



ARC NOTES

Administrative Research Council

research.osu.edu/arc

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CSS Issues OR Review

by Jan Weisenberger, Senior Associate VP for Research

The Central Services Subcommittee (CSS) of the University Senate Fiscal Committee is charged with reviewing support units in the university. During the 2007-08 academic year, CSS conducted a review of the Office of Research (OR). The review process included meetings and discussions with a variety of groups, including OR staff, faculty researchers, deans, college research officers, and department and college staff. In addition, a panel of external reviewers was assembled, chaired by Dr. Alvin Kwiram, former Vice Provost for Research at the University of Washington. The External Panel spent three days at OSU in April, during which they also met with a number of groups.

The final reports from the CSS and the External Panel contain a number of excellent recommendations for ways we can improve our support of research at Ohio State. First, the reports note that research must be viewed as the key priority of the institution as OSU moves from "excellence to eminence." Both reports also state that it is crucial that the administrative infrastructure for OSU's research enterprise be as supportive, responsive, and flexible as possible.

The panels recommend that we evaluate the division of responsibilities for research administration between the Office of Research and the colleges and departments to make sure that our researchers receive the support they need. They noted that the ARC is a good first step in ensuring communication and sharing of best practices. They were also impressed by the electronic tools we provide to researchers and staff, such as the PI Portal, e-Activity, and the electronic PA-005 form. As we move forward with evaluating the division of responsibilities, we will be soliciting input from faculty investigators and administrative support staff, both in OR and in the colleges.

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Good Customer Service Workshop for Research Administrators

Seats are still available for the NCURA TV Broadcast Workshop on Tuesday, September 9. This workshop is offered by the National Council of University Research Administrators (NCURA) and will be aired from 11:30 am to 3:30 pm in two locations: the Research Foundation Building and the Biomedical Research Tower. Registration for both locations is available [here](#).

Next ARC Meeting

The fall quarter meeting will be held October 8th from 9:00 to noon (breakfast at 8:30) at the Biomedical Research Tower. The agenda is being finalized and plans are underway for anyone who is interested to tour the facility on that day. Please let us know if you plan to attend the meeting; you may RSVP [here](#).

Work Group Updates

Roles and Responsibilities

The Roles and Responsibilities subgroup has been meeting approximately every two weeks to develop an electronic roles and responsibilities matrix that can be manipulated and sorted to meet the specific needs of a variety of users. In recent meetings they have focused on clearly defining tasks associated with proposal development and budgeting, proposal review and approval, protocol approval and monitoring, and award negotiations and acceptance. The group plans to continue meeting on a biweekly basis to work on tasks associated with the financial and scientific management of awards, close-out, and other administrative and compliance issues. Their goal is to have the full matrix drafted by the next general ARC meeting.

Compliance and Accountability

This group has been obtaining feedback regarding the new "Allowable Costs" memorandum from ARC members. The memorandum is in final review and will be distributed to all deans and department chairs.

Training

The Training subgroup has received comments from work group members on the first course in the certification curriculum "Proposal Development and Submission," and the ORTEC team has been busy incorporating this feedback. All ARC members will be notified once this course has been finalized. Other courses are in various stages of review and revision.

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• Be sure to visit the ARC Course site on [Carmen](#) for the latest updates and information from each of the working groups.
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Washington Updates

ONR Embraces Electronic Proposal Submission

Beginning October 1, the Office of Naval Research (ONR) will require all proposals to be submitted through Grants.gov. Cayuse424 can be used for some ONR proposals, but not yet all.

Please alert faculty who are likely to be submitting proposals to ONR of this change. Faculty who wish to learn how to use the Cayuse424 system can work with their sponsored program officer (SPO) or register on the ORTEC web site for [introductory training](#). Additional Cayuse424 help resources are available at <http://rf.osu.edu/cayuse424/>.

Did You Know?

OSURF can extend an NIH research grant right up to the last day of the grant period by using eRA Commons "No-Cost Extension Notification" feature.

DOD Says No to Publication Restrictions

On June 26 the Department of Defense (DOD) issued a [memorandum](#) reaffirming DOD policy that DOD awards for fundamental research *should not contain restrictions on publications or on the participation of foreign researchers* "unless the research is classified for reasons of national security, or as otherwise required by statute, regulation, or Executive Order." A related report, ["Restrictions on Research Awards: Troublesome Clauses 2007/2008,"](#) is available on the [COGR web site](#).

Reminders

Personnel Expenditure Transfers Processed Nightly

Personnel Expenditure Transfers (PETs) are the mechanism by which effort, and an associated salary, is transferred from one funding source to another. PETs can be made from one university fund to another, between a university fund and a sponsored project, or from one sponsored project to another.

On July 1st, 2008, PETs began, for the most part, being processed on the day they are entered into the HR system and will appear in the General Ledger and on the PI Portal the following day.

Because of the timing of processes in the payroll system, however, there are some days at the end of the month when PETs will not appear in the PI Portal. The ["When and Where PETs Appear in the PI Portal"](#) chart provides more complete information.

Presentations Now Available Online

The following presentations from the April Administrative Research Council meeting are now available [online](#). (These recordings are best viewed with Microsoft Internet Explorer.)

- *Facilities and Administrative Costs at The Ohio State University*, presented by Tom Ewing, Associate University Controller
- *Enhancing Funding Opportunity Searches Using COS*, presented by Sarah Starr, Director of Funding and Research Development

Also available online is the *Being a PI at OSU – Roles and Responsibilities* course.

Implementation of Government-Wide Standard Terms and Conditions for Research Grants

The National Science & Technology Council has issued a directive to all federal agencies designed to provide greater consistency in the administration of federal research awards. Given the increasing complexity of interdisciplinary and interagency research, it has become important for federal agencies to manage awards in a consistent fashion. Under the initiative, all research agencies would be able to utilize a standard, core set of administrative terms and conditions on research and research-related awards that

are subject to the Federal Code of Regulations [\(2 CFR Part 215\)](#), formally OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" (see Federal Register. Vol. 73, No. 17, pages 4563-4567).

The government-wide core set of administrative requirements and other documents pertinent to this initiative are posted on the [National Science Foundation web site](#).

Faculty as Innovators

The 2008-2009 Research Symposium Series will focus on the role of academia in advancing innovation through research.

The fall quarter Symposium will feature [Lesla Mitchell of the Kauffman Foundation](#) and will take place on October 16th from 3:00 to 5:00pm. The Ewing Marion Kauffman Foundation is the 30th largest foundation in the United States; its mission is to foster entrepreneurship and education. Registration for this event is available on the [ORTEC web site](#).

Annual Research Support Expo

The Office of Research Training, Education, and Communication will host the annual "Research Support Expo" Thursday, October 2, 2008, at the Blackwell Inn and Conference Center. This event kicks off "Research Awareness Month," a month-long series of events designed to showcase the wide range of research support services available to the Ohio State research community. More information about Research Awareness Month and the Expo is available at:

research.osu.edu/ram.

Danger Zone: Supplemental Compensation

The Council on Governmental Relations (COGR) reports that a university has agreed to pay the federal government \$1 million to settle a case brought by the U.S. Department of Justice. The “whistle-blower” case was related to mischarging “supplemental compensation” to federal grants, contracts, and cooperative agreements.

A Midwestern newspaper published an article about the case and said that the university was settling in order to avoid legal costs, and further described the institution’s position that the issue was a “good-faith dispute” over “how to apply highly complicated, cost-accounting principles governed by regulations that are hundreds of pages long.”

In the March 2007 COGR “Effort Reporting” paper (Compensation, Commitments, and Certification), Chapter 1c. addressed “Special Care for Supplemental Compensation.” In light of the recent \$1 million settlement, it is a good opportunity to revisit some of the important issues raised in the paper.

- **“When a faculty member is at 100% full-time workload during a continuous period of employment, additional assignments normally cannot result in an increase in compensation.”** This is a paraphrase of language from the Federal Code of Regulations (2 CFR Part 220), formally OMB Circular A-21 section J10d, and effectively makes it difficult for an institution to support supplemental compensation when an individual is already at a 100% full-time workload.
- **“Intra-university consulting generally occurs without additional compensation, and should not result in an increase of the rate of pay.”** This also is a paraphrase of language from J10d, Circular A-21. The important message is that supporting supplemental compensation via intra-university consulting is a difficult test to meet, and except for several exceptions defined in J10d (e.g., consulting across departmental lines, or consulting involving a separate or remote location), supplemental compensation generally is not allowed.
- **“Examples of incidental work are not provided in A-21, though one criterion might include the “regularity” of the assignment.** In general, these assignments are not related to sponsored programs and are not included as part of the Institutional Base Salary.” Incidental work is addressed in J10a, Circular A-21, and states that for work in excess of one’s normal workload, supplemental compensation is allowable. However, compensation associated with incidental work normally would be excluded from an individual’s base salary. Furthermore, performing incidental work on federal grants, contracts, or cooperative agreements normally would be not applicable, and therefore, a discussion that relates incidental work with work performed on federal projects normally is not necessary.

The assumption of the government, therefore, is that when a faculty member works on the grant it is a normal part of his or her job. Other recent audits by the federal government confirm that supplemental salary compensation for faculty members during the academic year: a) had to be clearly identified, b) had to be requested in the grant proposal, and c) approved by the agency in writing through issuance of a notice of grant award accepting the proposal (or otherwise).

A-21 does allow for some exceptions but they are narrowly defined. First, supplemental compensation for summer (or other “off-quarter”) research effort is reimbursable as long as the rate of pay is not in excess of the faculty member’s base salary (A-21: J8d2a). So for a faculty member on a 9-month appointment working two months in the summer quarter, the supplemental compensation is calculated at 2/9^{ths} of the base salary.

However, for periods within the faculty member’s academic appointment, A-21 says: “in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency.”

Since federal agencies consider collaborating with colleagues as part of a faculty member’s normal duties, consultation across department lines must be proven to be in addition to a regular department load and different from what is typically expected. This would be tough to justify in most instances. The same is true for work performed at a “separate or remote operation.” If the work is truly remote, then normal academic practice would be to release the faculty member from his or her duties in order to travel to and work at the remote site. In that instance, the work would be done as release time and therefore would not be supplemental compensation.

Finally, unique arrangements for supplemental compensation must be either specifically made in the proposal and the approved agreement - or approved in writing by the sponsoring agency. In some cases, an institution is granted expanded authorities to approve these arrangements, but this delegation is something that is used very rarely.

If you have questions about supplemental compensation, contact your sponsored program officer (SPO). In most cases, your SPO will have to “take it up the ladder” before a decision can be made. Extra care is absolutely essential in managing supplemental compensation because it has now become another “hot target” for auditors.

CSS Issues OR Review

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The CSS also recommends that the university work toward developing processes for handling purchasing, procurement, and travel that will apply both to sponsored research funds and general university funds. Such a move would be helpful to both researchers and administrators.

Communication in general was identified as a major challenge in supporting the research enterprise. Researchers and administrators are faced with a maze of policies, procedures, and regulations, which are constantly changing. We will be working with input from all stakeholders to find ways to promote effective communication with our researchers and to solicit regular feedback from them. As part of this, we also need to continue our quest to be perceived as facilitators of faculty and student research, rather than impediments.

Additional recommendations from the panels involve accelerating our technology licensing and commercialization efforts,

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determining whether to expand the placement of sponsored program officers in on campus research support offices in the colleges, and exploring additional strategies for improving faculty competitiveness in seeking external funding.

The Office of Research will be working closely over this academic year with

the University Research Committee of the Senate to determine how best to implement these recommendations. We are grateful for the time and effort of both the CSS and the External Panel in conducting a thorough and thoughtful review, and feel that they have made excellent recommendations that will help us to become even more effective in supporting Ohio State’s research enterprise. We are also grateful to the faculty and staff who provided input to both panels during the review process, and we look forward to elevating our level of support for our world-class researchers.

Tales from the Police Blotter: Update about an Unnamed University

The Purps.

A retired professor/inventor and a spin-off company were indicted last May by a federal grand jury on charges stemming from unauthorized release of export-controlled technology to foreign nationals.

A Tangled Web.

The unnamed university’s research foundation licensed technologies, invented by the faculty member, to a company that had been solely established to develop and market these new technologies. The faculty member was a part owner of the company. The company then received R&D contracts from the Department of Defense (DOD) to work on military applications of the technologies. The company turned around and hired the faculty member as a consultant on the contracts. Use of university facilities and students was a part of the deal.

Violations.

Despite assuring the DOD that foreign nationals would not be used on the project, the faculty member arranged for a graduate student from China to participate on the project. The faculty member also traveled to China on university business taking with him export controlled technical data. These acts violated the United States Arms Export Control Act. The faculty member was also charged with conspiracy to defraud the government and wire fraud against the university.


Verdict.

The company pled guilty to ten counts and is awaiting sentencing. The faculty member pled not guilty but was convicted on 18 counts by a jury after a one-week trial. He is awaiting sentencing.

Penalties.

The spin-off company potentially faces \$10 million in fines; the faculty member \$1 million in fines and up to 10 years in jail per count.

How can you protect yourself and the university?

- Know the limits of protection you have under the federal fundamental research exemption.
- Know your institution’s export control policies and follow them rigidly.
- Do not take export controlled data out of the country without government authorization.
- Be aware of what’s on your laptop; it may be seized and examined for export controlled data. Also, be aware that certain computers and other technologies may themselves be export controlled.
- If you are on an export controlled contract, check with the  [Office of Research Compliance](#) before travelling.
- If you are working as a consultant on an export controlled contract, check with the company’s security office before traveling.