Welcome to our Inaugural Issue

What you are about to read is the first issue of the Office of Research Service’s Newsletter. This monthly newsletter has been designed to provide up-to-date information to researchers and research administrators at the University of Pennsylvania. We hope you will find the newsletter informative. Any suggestions, comments, or submissions for publication are very welcome. Please direct all such inquiries to Kerry Peluso at 3-6705 or pelusok@pobox.upenn.edu.

NSF Posts Revision of Grant General Conditions (GC-1)

Effective July 1, 2002, new NSF grants and funding amendments to existing NSF grants will begin referencing and are subject to the Grant General Conditions (GC-1) dated 07/01/02. The complete text of the GC-1 (as well as other NSF grant policy issuances) is available electronically on the NSF website at www.nsf.gov/home/grants/gc102.pdf.

A summary of the significant changes is included on page 4 of this newsletter and can also be found at http://www.nsf.gov/home/grants/gc1602sigchange.pdf.

These changes are now in effect. Any Principal Investigators or Business Administrators with responsibilities for NSF awards should review and be aware of the changes to these conditions. Any questions regarding the impact on specific awards should be forwarded to Pam Caudill, Director, Pre Award at caudill@pobox.upenn.edu or Kerry Peluso, Director, Post Award at pelusok@pobox.upenn.edu.

Early Review of Clinical Trial Agreements is Available

In an effort to facilitate the negotiation of pharmaceutical industry initiated and sponsored clinical trials, the Office of Research Services (ORS) and the School of Medicine’s Office of Human Research (OHR) have initiated a process which will provide investigators with a mechanism to request an early review of clinical trial agreements. This process was implemented on Monday, February 4, 2002. The required submission form for early review of contracts will be available at http://www.upenn.edu/researchservices under “Forms”. All requested information must be completed. No contracts will receive early review if the required information and forms are not provided.

It should be noted that this new process does not replace the need to prepare and submit a Proposal Transmittal and Approval Form and all required documentation to the School of Medicine Office of Research Support Services.

If you have any questions relating to this new process please contact Donald Deyo, Esq., Senior Associate Director, ORS, or Marcia Markowitz, Director, Clinical Research Development, OHR. Don can be reached by phone at (215) 573-9970 or by email at deyo@pobox.upenn.edu. Marcia can be reached by phone at (215) 746-7406 or by email at mmarkowi@mail.med.upenn.edu.

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Special Interest Articles:

- New Employee Benefit Rates for FY03 – See page 6
- Upcoming Training Opportunities in Research Administration – See page 3
- Frequently Asked Questions - See Pages 6 & 7

Individual Highlights:

- Penn ERA 2
- NSF News 3&4
- Training 3
- NIH News 5
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Penn ERA Update

PennERA - Recent Developments
The University’s Electronic Research Administration (PennERA) Project is a multiyear initiative to develop streamlined processes and more efficient tools for handling pre- and post-award administrative tasks related to sponsored projects. Ultimately, the project will implement a "cradle-to-grave" system for research project development, support and management.

In recent months, progress has been made on several fronts:

Project Web Site. The web site for the PennERA Project was completed in early July. The site is intended to keep those interested in research administration within the Penn community, up to date on current planning and development activities, news, and events, as well as providing background information such as project rationale, key milestones and deliverables, and completed activities. You’ll find the site at http://www.pennera.upenn.edu. We invite you to check it regularly to keep abreast of progress and to send feedback to the project team.

Phase I Development. PennERA has been conceived and organized as a multistage project with new and improved systems and processes being implemented at phased intervals. The initial development phase of the core PennERA system began in June of this year, following the signing of the contract with InfoEd, Penn’s primary vendor-partner for research administration software. In Phase I the cornerstones of the new research administration system will be built: a new application to track proposals and awards, and a new application to track human subject and lab animal protocols. These base applications will provide a solid foundation for the more extensive protocol and proposal development modules to come in later phases.

To guide development, the project team will call upon three standing faculty advisory groups. A fourth group comprising School and Center administrators will be convened this summer. This group of "Research Reps" will function like the BEN Reps group, which acted as a sounding board, general liaison, and communications channel between the Ben Financials project team and Schools and Centers.

In the near future, the project team will be soliciting both faculty and administrators to serve on working groups to provide additional information regarding requirements and to address issues arising during the development phase.

Other Initiatives. The PennERA Project is the umbrella for numerous smaller development initiatives related to research administration. These initiatives are being undertaken in parallel, either to provide short-term solutions to pressing administrative problems or to build functionality required for later phases of the core PennERA system.

• Adverse Events Reporting System - this freestanding system will give principal investigators (PIs), clinical coordinators, and staff in the Office of Regulatory Affairs a means of reporting and tracking adverse events involving human subjects. The functionality of the system is currently being tested. The adverse events functionality will eventually be integrated into the core PennERA system.

• Next-Generation Effort Reporting System - this system will give the University community an on-line tool for reporting effort in compliance with the requirements of OMB-A21. System needs and requirements are currently being identified and a proposal is expected to be ready by early August.

• BRIM System - this billing and receivables system was completed last year and is used by the Office of Research Services to issue invoices and track receivables for sponsored projects. Beginning this fall, data from BRIM will be fed into the University’s central data repository, the Data Warehouse, and will eventually be made available to authorized Data Warehouse users who wish to run their own reports or import data to their desktop systems for analysis.
**NSF’s Grant Policy Manual has been Revised**

The National Science Foundation has published a revised version of the NSF Grant Policy Manual (GPM) (NSF 02-151) that will be effective August 1, 2002. This document supersedes all prior versions of the GPM. This revision implements important changes to NSF’s policies, as well as updates procedures for conformance with the Foundation’s conversion to electronic processes. A by-chapter summary of significant changes has been developed to assist the user in navigating through these changes.

NSF strongly encourages grantees to review this document prior to the implementation date.

Given the continually expanding use of the NSF website to provide and obtain information regarding NSF programs, funding opportunities, and proposal and award policies and procedures, the GPM will no longer be a printed document or be available through the Government Printing Office subscription service. NSF has successfully tested use of electronic dissemination with a number of their major announcements and solicitations, as well as the NSF Grant Proposal Guide and Guide to Programs, over the past few years. Therefore, the GPM has been issued electronically and can be accessed on the NSF website at: [http://www.nsf.gov](http://www.nsf.gov). For added convenience, NSF has made the GPM available as a direct link from the NSF “front page.” Please note however, that, at this time, the GPM only is available in PDF format. NSF anticipates that the HTML version will be added to the website by August 1.

Please address any questions or comments about the GPM to the Policy Office, Division of Grants and Agreements, at (703) 292-8243 or by e-mail to [policy@nsf.gov](mailto:policy@nsf.gov).

**Upcoming Training Opportunities for Research Administrators**

Effort Reporting at the University of Pennsylvania facilitated by Bob McCann, Director of Cost Studies, Office of Research Services, August 8, 10 a.m. – 12 p.m. at 3624 Market Street. To register, please contact the Financial Training Department. [www.finance.upenn.edu/ftd/](http://www.finance.upenn.edu/ftd/)

“What Departmental Administrators Need to Know About Post-Award and Cost Analysis” Sponsored by ORS, this is a segment of NCURA’s Live Satellite Broadcast series, September 24, 11:30 – 3:30, Location will be announced [www.upenn.edu/researchservices/](http://www.upenn.edu/researchservices/)


**COMING SOON:**

NEW Design for ORS’s Website with lots more links, information and resources. Will be available in the Fall of 2002. Any suggestions or ideas are very welcome and should be forwarded to Kerry Peluso at 3-6705 or [pelusok@pobox.upenn.edu](mailto:pelusok@pobox.upenn.edu). During the development phase of this project, we will be contacting researchers and administrators for feedback and suggestions.

NCURA Members:

Take some time to visit the NCURA neighborhoods at [http://www.ncura.edu/members/Neighborhoods/NLogin.asp?Redirect=default.asp](http://www.ncura.edu/members/Neighborhoods/NLogin.asp?Redirect=default.asp)
**NSF’s Significant Changes to GC-1**

Significant Changes to the Grant General Conditions (GC-1) dated 7/1/02:

Awardee Responsibilities and Federal Requirements, Article 1, has been supplemented with language to remind awardees of the availability of award letters electronically via the NSF FastLane System.

Prior Approval Requirements, Article 2, has been revised to indicate that changes in the amount of cost sharing reflected on Line M of the award budget require the written prior approval of the NSF Grants Officer.

Pre-award Costs, Article 3, has been amended to indicate that requests for pre-award costs in excess of 90 days must be submitted electronically via the NSF FastLane System.

Consultant Services, Article 5, has been supplemented with a website address that contains the current, as well as prior, archived consultant rates.

Equipment, Article 6, has been revised to remind commercial organizations of the OMB Circular A-110 requirement to submit annual inventory listings of Federally owned property to the NSF Property Administrator. In addition, the awardee is to report such property immediately upon expiration of the award as well as when the property is no longer needed for the project.

Participant Support Costs, Article 7, is a new Article that has been added to reiterate the definition of participant support costs as well as the requirement to separately account for such costs. The requirement to obtain the prior written approval of the NSF program officer prior to rebudgeting costs from this category is restated. All subsequent articles have been renumbered to account for the addition.

**Significant Project Changes, Article 8,** has been updated to require submission of requests to transfer the project effort (subawards) via the NSF FastLane system. In addition, a revised listing of flowdown articles is provided, consistent with these General Grant Conditions.

**Annual Project Report Requirements, Article 15,** has been modified to delete to reference to submission of cost sharing certifications over $500,000. While the certification requirement remains intact (see Article 22.d.), it is no longer submitted by the PI as part of the annual project report.

**Cost Sharing and Cost Sharing Records, Article 22,** has been revised to indicate that NSF modifications to agreed upon cost sharing amounts are made on a case-by-case basis as well as to specify in paragraph d, a more complete listing of options available to NSF should the organization fail to notify NSF of its inability to meet the requisite cost sharing requirements. Finally, paragraph d. has been clarified to indicate that annual and final cost sharing certifications are required when the cost sharing amount identified on Line M of the cumulative award budget is $500,000 or more as well as to specify the timeframes when such reports are due to the cognizant NSF Program Officer.

**National Security:**

**Classifiable Results Originating Under NSF Grants, Article 28,** has been updated to reflect new reference citations as well as the new organizational designation for the Information Security Oversight Office in the General Services Administration.

**Animal Welfare, Article, 29,** has been changed to:

Formally extend the application of the requirements of the Article to rats, mice and birds; update the reference to the PHS Policy on Humane Care and Use of Laboratory Animals and the U.S. Government Principles Regarding the Care and Use of Animals; require awardees to immediately notify the NSF Grants Officer in the event of awardee’s multi-project Assurance is cancelled or lapses; and indicate how to obtain the location of the nearest APHIS Regional Office, as well as information concerning other APHIS activities.

**Activities Abroad, Article 37,** has been renamed, “Government Permits and Activities Abroad” and is now Article 38. The Article has been expanded to cover the need for coordination with appropriate US and foreign government authorities and obtaining any necessary permits, licenses or approvals, prior to undertaking proposed activities. All subsequent Articles have been renumbered accordingly.
Upcoming Changes for NIH Non-Competing Grant Progress Reports

The following is a May 2002 notice from NIH regarding changes that are planned for the dissemination of face pages for non-competing grant progress reports. Research Services will alert you as soon as more information is available.

NIH continues to transition the notification of Non-Competing Grant Progress Reports from a hard copy mailing of preprinted electronic PHS 2590 and PHS 416 face pages to an electronic notification. To facilitate this transition, NIH will continue mailing pre-printed type 5 face pages for awards with start dates through November 2002.

November provides a two-month extension from the previously announced cessation date to allow grantees and NIH staff time to transition to the new business practices.

NIH will make information on due dates for Non-Competing Grant Progress Reports accessible electronically in two ways:

1. Starting in August 2002, the NIH Office of Extramural Research will host a public website of Non-competing Progress Report due date information that will have search and sort capabilities. Grantees may choose to use this website until they register for the NIH Commons. Users of this website will not receive reminders electronically or have pre-printed face pages available.

2. Upon registration for the NIH Commons, institutional officials will have the opportunity to establish a central e-mail address for notification of NIH pending actions and general NIH Commons activities. By this means the institution will receive a list of pending non-competing progress reports.

Once Principal Investigators (PIs) create an account and provide their preferred e-mail they will have the option to receive e-mail reminders of Non-competing Progress Report due dates with links to pre-populated face pages.

We expect registration for the NIH Commons to begin in August 2002.

This notification is an update to the July 10, 2001 NIH Guide notice entitled Revised PHS 398 and PHS 2590 Now Available and the January 7, 2002 notice entitled Use of Non-Competing Grant Progress Report (PHS 2590) Face Pages.

NIAID Revises its policy on “Monitoring of Clinical Trials and Studies”

Notice AI-00-003 in the February 25, 2000 NIH Guide announced the availability of "NIAID POLICY ON MONITORING GRANTS SUPPORTING CLINICAL TRIALS AND STUDIES" Standard NIAID Terms and Conditions of Award for clinical studies and trials were promulgated. These terms and conditions of award will remain in effect until September 30, 2002 will be found at: http://www.niaid.nih.gov/ncn/pdf/clintermfy2002.pdf

Since that time, there have been many changes in policy concerning the appropriate conduct of clinical research.

As a result, NIAID is updating its policy and announcing the availability of updated “Clinical Terms of Award” that will become effective on October 1, 2002. Awardees will be required to comply with these updated Clinical Terms of Award. The terms will be incorporated in their Notices of Grant Award or contracts. These terms require that all clinical trials and studies supported by NIAID be monitored commensurate with the degree of potential risk to study subjects and complexity of the study.


For more information, please contact Gregg Fromell at gfromell@mail.med.upenn.edu or 215-746-7400.
Frequently Asked Questions…….
How long does it take to produce an AIS?

The AIS (Account Information Sheet) is the form that is provided to the responsible researcher and administrators as notification that the award has been set up within Penn’s system and a fund has been assigned within BEN. The creation of an AIS is a multi-step process. Once a Notice of Grant Award (NOGA) is received from the sponsor, it is matched and compared to a proposal. If all the necessary information has already been provided to Research Services, an AIS should be delivered to the Department within 7-10 working days.

We have recently revised our procedures to assign projects requiring a new fund number a higher priority in our work queue.

If Research Services does not have a proposal on file or the award differs significantly from the proposal, the department is contacted to provide a proposal and/or a revised budget as appropriate. If the award contains a subcontract or sub-accounts, additional information from the department will be necessary in order to set up the award. Once all the required information is obtained, the award is entered into the preaward database. The information is transmitted to the Operations group where the information must be entered into Ben Financials, the AIS is printed and audited and then fund attributes are established.

The timing of the above process varies by the complexity of the account-set up and other variables. If we are waiting for information from the Department or Sponsor, this will slow down the process. If the transmittal is not complete and on file, then there will be a delay until the information is provided. There are also times where our volume of work is higher than others such as at the end of June and the beginning of July where we have grant deadlines as well as many NOGA’s, which also delay the process. Please note the remapping requests or after the fact changes such as additional sub-accounts, follow this same procedure, so providing correct mapping information initially will help to speed up the delivery time of all AIS’. It is also important that the e-mail addresses to which the AIS’ are sent are kept up to date and monitored for any internal problems.

There have been occasions recently when we have not received the NOGA’s from NIH in a timely manner. Please note that the issue date is NOT always the date that it is sent to Research Services by the sponsor.

If you have a question about the status of an AIS, please feel free to call the appropriate pre-award staff member or send an inquiry to AIS-PROB@pobox.upenn.edu

Where can I get more information about administering my grants?

Office of Research Services Web Site:
www.upenn.edu/researchservices/

Research Investigator’s Handbook:
www.upenn.edu/researchservices/rih/intro.html

A Quick Guide for Faculty:
www.upenn.edu/researchservices/pdfs/newfacbk.pdf

University of Pennsylvania Cost Sharing Policy:
www.upenn.edu/researchservices/rs/costshare.html

Contact an Office of Research Services Staff Member:
www.upenn.edu/researchservices/rs/contact.html

For timely news and updates, subscribe to our mailing list….
http://www.upenn.edu/researchservices/rs/subscribe.html
What are Indirect Costs?
Indirect costs represent those expenses that are necessary for the conduct of sponsored projects that are not easily identified with a particular grant or contract. Indirect costs include building and depreciation, utilities, purchasing, accounting and other central and departmental administrative costs. Indirect cost rates are used to distribute these costs to individual sponsored projects and recover these costs from our sponsors.

Looking at it another way, indirect costs are those costs that are not classified as direct. Direct costs can be identified specifically with particular cost objectives such as a grant, contract, project, function or activity. Direct costs generally include:
1. Salaries and wages (including vacations, holidays, sick leave, and other excused absences of employees working specifically on objectives of a grant or contract – i.e., direct labor costs).
2. Other employee fringe benefits allocable on direct labor employees.
3. Consultant services contracted to accomplish specific grant/contract objectives.
4. Travel of (direct labor) employees.
5. Materials, supplies and equipment purchased directly for use on a specific grant or contract.
6. Communication costs such as long distance telephone calls identifiable with a specific award or activity.

For more information, please contact Bob McCann, Director of Cost Studies (mccannr@pobox.upenn.edu).

What is an Indirect Cost Rate?
An indirect cost rate is simply a mechanism for determining fairly and conveniently within the boundaries of sound administrative principle, what proportions of Departmental/organization administration costs each program should bear. An indirect cost rate represents the ratio between the total indirect costs and benefiting direct costs, after excluding and or reclassifying unallowable costs, and extraordinary or distorting expenditures. (i.e., capital expenditures, subgrants, subcontracts). The indirect costs in the numerator of the equation should bear a reasonable relationship to the direct costs from the denominator. This will allow for each program or activity represented in the direct costs base to assume its fair share of indirect costs when the rate is applied.

What are the new Employee Benefit Rates for FY03?
The Department of Health and Human Services (DHHS) is currently reviewing the employee benefits rate proposal and we expect to have formal approval by the end of August. In the meantime, the following rates should be included in proposal submissions: 29.2% for Full Time Employees and 9.7% for Part Time employees. However, federal agencies will not likely provide funding at these rates until DHHS approves the rates and advises all other federal agencies. For more information, please contact Bob McCann, Director of Cost Studies (mccannr@pobox.upenn.edu).

What is the Space@Penn Web-Updater?
The University has developed a new application, Space@Penn Web-Updater, to enable the real time update of space usage and occupancy information at the source, the desktops of school, center, and department administrators. The Offices of Research Services and Facilities Services have been introducing this new application to senior school administrators this summer and the Financial Training Department is developing a short training program available this fall for all individuals that will be assigned responsibility for the update of space information. The primary purpose is the need for current and accurate information of space used for sponsored research. FY03 is the base year for our next Facility and Administrative (F&A) rate proposal to be submitted to DHHS.

Reminder:
Effort Reports will be sent out shortly. They must be returned to ORS within 45 days!
About Our Organization...

Our Mission

The Office of Research Services (ORS) was established in April 1998, through merger of the Office of Research Administration with the Research Accounting and Federal Compliance sections of the Office of the Comptroller. The Office of Research Services oversees the administrative support of the University's externally funded research and is responsible for implementation of University policies established for this purpose. An important part of the ORS mission is service to the research faculty, through the provision of information and advice for the development of applications, and assistance in the administration of awarded grants and contracts.

In this role, Research Services

- Supports the schools and centers in the development of proposals for grants and contracts
- Reviews and approves all proposals before submission to the potential sponsor
- Coordinates negotiations of awards
- Accepts awards for the University, including the signing of contracts
- Provides oversight and guidance to faculty and staff concerning the proper management of sponsored projects
- Prepares all financial reports to sponsors

In addition to these functions, Research Services is responsible for billing of contracts management of letters of credit for payment of grants, preparation of indirect cost and employee benefit rate proposals and rate negotiations, management of the effort reporting system, and oversight of service center rate development.

The office reports jointly to the Vice President for Finance and Vice Provost for Research.

Treasury Offset Program Notices

Please be aware that the Department of the Treasury has been offsetting funds due to the University and forwarding them to the Philadelphia VAMC. If you receive a notification that any funds which were due to the University have been offset, please fax a copy of the notice to the attention of Kerry Peluso at 215-898-0403.

Office of Research Services
Quick Contact List:

ORS General Phone Numbers: 215-898-7293 (General Information, Proposals, Awards)
215-898-7269 (Financial Reports & Invoices, Accounting)

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And Executive Director, Research Services: 215-573-9249, abrud@pobox.upenn.edu

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Donald Deyo Esq., Senior Associate Director, Corporate Contracts: 215-573-9970, deyo@pobox.upenn.edu

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