Reminders:

- **NEXT MEETING:**
  
  July 18, 2013 – 9:30 am to 11:00 am  
  Woodruff Health Sciences Administration Building Auditorium, 1440 Clifton Road N.E. – 1st Floor

- Find information about ERAZ at  
  [http://www.or.emory.edu/eraz/index.html](http://www.or.emory.edu/eraz/index.html)

- Email topics and suggestions for future meetings to  
  [eraz@emory.edu](mailto:eraz@emory.edu)

- Your opinion and thoughts matter. Please complete the survey that will be sent out after this meeting.
RA Announcements:

- Topics from the March 2013 Newsletter:
  - OGCA Contacts
  - NIH Reminders
  - FORS Reports Online
  - F&A Rates
  - PI EPEX Access
  - Confidentiality
  - New Websites

- This issue as well as archived Newsletters are available at:
  
  [http://www.osp.emory.edu/communication/newsletter/index.cfm](http://www.osp.emory.edu/communication/newsletter/index.cfm)
Agenda:

- RA Announcements
- Labor Bolt-On Process
- Effective F&A Rates
- Grant Reform
- OGCA New Help Desk
- Fiscal Policy Reminders
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Demetrice Bryant
Director Education & Communications
OSP & OGCA
Emory University
News

- New Websites for EHSO, IRB, OSP, OGCA
- New RAE Requirements
- New Newsletter
- New E-Learning
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LABOR BOLT-ON PROCESS

James Goff
Associate Director, Cost Analysis/Reporting
Office of Grant and Contract Accounting
THE TALE OF THE EFFECTIVE F&A RATE

Josh Rosenberg
Director, Cost Studies
Office of Grant and Contract Accounting
Q: What is an uncapped rate?
A: The F&A rate we have calculated, ignoring the government imposed 26% Administrative cap.

FY12 Uncapped Rates for Organized Research (based on FY09 F&A proposal):

- ON-CAMPUS: 59.71%
- OFF-CAMPUS: 29.10%
- OFF-CAMPUS, Adj: 31.35%
FY12 Negotiated Rates

- Organized Research:
  - ON-CAMPUS: 55.00%
  - OFF-CAMPUS: 26.00%
  - OFF-CAMPUS, Adj: 29.10%
Effective F&A Rate

Q: What is an “effective F&A rate?”

A: A rate which takes into account the university’s “true” F&A recovery.

Methodology (on a per-project level)

\[
\frac{\text{Recovered F&A}}{\text{Real Base (MTDC, TDC, etc.)}}
\]

Recovered F&A: actual F&A received by project

Real Base: actual base, by project, that we were eligible to receive F&A on
So what is our Effective F&A Rate in FY12 for Organized Research, MTDC awards?

46.03%

What does this mean, in dollars?

Full F&A: MTDC Base x Applicable Uncapped Rate (On or Off campus)

versus

Actual F&A: MTDC Base x Award’s F&A Rate (may NOT be our negotiated rate)

= Unrecovered F&A costs supporting organized research on MTDC awards, paid by Emory University in FY12:

$20.9 million!
$20.9 million!

- Assume the “cost” of a full-time FTE supporting research at Emory is $100,000 (includes salary, fringe benefit costs, etc.).

- $20.9 million = 209 FTEs that can support just MTDC awards!
Impact on you:
- Departmental budgets STRETCHED
- You get your paycheck every period, but your workload is increased.

Why so low?
- The Administrative Cap
- Calculation v. Negotiation
- Some sponsors (industry, foundations) and award types do not pay full F&A – 543 projects in FY12 paid LESS than 26%.
What does an 8% award really imply?

- Most (if not all) of us in the audience support research to some extent.

- We are a part of the F&A numerator, and therefore our salaries in essence come from F&A recovery.

- 8% awarded rate/60% uncapped rate = 13.3% of our work supporting research is paid by the sponsor....the other 86.7% is paid from the university.
So why do we accept less than full F&A?

- It is an accepted cost of doing business.
- It is a form of “cost sharing,” which is a component of our investment in our research infrastructure.
- Most universities do not “turn down” research, regardless of the F&A offered.
Okay, so what do WE do with this information?

- Understand that the overhead (indirect) costs supporting research, if NOT paid by the sponsor, MUST come from other sources (endowment, tuition, gifts, etc.).

- For non-federal awards, we are justified in asking the sponsor to allow us to direct charge otherwise “indirect” type costs when they pay very low F&A.

- When research administration (at a central, school, or department level) says “we have no money,” this is one of the main reasons why.

- Where can we be more efficient?
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GRANT REFORM

Josh Rosenberg
Director, Cost Studies
Office of Grant and Contract Accounting
KEY ELEMENTS

- Consolidation of the OMB Circulars
- Advance notice for application submission
- Subrecipient monitoring requirements
- F&A rates for subs without a negotiated rate.
- F&A on 25K of subcontract expenses
- F&A rate extension
MORE KEY ELEMENTS

- Agency deviation from negotiated rates
- Alternatives to time and effort
- Direct charging administrative support
- Direct charging computing devices
- Cost sharing
- Dual role of students
Next Steps

- Responses due to OMB by June 2\(^{nd}\).
- COGR will issue a formal response
- Emory will also issue a response
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OGCA HELP DESK

Melissa Kuskie
Associate Director, Sponsored Research Accounts
Office of Grant and Contract Accounting
EMORY UNIVERSITY

FISCAL POLICY REMINDERS

Holly Sommers
Director, Pre-Award Grants Administration
Office of Sponsored Programs
Any Questions?
See you in July!