Changes at NIH

NIH has mandated a change in the required form format for new proposals and continuations. Investigators are now required to use the forms revised 5/2001 exclusively as of January 10, 2002. The only exception is for the use of the computer-generated Non-Competing Progress Report Cover Sheet in the 4/98 format that was mailed from NIH. This computer-generated face page can still be used while the remaining sections of the progress report are to be in the 5/2001 PHS 2590 format. In September 2002, NIH will begin electronic notification of progress reports and the revised PHS 2590 will then be mandatory.

PeopleSoft Grants

The PeopleSoft Grants Module is scheduled to go live July 1, 2002. Once the People Soft Grants Module goes live, the current Grant Information System (GIS) will be available only for history and reference. Prior to the “live” date, OSPA will be hosting training sessions for interested staff. Please watch the Grants and Contracts Support Group for up to date announcements for time and place of these training opportunities.

Capital Expenditure Threshold

The University threshold for capital expenditures has increased to meet the standard federally approved level of $5,000.00. All items under this threshold limit are to be listed as materials and supplies unless the sponsor dictates otherwise. For example, a computer costing $3,000 should be included in the budget line with other materials and supplies unless the sponsor has requested that computers be placed on a separate line item or unless the agency has mandated a lower equipment threshold. If you are uncertain where a particular item belongs in the budget, please contact the OSPA satellite personnel.

The Award Is Here!

But is it Cost Reimbursable? Fixed Price? or Fixed Unit Price?

There are several different types of awards, and they don’t all work the same. The most common are cost reimbursable, fixed price and fixed unit price agreements. Each of these carry very different terms and conditions and must be treated accordingly.

The Cost Reimbursable Agreement:
Cost Reimbursable Agreements are historically the most common in a University setting. The sponsor reimburses the institution for allowable costs that were incurred during the budget period up to the awarded amount. If the PI has reimbursable costs less than the awarded amount, the unspent balance is lost.

Example: A PI has a cost reimbursable project to survey State Park Campground users for the period May through September 2002 for $20,000.00. Actual costs of $15,000.00 are incurred. Invoices totaling $15,000.00 are submitted and reimbursement checks are received and recorded. The unspent balance of $5,000.00 never comes to the University.

The Fixed Price Agreement:
When the cost for a project is relatively precisely known up front, Fixed Price Agreements are administratively simpler. However, Fixed Price Agreements carry the risk for both parties that the price may
Who Does What in OSPA?

No Cost Time Extensions, Changes in PI, and other changes after an award’s in place. . .

Previously, these types of changes that typically happen after the award is in place, have been handled by the post award accountant. However, in an effort to enable the accountants to focus purely on financial matters, these duties have shifted to be handled by the Preaward Grants and Contracts Assistant of OSPA. This position is presently held by Ms. Dora Underwood. To contact her with your requests, please email her at underwoodd@missouri.edu or call her directly at 573-882-8306.

Off Campus Criteria: Changes in determining the applicable F&A rate

When determining the appropriate F&A, the criteria for the use of the off campus facilities & administration rates (F&A) require that the facility is not owned by the institution or that rent is charged for use of the facility. As of July 27, 2001, only one of the criteria must be met in order to qualify.

The Fixed Unit Price Agreement:

The University receives a fixed amount per unit defined in the agreement. The unit may be patients seen, surveys completed, tests completed, conferences given, hours of data entry, etc. Typically, a maximum number of units is authorized by the sponsor. The Fixed Unit Price Agreement has many of the administrative advantages of the Fixed Price Agreement without requiring the complete precision of cost knowledge before the agreement is executed. The key factor for a successful Fixed Unit Price agreement is the existence of a project made up of repetitive activities for which the costs are known. OSPA has developed a standard Unitized Project contract that follows the Fixed Unit Price concept, and because we can set up the process before any single project is known, individual project agreements can be executed considerably more rapidly than other types of agreements.

Example: A PI has a project to conduct three workshops educating school counselors on tobacco use prevention programs for teens. The funding is for $5,000.00 per workshop, with a maximum of three workshops. The PI conducts two workshops, incurring $7,000.00 in expenses. Invoices for $10,000.00 are submitted based on the agreed-upon price of $5,000 per workshop. Payments are received and recorded. The unspent balance is $3,000.00 and this amount may be transferred to a fixed price ChartField designated by the PI.

This example assumes that the Unitized Project model is not used. The accounting process would be somewhat different (simpler) for the Unitized Project, and will be covered in a later issue of the Research Post. In the meantime, if you would like additional information about Unitized Projects, please contact either Bruce Coble or Rodney Dwyer of OSPA.