NIH Salary Cap Increases (Again) to $175,700
Effective 1/1/2004

This notice provides updated information regarding the salary limitation for NIH grant and cooperative agreement awards and extramural research and development contract awards. On March 11, 2004, NIH issued a second notice regarding the new salary cap effective January 1, 2004. This announcement increased this salary cap from the previously announced $174,500 to $175,700. Grant awards previously issued in 2004 were issued using the lower salary cap. Adjustments will not be made to these awards by NIH. (However, rebudgeting of funds to accommodate for the new higher salary cap is required to avoid unnecessary cost sharing.) For further assistance on calculating NIH salaries, please see the links below or contact your ORS Accountant for further assistance.

For further information on this announcement, please visit:


For more information on NIH Salary Caps, please visit the following links:

http://www.upenn.edu/researchservices/.nihcaps.html

For assistance in calculation the effect of the salary cap on payroll distributions, please see the Salary Cap Calculator.

Important Notice:

If you have not carefully reviewed the New Accounting Procedures for Non-Federal Sponsors and the Indirect Costs of Research,

Please click here to review them in our
December Newsletter.

Clarification of Required Signatures on the NRSA Termination Forms

The Ruth L. Kirchstein National Research Service Award Termination Notice (PHS 416-7) is required at the termination of all Individual National Research Service Awards (F32, F31, F33 & F34) awarded by NIH and for each trainee upon the termination of his/her support on an Institutional National Research Service Award Training Grants (T32's & T35's & T34's). This notice is the basis for validating the total period of NRSA support and the amount of payback obligation (if any) for each NRSA trainee.

The signatures required on this form are that of the fellow or trainee, the sponsor or program director, and the business official. Please note that the Assistant Directors or Director, Post-Award Financial Administration are the appropriate individuals to endorse this form on behalf of the University.

FEDERAL R&D Outlook

The Federal budget for FY 2005 will provide substantial increases for weapons development and homeland security research and development. However, such increases are not seen for R&D in other agencies. Nanotechnology R&D would be the top priority in the federal R&D portfolio in FY 2005 among multi-agency initiatives.

The National Institutes of Health, a primary source of funding at Penn, after doubling in the five years between 1998 and 2003, would see an increase of only 2.6 percent in FY 2005.

The National Science Foundation would see an increase of 3.0 percent to $5.7 billion

A detailed analysis of federal funding is available at the following websites: the American Association for the Advancement of Science Budget and Policy Program (http://www.aaas.org/spp/rd/) and the American Association of Universities. (http://www.aau.edu/budget/budapp.html).

Unliquidated/Unobligated Carryover Forms will be Emailed to Departments

Effective April 1, 2004 these forms will be emailed directly to departments. In the past, these pink forms have been mailed to the business administrator. They will now be emailed to the same location that AIS’s are sent to. This will allow for multiple individuals to be informed of the carryover amounts.

If you have any questions, please contact Kerry Peluso, Director of Post Award Financial Administration at 3-6705 or pelusok@pobox.upenn.edu.
Did you know that.........?

The Sponsored Projects Policy No. 2119 (Cost Sharing/Matching) was modified and specifically states that, "all non-federally funded sponsored programs (including clinical trials) must have some level of committed faculty (or senior researcher) effort, paid or unpaid by the sponsor."

Proposals to Federal Sponsors should not include an escalation factor for employee benefits. Penn’s Rate Agreement with the Federal Government stipulates that the EB rate is fixed until amended by the Federal Government. Current EB rates are 30.2% and 9.7% for full-time and part-time employees respectively. ORS will notify the community of EB rate changes.

Penn’s participation in the Federal Demonstration Partnership does not guarantee receiving all of the Expanded Authorities/Waiver of Authorities by the 10 Federal Granting Agencies. (See FDP Matrix)

**Effort Reporting Quick Tips**

It is that time of year that Effort Reports are disseminated, reviewed, signed, and returned to ORS. To assist in this process, below are some helpful tips and reminders:

- Effort devoted to projects funded by Penn’s Research Foundation is not included in Section A. of the Effort Report but is included as part of Administration.
- All individuals who are paid from an externally funded project (whether or not it is an award for research or a conference) MUST complete an Effort Report.
- Effort devoted to an internal research project for which the salary supporting that project comes solely from a gift fund, that effort does NOT fall into Section A. of the Effort Report. This type of effort is considered departmental research which is accounted for in Section C. of the Effort Report titled, Instructional and Un-sponsored Scholarly Activity.
- Individuals who commit effort in a proposal and do not request any salary support from the sponsor (mandatory or voluntary committed cost sharing) MUST show that committed effort in Section A2. of the Effort Report. If no Effort Report is generated because the individual had only that cost sharing commitment to a sponsored project and no other salary paid from a sponsored project, call ORS to obtain a blank Effort Report form.
- Federal regulations state the individual, PI, or a responsible official using a suitable means of verifying that the work was performed can sign an Effort Report. However, in most cases faculty should sign their own Effort Report.
- Research awards benefiting from effort paid for by an NIH K award MUST be indicated on the Effort Report form in a blank space on the form or included in a cover sheet with an explanation attached to the Effort Report form and returned to ORS.
- Be certain to check the research effort obligation in the award notice for an NIH K award.
- The Effort Report MUST add up to 100% even if the individual has an appointment of less than 100%.
Frequently Asked Questions . . .

What is a department’s responsibility regarding receivables?

Anyone responsible for the administration of grants at Penn should be familiar with Sponsored Projects Policy 2125. Follow up on delinquent receivables is a joint responsibility held by the department and ORS. ORS has a receivable group which coordinates follow up and resolution of receivable issues. Over the past year, total grant receivables have ranged between $25 to $33 million for the University. As you review receivables for your area over the past year, you will find that most very aged receivables have been cleaned up over the past two years. However, with the large number of receivables, it is not possible for the receivable group to address all receivables each month. When determining which receivables to research first, ORS staff’s highest priorities are generally those that are longer past due, higher in amount and/or have been brought to our attention by departmental staff.

Reports are provided to schools on a monthly basis regarding the receivables in their area. It is important that this report be reviewed on a monthly basis. Departments often have information regarding receivables which is not available to ORS staff such as concerns about the financial situation of the Sponsor or concerns about Sponsor’s satisfaction with the performance of the project. Bringing these receivables to the attention of ORS will ensure timely follow up on the receivable. Please note that it is important to verify that all technical reporting or deliverable requirements have been met. Delays in these areas often result in delays in payments.

As the policy referenced above outlines, when a receivable can not be collected, it will be written off to the appropriate school or department. As a result, it is in the department’s best interest to ensure it is effectively monitoring its receivables and promptly addressing any concerns.

For assistance in resolving your receivables, please contact Gokila Venkateswaran, Accounts Receivable Manager at 8-2515 or gokila@pobox.upenn.edu.

Where can I get more information about Graduate Student and Post-Doctoral Appointments?

The Tax Office has compiled a very informative document on this subject. This document defines Graduate Student and Post-Doctoral Appointments at the University of Pennsylvania and is a guide for business administrators on the current taxability of payments to the student or researcher. All individuals appointed in the job classes listed on this document must receive letters of appointment that define the length of the appointment, the level of funding, and the services expected. For more information on this subject and to view the full document, please go to http://wwwfinance.upenn.edu/comptroller/tax/appointments.shtml.
Training Opportunities:

ORS Quizzes and FAQ’s:
Take a moment to look at our quizzes or FAQ section for more guidance on administering 5-funds here at Penn. Both can be accessed by clicking Training on our home page (http://www.upenn.edu/researchservices/).

Outside Upcoming Training:

National Council for University Research Administrators (NCURA)
Region II Spring Conference
Baltimore, April 25 – April 27.
For further information or to register, please go to
http://www.osp.cornell.edu/NCURA_Rregion_II/Meetings.html

NCURA Sponsored Project Administration Level II Workshop Comes to Philly
March 31 - April 2, 2004
Crowne Plaza Philadelphia
http://www.ncura.edu/conferences/spaii/

Beginning its second year, the SPA II Workshop is for those who have already completed the cornerstone Fundamentals of Sponsored Project Administration workshop or have the equivalent research administration experience. The two and a half day program offers participants an opportunity for in-depth instruction and analysis of four core aspects of research administration:
- Proposal creation and submission (including cost sharing)
- Award Review and Negotiation Issues (including publication and intellectual property issues)
- Contract review (including sub recipients)
- Post-award financial administration (including effort reporting)
- Research compliance (including training programs and site visits)

The workshop uses a combination of lecture, discussion and case study analysis to provide solutions for real-life challenging scenarios. Another unique feature of SPA II is the Open Forum where participants can pose questions and engage in lively discussion about virtually any aspect of research administration. The program also provides updates on the most recent changes in government regulations, which will help keep you and your institution informed. The workshop is lead by faculty who are acknowledged experts in research administration. Program agenda, online registration, and further details can be found at:
http://www.ncura.edu/conferences/spaii/

January’s Contributing Authors, ORS Newsletter:

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Pre-Award Administration Staff

The Pre-award staff is responsible for processing proposals, reviewing, negotiating, and accepting awards (except for corporate contracts), as well as, providing post-award non-financial administration for these accounts. Questions concerning issues such as no-cost extensions, carryover requests and other administrative matters should be directed to the appropriate pre-award contact.

Questions concerning industrial clinical trial agreements and sponsored research agreements should be addressed to the Corporate Contracts Group. Greg Curley is responsible for Account Information Sheets (AIS’s) for all industrial clinical trials and sponsored research agreements.

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About Our Organization...

Our Mission

The Office of Research Services (ORS) 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, ORS

- 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, ORS is responsible for billing of contracts management of letters of credit for payment of grants, preparation of the facilities & administrative and employee benefit rate proposals and rate negotiations, management of the effort reporting system, and oversight of service center rate development. ORS reports jointly to the Senior Vice President for Finance & Treasurer and Vice Provost for Research.

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