

GPAC – June 12, 2013

New F&A rate – implementation:

- See attached information sheet
- Research projects
 - 7/1/2015 rate will drop to 55%
 - Fin-Ops will “flip the switch” on 7/1/15 – will not carry projects through at the old rate
 - On the proposal side:
 - Med School prefers that the same IDC rate is used for the budget period (i.e. don’t split rates if year starts 4/1/15 – let the sponsor reduce you at time of award based on the award date)
 - If project has a total cost cap, it might be acceptable to calculate the year at a split rate, but it is at the department’s discretion
 - Let Heather know if you are intending to use the split method
- Other Sponsored Activity (OSA)
 - 7/1/2014 rate will drop to 29%
 - Fixed price agreements can be negotiated at 30% for the entire project period, but again, Fin-Ops will switch to 29% on 7/1/14

Unfunded Agreements (UFAs)

- Include: material transfer agreements, non-disclosure agreements, master agreements, and data use agreements
- Moving to eRPM with an expected roll-out of November/December 2013
- Each type will have its own set of questions/smart forms
- Approval process will change for some of the UFA types - currently this is being negotiated
- In the eRPM system UFAs will be associated with a DeptID, so departments will be able to see all projects
- Room numbers may no longer be listed, those completing forms will be asked if they have adequate space
- Process will be more transparent, and will give departments the ability to see Master Agreements!

Effort Reporting

- See attached power point
- MSA did an internal review of ~150-200 faculty, in which they compared different source documents (CV, progress reports, other support, etc) and looked for inconsistencies
- Came out of process with some “guiding principles”
 - More communication needs to happen between the grant manager and HR, and with the faculty
 - If paid 100% on grants, no other activity should be shown
 - 24.99% ≠ 25% - we do not need approval for when we reduce key personnel effort less than 25% on NIH grants, however, we DO need approval if we reduce **25% or more**
 - During a NCTX, K-award recipients should not be dropping below the minimum effort required on the award
 - KAward recipients should also be more clear about effort when listing effort on other support to indicate what is concurrent with the K
 - Non-competing renewals cannot be done without looking at what is in the HR system

CTRF

- There will be a separate, stand-alone announcement based on the hand out from GPAC
- Use of the CTRF in eRPM will be required as of 7/1/2013
- The requirement is only for the 31200 class code, but the CTRF can be used for anything with a contract
- Federally sponsored clinical trial site activity should be just for the per patient reimbursements, and needs to include some type of draft agreement (eg work order)
- Please communicate widely and let Heather know of groups that should be notified
- After discussion, it was agreed that department contacts at GPAC would be included in the education efforts

Don't forget to turn in your status reports!

Implementation of the New F&A Rate Agreement - 2013

Campus has received an extension from the DHHS Negotiating Agency. This has several implications to proposals and award management. Any proposal received by the Medical School Grants Office June 19 or after will be returned if it does not use the new rate structure.

Note: A copy of the rate agreement is available:

<http://www.finance.umich.edu/programs/indirectcosts>

Date: 5/10/2013

Proposals:

Research rate: Effective immediately, proposals should use 55.5% through 6/30/2015 and reflect 55% beyond 7/1/2015.

To apply:

- Preferred Method of Calculation: Use the rate in effect on the first day of the proposed budget period as a single rate for the entire budget period.

e.g. If it is a 5 year project that is proposed to begin 4/1/14, use:

Year 1	(4/1/14)	55.5%
Year 2	(4/1/15)	55.5%
Year 3	(4/1/16)	55%
Year 4	(4/1/17)	55%
Year 5	(4/1/18)	55%

- Secondary Method: If there is a total cost cap on your project and it would be a hardship to request the full year (Year 2 in the example above) at 55.5%, you may split the rate if 1) your department endorses the use of the methodology and 2) you explain the approach in the budget notes of the PAF.

OSA Rate: Similar to the Research rate, we are moving the rate down, but one year sooner. The rate remains 30% through 6/30/2014, and then moves to 29% beyond 7/1/2014.

To apply:

- Like Research, you will use the rate in effect on the first day of the proposed budget period.

Special caveats for Clinical Trial Site Agreements (31200):

- We recognize that often F&A recovery is built into the per patient negotiated rate. You should be sure that the project is negotiated at 29% if it will begin after 7/1/2014. For those projects that begin prior to 7/1/14, the rate in place on the date of expenditure is the rate the project will be charged. But all PAFs that have a proposed start date prior to 6/30/14 need to reflect 30% for the rate amount.

At Time of Award:

ORSP will negotiate/award the appropriate rate for applicable dates. It may differ from the proposal based on final award dates.

Post Award:

All projects (federal and non-federal) will use the new rates on the effective date. Sponsored Programs will “flip a switch” to move all projects at the same time.

F&A charges to the project, regardless of what is proposed or negotiated at time of award, will be incurred at the rate in effect on the date of expense.

BEST PRACTICES For Effort Reporting

Effort Specialist Meeting
May 21, 2013
8:30 a.m. – 10:00 a.m.

Debra Komorowski, Director, Faculty Affairs, M-ACE,
Immigration Centralized Unit
Heather Offhaus, Director, Grant Review & Analysis
Judy Carrillo, Grants Manager, Internal Medicine

Observation #1: **The Faculty CV discloses a lot of information...**

- Editorial Board, journal reviewer, membership and positions with societies... but no effort under class 31100
- Grants commitments listed on CV not reflected on the Department Budget Earnings (DBE)
- Effort commitment to sponsored project on listed CV and DBE, but amounts do not match
- K Awards / effort listed but no statement on CV stating it provides effort for other awards

Observation #2: **Minimum Activity isn't always reflected...**

- All activity must be accounted for to 1% threshold.
- Internally funded pilot projects (i.e. Cancer Ctr, MICHR, etc.) should have Department Research reflected.

Observation #3: **Who are we talking to...?**

- Grant Manager needs to talk to HR and HR needs to talk to Grant Manager
 - when a new grant is awarded or
 - effort on the DBE is being changed
 - and then hold a conversation with the faculty member.

Observation #4: **What we are asking...?**

- Are you asking questions when reviewing a faculty member's effort:
 - Does the faculty member generate RVUs?
 - Does the faculty member receive an Administrative Differential?
 - Is the faculty member a MD?
 - What administrative functions does the faculty member do for the department, university, or school?

Observation #5: **And the faculty/staff member says...?**

- The individual is not always involved in the discussion to change to their effort.
- Formulas used for all faculty to allocate effort should not be used without confirming with faculty that this formula works for them...
- And any formula must reflect actual effort commitment!

Effort responsibility belongs to the individual certifying effort!

CME Best Practices

- All MD faculty must have 150 hours of CME over 3 years to maintain their medical license, therefore they must have CME time reflected.
- Other faculty also spend time doing CME and should be reflected.

Teaching Best Practices:

- Allied Health Teaching should be reflected for these students:
 - ADD TYPES OF STUDENTS
- If you are mentoring in the research lab, up to 5% mentoring effort can be thought of as concurrent with ongoing research activities
 - No hard rule, but be reasonable on number of students and what else has to be accomplished...

Teaching Best Practices cont'd.

- Class 51000, intended for Financial Aid Office use not for faculty use
- Always ask the faculty member does your teaching effort make sense when comparing to patient care effort?
- Differentiate the use of House Officer teaching vs. hospital administration for residency program director roles
- GET SURVEY and use same definition....

Department Administration Best Practices:

- When looking at your combined faculty and their administrative support of the department, does the department administration seem to be low or zero?
- Always look at a faculty member's CV to see what they list for committees. For example, are they committee members for the department, university, health system, and/or school?

Research Best Practices - General:

- If paid 100% on grants, make sure CV or Other Support doesn't show pending grant applications
- For federal, the % effort that can be reduced for Key Personnel without sponsor approval is 24.99% not 25%
- NCTX effort... we are going off road...

Research Best Practices – K-Awards:

- Scope of Work: can they mentor, write grants, teach within the scope of their awarded K?
- Especially for K recipients, review high RVUs and OR schedule

Research Best Practices – K-Awards:

- On CVs and Other Support, mark the projects that have effort provided by the K Award
- Make sure that commitment against K Award does not total more than effort on (K Award)

*As a result of this project, we have requested that Sponsored Programs extend the use of CAWD to mark projects using K Award effort.
Pending ITS List...*

Research Best Practices - Non Competitive Renewals:

- NCR v. Proposed/Last Approved v. HR System
- Does the NCR match the Effort Report or HR System?
 - Verify! Don't auto-use what was proposed.
 - Changes should be made to whichever is incorrect.
 - **Departments need to put a system in place to make sure this reviewed and fixed.**
- Review ALL Other Support listed

Research Best Practices – Final Thought

- Converting effort to calendar months might help

Best Practices – Joint Appointments & VA Appointments

- If faculty member has a joint appointment without effort then effort needs to be reflected under primary appointment for activities being performed for the other department.
- Does the MOU for VA faculty match HR system and effort report/survey?
- **The Medical School does not allow OVERLOADs for faculty or staff!**

Best Practice: Internal Medicine - As Needed Effort Certification for Terminated Employees

- Added effort certification specialists to eHR -
Termination Workflow Transaction
- Trigger to generate As Needed Effort
Certification

From: pwit@umich.edu [mailto:pwit@umich.edu]
Sent: Tuesday, April 23, 2013 2:13 PM
To: pwit@umich.edu; mimilou@umich.edu; jcole@umich.edu
Subject: APPROVED - eHR - Termination Workflow Transaction
for Shuai Zhang is complete

You are receiving this message because you are a member of
the approval team or on the notify list for the following
Termination Transaction. It has been approved and loaded
into MPathways.

Transaction ID: 112884
Name: Shuai Zhang
Emplid: 49347329
Date Created: 04/23/2013

If you have any questions or concerns please contact
Quinlivan, Pamela Ann

Best Practice: Internal Medicine - As Needed Effort Certification for Terminated Employees

- Signed Effort Certification copied to PDF and saved on Int Med server
- Signed version mailed to Mary Gauthier at FinOps Cost Reimbursement Office
 - 6000 Wolverine Tower
 - *no emails or faxes please*
- Running FY13 Effort Certification Reports now to identify missed terminations

Best Practice Summary

- The impact to all activities is important when making a change to the effort of one activity.
- Make sure ALL appropriate effort categories are modified when responsibilities change or a grant is awarded.
- Increasing the work week does not solve the problem.
- Changes should **never** be made to a DBE without discussing it with the faculty or staff member.