and at close-out)
- Request final invoice from sub-recipients and remit payment in a timely manner

Reports and Closeout

Grant Administrator/Financial Manager:

- Reconcile grant fund(s) to ensure costs are allowable, allocable, reasonable and consistent with the terms of agreement
- Resolve overdrafts
- Review who has spending authority and notify individuals to stop processing charges to the project
- Provide cost share report

What are some frequently asked questions during Phase IV?

- Why the Banner budget category does not match as proposed budget?
- Why are the carryforward/supplement awards set up in one general line?
- How can I spend down the balance?
- Why do I have an overdraft?
- When do I need to request prior approvals?
- When do I need to request no-cost extension?
- Why is F&A charges over the approved budget?

What are some potential problem areas during Phase IV?

Budget related issues:

- Re-budgeting without prior approval of sponsor
- Not re-budgeting on-time (e.g. hire an RA after the fact has impact on tuition remission)
- Insufficient balance in subcontract line

Departmental billing:

- **Invoiced amount does not tie to the system of record**
- Copies not sent to GCO
 - ✓ Not recorded in the system
 - ✓ Receivables misstated

What are some potential problem areas during Phase IV?

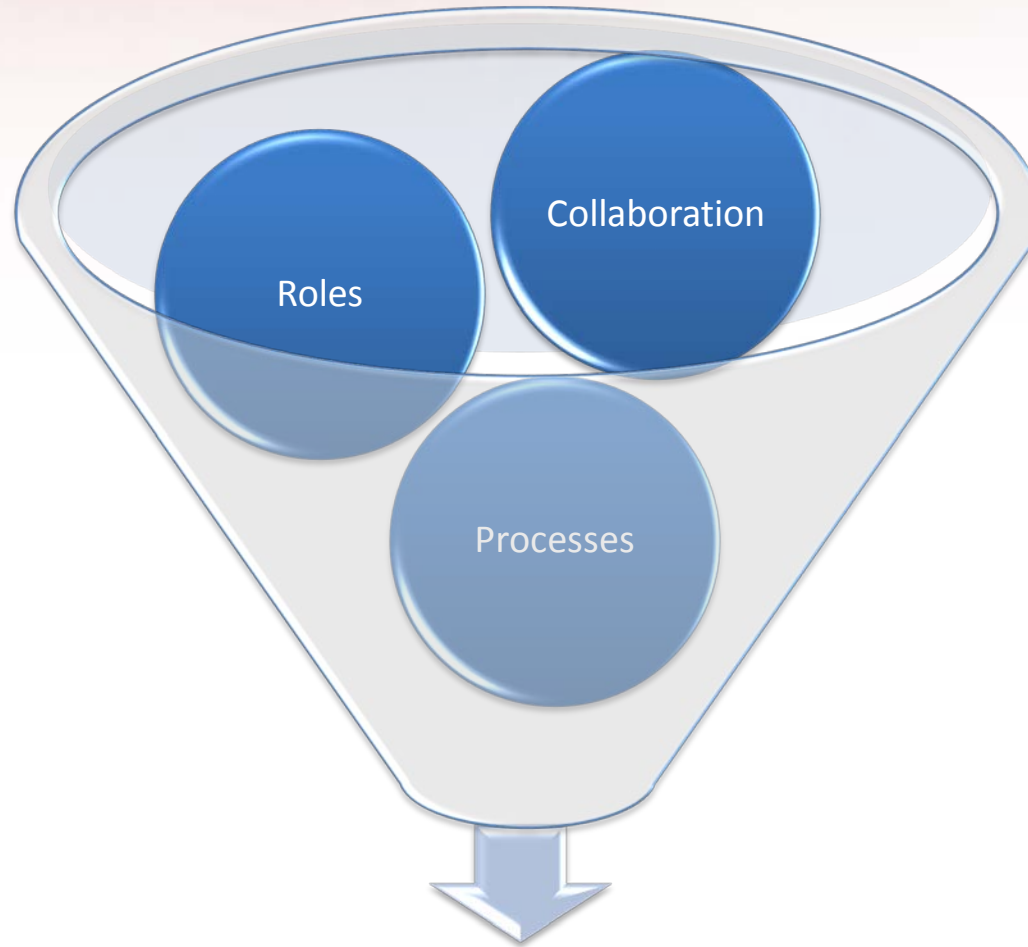
HR/Personnel/Effort related issues:

- Delay in establishing salary appointments to award
- Charging non-project related personnel on grant
- Salary charged does not match proposed effort
- Cost-share effort is not properly accounted for
- Frequent labor redistribution
- Remove salary obligations as mandated by HR notice rights

Costs (reasonable, allocable, allowable) related issues:

- Available fund paradigm
- Accelerated spending pattern
- Costs overrun throughout the life of the project
- Delay in processing necessary cost transfers

SUMMARY



Successful Project

Future Training Opportunity

As we build for more training and education activities, we would like to hear from you.

- Topics related to sponsored project administration
- Format of training (webinar, on-line or in-person training, etc)

Use the “Other Comments” box of Workshop Evaluation form to provide your input.

THANK YOU!