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PennERA Update: NIH Implements New Proposal Forms

NIH has announced that new FORMS-D have replaced the previous application FORMS-C. All proposals submitted for the deadline of May 25, 2016 or later are required to use the new forms.

PennERA Proposal Development has been updated with the new forms. Details are available in a new Quick Reference Guide on the PennERA Electronic Submission Reference Materials webpage at [http://www.upenn.edu/researchservices/pdfs/Quick Ref Converting to Adobe D-FORMS.pdf](http://www.upenn.edu/researchservices/pdfs/Quick Ref Converting to Adobe D-FORMS.pdf). PennERA’s instructions are not intended to replace NIH’s instructions (see below for links) but will help users understand how the changes have been implemented in Proposal Development.

If you previously chose to begin a proposal record and a FORMS-D opportunity was unavailable or you were unaware of the change, most records will be easily updated by re-selecting the opportunity on the Setup Questions screen with the new forms available in PennERA.

When creating new records in PennERA for deadlines on or after 5/25, please be sure to note the Competition ID if more than one opportunity is made available for selection. The Competition ID should be FORMS-D. Users should continue to select opportunities with a Competition ID of FORMS-C if a FORMS-D option is not available, but the PennERA helpdesk ([PennERAhelp@lists.upenn.edu](mailto:PennERAhelp@lists.upenn.edu)) should be notified as soon as possible in such cases.

New PHS Assignment Request Form

With the implementation of the new submission Forms-D for the National Institutes of Health (NIH), a new optional Assignment Request Form may be used to communicate specific application assignment and review requests to the Division of Receipt and Referral (DRR) and to Scientific Review Officers (SROs).

While included in the electronic submission, this information will not be part the application and will not be made available to program staff or provided to reviewers. It is used specifically to convey additional, optional information about Principal Investigator preferences for assignment and review of applications to DRR and SROs.

This information was previously collected in the Cover Letter Attachment, but now must be provided on the Assignment Request Form and NOT in the Cover Letter Attachment.

Account Receivable Collections Information to be added to the FUND

On June 1, 2016, ORS and ORSS began using the collection functions available in the Ben Billing and Receivable System (BBR). This means that collection efforts will be recorded in BBR and available in the BBR Data Warehouse Universe. ORS and ORSS are working on adding a new “Collections Tab” to the Fund Summary Report. Once the FUND Summary Report is updated, sometime in the beginning of July, a notification will be sent out to the Penn research community.

The BBR Collections Tab will display notes related to the collection efforts as well as a new field called “Unpaid Reason.” This information is recorded at the individual invoice level. Included with the notes will be dates that a sponsor was contacted as well as contact information. ORS and ORSS will also add notes to record a sponsor’s responses to collection efforts. In addition, in a separate section of the Collections Tab, any automated Dunning Notices that have been sent to the sponsor will be displayed. The information available in the BBR Collections Tables does not include any historic data. Only the collection efforts, AR notes, Unpaid Reasons, and responses from sponsoring organizations with an activity date after 06/01/2016 will be recorded in BBR. Accounts Receivable collection efforts completed before 06/01/2016 are available in the PennERA Activity Log. Issues related to the collection of outstanding receivable balances should be directed to:

PSOM Award (per the Resp Org of the FUND):
Danielle DiIanni
ddianni@mail.med.upenn.edu
215-573-1395

Non-PSOM Award (per the Resp Org of the FUND):
Gokila Venkateswaran*
gokila@upenn.edu
215-898-2515

*Gokila Venkateswaran is responsible for the accounts receivable collection efforts for all of the projects funded by the following organizations:
  - Children’s Hospital of Philadelphia
  - Fox Chase Cancer Center
  - School District of Philadelphia
  - National Space Biomedical Research
Changes to the Fair Labor Standards Act and Your Grant

The recent change to the Fair Labor Standards Act states that the minimum exempt annual salary level is $47,467. This requirement is effective December 1, 2016 and applies to postdoc stipends as well as research staff salaries.

The NIH will be issuing guidance related to the implementation of this Department of Labor overtime rule in the next 4 to 6 weeks. That guidance will include the following:

- NRSA fellows will be funded by NIH at the new DOL minimum exempt salary level of $47,476 per year (effective December 1, 2016).
- NIH does not plan to provide supplements for postdocs currently funded on research grants with stipends less than $47,476. It is most likely that NIH will permit Institutions to re-budget grant funds to raise these stipends to the minimum without prior NIH approval, but that will depend on the specific terms of the award.
- It is not yet clear whether the NIH will raise its minimum stipend levels for more experienced postdocs whose stipends are currently above the threshold.

We have not received guidance from any other funding agencies, and thus do not expect additional grant funds to be made available in support of the salary and stipend increases. When details regarding possible reallocation processes become available, we will provide updates.

Effective immediately, new research grant proposals including postdoc salaries should use the minimum of $47,476 as the minimum postdoc support in the proposed budget, including budgets currently in the revision stage.

Please note that for postdocs currently funded on grants, minimum stipend levels will remain as previously announced (see National Research Service Awards). More information about stipend levels will be forthcoming as we receive information from NIH and other sponsors.
Space Survey Update

Penn is preparing to submit a cost study to the Department of Health and Human Services (DHHS) to start the negotiation of a new Facilities and Administrative (F&A) Rate. The F&A rate is the percentage of Modified Total Direct Costs on federal awards that Penn is permitted to request for federally sponsored projects. The cost study includes an assessment of the research lab space (space survey) that is used as the basis of building and equipment cost allocations to F&A rate activity bases (Sponsored Research, Instruction, Other, etc.) for Penn activities. The initial effort to collect lab occupant data and complete space surveys through the WebSpace system began in April and is nearing completion. Ongoing through July 2016, the ORS costing group will be coordinating with outside consultants to meet with up to 50 research-intensive departments to perform quality review of the space survey process and results. This ensures a highly credible and defensible university space survey, which is a key element of the F&A cost study and calculation. A big thank you to all the department administrators involved in this highly cooperative effort!

Additionally, we will be working with consultants to perform some quality assurance on the asset system data for non-federally funded moveable equipment. The integrity of the equipment data that we use to help recover depreciation through our calculated F&A rate is also an important component of the F&A rate review by DHHS. It is important to both ensure that the asset system data are correct for the current cost study, and to maintain the accuracy of those data throughout the negotiation process, which may last more than 18 months. We appreciate the departmental asset managers’ assistance in maintaining the accurate inventory.

New F&A Rate Implementation: FY17

As we announced last December, the DHHS-negotiated agreement for new pre-determined FY17 F&A rates went into effect as of 12/09/15:

- Research On-Campus: 61%
- Research Off-Campus: 26%
- Instruction: 52%
- Department of Defense Contracts: 63%
- Non-Federal Research: 63%
- Other Sponsored Activity: 37%

These rates will also serve as the provisional rates to be used in proposal budgets for FY18 and beyond, until our next F&A rate agreement has been negotiated.
Cost Transfers on Sponsored Project Funds

As announced in December 2015, as a result of the significant deficiency Penn received in the FY15 A-133 audit report related to the lack of documentation supporting cost transfers, the Office of Research Services implemented a mandatory Cost Transfer Justification Form, which can be found on the ORS website. The expectation is that departments email a copy of cost transfer forms to ORS for all cost transfers with a general ledger transaction date beginning spring 2016 and forward.

ORS has been monitoring the forms to ensure that we receive cost transfer forms for journals that move an expense from one sponsored project to another. We also review them for completeness and to ensure that responses detail why the expenses were not charged to the correct project and how the expenses will directly benefit the aims of the new funding source. We have received 380 cost transfer justification forms since we announced the requirement of the new form and process, 61 of which were received in May 2016. We also reviewed the journals that posted to the general ledger in May to monitor the use of category “02” and “07” on sponsored research funds, determine if the journals were, in fact, cost transfers to a new project, and if we received a cost transfer justification form for those journals. We reviewed approximately 47 batches of category “16” journals and received 80% of the forms. We reviewed 417 batches for category “15” journals and received 32% of the forms. The majority of the forms received thus far were for category “16” or greater than 90-day cost transfers, which is great! Unfortunately, this means that we are doing a poor job on the submission of forms for category “15.”

ORS will focus on monitoring journals, category usage, and the number of forms received for category “15” or less than 90-day cost transfers going forward. In addition to incorporating cost transfer data in monthly school reports, ORS will begin targeted outreach and training for departments and administrators who are not sending the completed justification form and using the correct categories.

As a reminder, it is important to monitor grant expenditures monthly and to send the completed cost transfer forms when the journal is posted to the general ledger. Incorrect charging of expenditures and untimely correction of errors are an indication of poor grants management and puts the University at risk for audit findings and increased scrutiny by the sponsoring agencies and our subrecipient community. If you completed cost transfer journals and have yet to email the justification form to ORS, please submit the outstanding forms ASAP as cost transfers are currently under audit for FY16. See below for the additional guidance on cost transfers that was distributed in January:

**Guidance for Research-related Cost Transfers**

Cost transfers to or from sponsored research awards must be completed within 90 days of the month end of the original transaction date and performed using BEN G&C Cost transfer user responsibility, with category code “15” for transfers completed within 90 days and “16” for transfers that exceed 90 days from the month end of the original transaction date. The documentation to support cost transfers include: PI approval, an explanation for how the error occurred, the original receipts or documentation to support the expense, and an explanation of how the expense directly benefit the new project. Cost transfers performed within 90 days must include adequate documentation to justify transferring the cost to another sponsored project fund and can be posted to BEN without prior approval. The documentation for these transfers must be maintained in departmental sponsored project records. Cost transfers that exceed 90 days from the month end of the original transaction date must be reviewed and approved by ORS prior to posting the journal to BEN.
Cost Transfers on Sponsored Project Funds (cont.)

Effective immediately, in order to facilitate compliance with federal and University policies for cost transfers on sponsored research awards, the cost transfer justification form should be used in conjunction with the BEN categories and include supporting documentation to record the transfer. The cost transfer justification form must be:

- Used to adjust an allowable, allocable, reasonable expense that has already posted to one sponsored project fund and which has been identified as benefiting another sponsored project fund
- Completed, accurate, and submitted to ORS at the time the journals are approved and completed in BEN:
  - A copy must be sent to ORS’s new cost transfer form email address, Res_Cost_Transfers@lists.upenn.edu for transfers performed within 90 days of the month end of the original transaction date.
  - A copy must be sent to Res_Cost_Transfers@lists.upenn.edu and copied to the responsible ORS Post Award Director along with the supporting documentation for transfers that exceed 90 days from the month end of the original transaction date.
- Maintained in departmental records along with all supporting documentation in case of an internal, external, or federal audit, review, or investigation per SPP #2132 for record retention.
- Cost transfer justification forms are not required to:
  - Reclassify expenses or change account code combinations within the project fund account
  - Transfer expenses from one year of a project to the subsequent year of the same project
  - Transfer expenses from a sponsored project fund to a non-sponsored project fund

Please contact your post award accountant if you have any questions regarding cost transfers.
Upcoming Enhancement to the Research Inventory System (RIS): Subawards

The Office of Research Services, in collaboration with Penn Information Systems and Computing (ISC), has been working to improve the functionality of the Research Inventory System (RIS). One major improvement is the creation of a Subrecipient Community within the Subaward Generator. To do this, existing subrecipient data in RIS are being used to create a database containing key, institutional-level data for each subrecipient (e.g., the subrecipient’s official address, EIN, congressional district, etc.). One of the benefits will be the auto-population of institutional data within the subaward request. A subrecipient entity will be selected via a drop-down menu and all institutional information will then auto-populate in the request, thus eliminating the need to re-enter the same subrecipient information on every request.

However, perhaps the biggest benefit of the new Subrecipient Community is that the subrecipient will no longer be required to complete and approve a portion of the subaward request. All subaward requests will be completed solely by the requesting department at Penn, with the aid of the information maintained in the Subrecipient Community. Once submitted and approved at the department/school level, requests will be directly routed to ORS for processing, something which we anticipate will greatly speed up subaward processing in general.

Overall, the Subrecipient Community will enable ORS to maintain accurate, up-to-date subrecipient information that is needed for on-going audit and compliance purposes, as well as eliminate repetitive, unnecessary data entry and common delays in completing subawards. Testing on the Subrecipient Community is slated to begin on October 17, 2016 with a planned roll-out date of November 21, 2016.

The Impact of Export Controls on Higher Education and Scientific Institutions: 4th Annual Conference

On May 22-24, 2016, Penn hosted the 4th annual conference on the Impact of Export Controls on Higher Education and Scientific Institutions at the Sheraton Philadelphia University City Hotel. This annual conference is a unique opportunity to bring universities, research centers, industry, and multiple U.S. Government Agencies together to discuss how export controls specifically affect them. With over 250 registered attendees, speakers from universities across the country, along with representatives from the Departments of Commerce, State, and Treasury, presented sessions addressing how federal export and sanctions regulations impact university research both in the United States and abroad. Conference material, including slide presentations and audio recordings, can be found at: http://www.upenn.edu/researchservices/exportcontrolsCONF2016.html.
Changes in ORS

Change is in the air in ORS! We are changing our pre-award processes.

Carolyn Poerio has returned after a year in GSE to serve as our Senior Associate Director of Grants in the Pre-Award group. Carolyn will have supervisory responsibility for managing the grants submission processes, JIT, and outgoing sub-awards related to federal grants.

Kerry Wilson will be serving as the Senior Associate Director of Contracts in the Pre-Award group. Kerry will manage contracting processes, including the negotiation of agreements related to federal and foundation awards.

While you will continue to have a primary point of contact in ORS for pre-award issues, you may find that some proposals or contract negotiations are shifted to other team members from time to time to allow us to more efficiently meet all of your pre-award needs. As we start to transition, please reach out directly to Kerry, Carolyn, or me with suggestions or concerns.

Other staff updates:

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<th>Pre-award</th>
<th>Post-award</th>
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<tr>
<td>Jillian Cawley joined Penn in February as an Associate Director;</td>
<td>Steve McNeely has transitioned from an Accountant in our Research Operations and Cash Management area to Post Award as a Grants and Contract Financial Administrator in May 2016. Steve works with Elvina Woodard and is responsible for PSOM: Department of Medicine, Center for AIDS Research, and the Cardiovascular Institute.</td>
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<td>Beth Alioto was promoted from Sr. Grants and Contracts Administrator to Associate Director;</td>
<td>Mahasin Bentley joined Penn/ORS in April 2016 as a Grants and Contract Financial Administrator. Mahasin works with Elvina Woodard and is responsible for School of Fine Arts, Wharton School; SEAS: Moore Business Office; SAS: DRL Business Office; and PSOM: Genetics, Penn Muscle Institute, and Earth and Environmental Sciences.</td>
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<td>Lilia Mataac is a new Grants and Contracts Administrator; and</td>
<td>Stephanie Magee joined Penn/ORS in Sept 2015 as a Grants and Contract Financial Administrator. Stephanie works with Mike Hay and is responsible for School of Vet Med; SEAS: Towne Business Office; and PSOM: Physiology.</td>
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<td>Alia Kirkland has been promoted to Sr. Grants and Contracts Administrator, with primary responsibility for the Research Inventory System.</td>
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