

Minutes\*

**Senate Research Committee**  
**Thursday, September 24, 1998**  
**433 Johnston Hall**  
**1:00 PM**

Present: Len Kuhi, Chair; Phil Norcross, Vic Bloomfield, Frank Cerra, John Finnegan, Lorraine Francis, Eric Klinger, Scott McConnell, Richard Popple, Mark Paller, WinAnn Schumi, Ed Wink, Bianca Conti-Fine, Lincoln Kallsen

Guests: David Hamilton, Grants Management Committee

Regrets: Burle Gengenbach, Norma Allewell, Marilyn DeLong

[In these minutes: Roles and Responsibilities in the Proper Conduct of Research, ORTTA Policies and Procedures (5), and Training for Principal Investigators]

The University Senate Research Committee met at 1:00 PM on Thursday, September 24, 1998 in 433 Johnston Hall on the East Bank of the U of MN.

**ROLES & RESPONSIBILITIES IN THE PROPER CONDUCT OF RESEARCH.**

Professor David Hamilton, Grants Management Committee, reported that the draft document distributed to committee members prior to the meeting will not be the form distributed to all faculty, but instead the form posted on the web as a policy that faculty can refer to for information. The draft is divided into three parts:

- 1) Institutional Oversight Model
- 2) Roles and Responsibilities from Perspectives of Office and Employee Class
- 3) Roles and Responsibilities from Perspectives of Research Process

Professor Hamilton noted that the committee has received a great deal of input about changes recommended to be incorporated into the draft, and that input shall continue to be sought until Friday, October 9 in order for the policy to be placed on the web by Thursday, October 15, 1998.

A discussion was held about the two types of administrative staff who are responsible for sponsored accounts:

- ♦ Preparers, who prepare financial, human resource, & other electronic/paper documents
- ♦ Certified Approvers, who approve and monitor documents prepared by others

A question was asked about whether preparers can also be approvers. This should not be the case since separating the process between preparers and approvers promotes the ability of two different perspectives to catch errors. In addition, the principal investigator is not necessarily the preparer; for example, the preparer could be someone that the PI designated to begin the process and forward relevant documents on to the next step. Although the department head is an important part of the oversight process, it was noted

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that he/she should not also be the approver. The process calls for separate processes according to the following model: preparer to the approver to the department head (oversight).

One committee member asked that accountability and responsibility be more clearly defined in terms of the consequences of local responsibility. For example, concern was raised about the possibility of the approver duplicating the effort of the preparer to avoid consequences. It was noted that there is a danger in labeling consequences as negative since the model includes positive consequences as well that are built into the system.

The committee recommended that the web page stress the fact that the new system will be speedy and that faculty will be able to move things through the system quicker than ever before.

The new Office of Institutional Oversight Analysis and Reporting will be in contact with deans, department heads, ORTTA, and preparers across the University. The office will not act as a policing unit, but is intended to provide administrators with information that they will need to make decisions. In fact, the department heads in the Medical School are pleased that the office will conduct random checks of grant transactions, and hope that this system will inspire excellence in the process.

Senior Vice President Frank Cerra noted that the office is designed to be prospective and helpful, not policing and consequential. He added that there is a systematic cost accounting of this process and that the goal is not to add personnel, but to reassign job duties and incorporate training for existing personnel. In fact, 90% of the transactions will be stopped at the lower level, which results in potential savings. There will, however, be ongoing costs to grants management, but not administrative costs.

### **ORTTA POLICIES AND PROCEDURES.**

A copy of the following policies and procedures were distributed to committee members prior to the meeting for their review: 1) Cost Sharing, Matching, and In-Kind Contributions on Sponsored Projects; 2) Managing Program Income Earned on Sponsored Projects; 3) Principal Investigator Eligibility on Sponsored Projects; 4) Processing Internal Accounting Transactions; and 5) Reporting Inventions.

Significant revisions to the **Cost Sharing Guidelines** were:

- ◆ Reformatted to be a University policy and procedure.
- ◆ Included a provision that PIs must provide a minimum amount of effort (lines 22-23 in the Policy and 23-25, 67-69 in the Procedure).
- ◆ Added a provision that PIs after-the-fact certification of cost-shared expenses will not be allowed (lines 27-28 in the Policy and lines 43-44 in the Procedure).
- ◆ Removed the phrase "As a rule of thumb, contributed effort should be no more than 5% of the individual's effort devoted to the project" (would have been line 23 in the Procedure).
- ◆ Clarified how cost sharing must be handled when the sponsor awards less funds than proposed (lines 47-52 in the Procedure).
- ◆ Clarified that charges must be allowable, allocable, and reasonable (lines 58-61 in the Procedure).

When asked if there was a formal mechanism by which the University minimizes cost sharing on a co-sponsored project, Ed Wink replied that there is no formal policing mechanism, but that it is a policy to encourage the University to minimize cost sharing.

Significant changes in the revised **Program Income Policy and Procedures** were:

- ◆ Clarified difference between reportable and non-reportable program income (Procedure lines 36-41).
- ◆ Specified that a plan must be developed to handle program income earned on awards with nonfederal sponsors (Procedure lines 43-47).
- ◆ Specified that a separate account for reportable program income may be established under certain circumstances (Procedure lines 101-103).
- ◆ Specified that non-reportable program income will be deposited in a separate account with new Revenue Source Code 4950 (Procedure lines 106-108).
- ◆ Specified that non-reportable program income earned during the project period must be used to further the objectives of project (Procedure lines 107-108).
- ◆ Specified that grant administrators must monitor the level of program income in sponsored accounts (Procedure Section 4, Policy line 191).
- ◆ Specified that a significant level of program income is considered the agency limit or 25% of the total award, whichever comes first (Procedure lines 145-146).
- ◆ Developed a Notice of Program Income Form (Procedure line 156).
- ◆ Developed Program Income Reports (Procedure lines 175-177).
- ◆ Developed a flowchart of the program income process.
- ◆ Developed internal procedures for SPA and SFR.

The senate policy **Principal Investigator Eligibility on Sponsored Projects** was last revised on May 15, 1980. Since the practice is now very different than the policy, changes were made to the policy to incorporate the practices now being utilized. One change made is allowing the department head and dean to determine who will be a principal investigator. Concern was raised about an administrator being in the position of judging the merit of a project and denying a faculty member the ability to act as principal investigator for research; it was suggested that guidelines or criteria be defined to address this concern. It was requested that a discussion be held on how to focus on qualifications of who can do research rather than administrators making decisions based on irrelevant factors. Senior VP Cerra noted, however, that grants are made to the University, not to individual faculty members as principal investigators. When a grant is awarded to the University, it is the University that has the responsibility to judge whether or not a faculty member has the qualifications and ability to carry out the research.

Since there are several classifications outside of faculty who can do research, such as post-docs, P&A, and research associates, classes of people who can act as principal investigators should be specified or the process could end up with arbitrary decision-making. For example, P&A staff have brought in numerous external grants in the Department of Educational Psychology, but are essentially not allowed into the academic community. It was asked that the policy address such personnel who should be viewed as participating members of the unit rather than merely a source of funds for the department. Professor Kuh, Chair, will speak with Professor Kent Bales, Chair of the Senate Committee on Faculty Affairs (SCFA) on where to go from here.

Under Section V, it reads, "...principal investigator privileges may be rescinded for just cause with the right of review through the all University grievance process." In other words, just because a faculty member has a grant doesn't mean that faculty member also has an appointment. In addition, the all University grievance process eliminates the ability of principal investigators to continue to work throughout the grievance process.

Significant revisions to the **Cost Transfer Guidelines** were:

- ◆ Integrated guidelines into existing Controller's policy. Created separate procedure that applies to sponsored accounts.
- ◆ Removed the option to charge preaward expenses to a nonsponsored account and transfer them later.
- ◆ Clarified why some cost transfers are unallowable, e.g., transferring charges from overdraft accounts to a sponsored account is not allowed because the charges are not allocable as direct expenses to the project (Procedures A and B lines 35-49).
- ◆ The "60 day limit" has been changed to "within 45 days from the accounting period on which the original charge was posted" (Procedures A and B lines 53-55).
- ◆ Clarified that PIs must sign nonsalary cost transfer documents only if they listed an incorrect account number on the original request (Procedures A and B lines 78-87).
- ◆ Clarified the cost transfer process for salary cost transfers and nonsalary cost transfers.

Ed Wink noted that the above changes will be incorporated into the controller's policy, but that the procedures should remain the same. He also noted that the NIH required that the University create a more formal policy to address reporting inventions, which resulted in the **Reporting Inventions Policy**. The policy simply describes the current practice of what is already being done in this area.

The Grants Management Committee has approved all of the proposed changes made to the above administrative policies. Now that the policies have been reviewed by the Research Committee, they will be forwarded to the administrative review committee, which meets on October 1, and on to the web page as official policies. Any comments or suggestions about the proposed policy and procedure revisions should be forwarded to Ed Wink at [ed@ortta.umn.edu](mailto:ed@ortta.umn.edu) by Thursday, October 1, 1998.

#### **TRAINING FOR PRINCIPAL INVESTIGATORS.**

Professor Kuhu reported that the National Institute of Health (NIH) requires that faculty principal investigators go through training in all aspects of conducting research; he feels it is very important that the University implement a policy to address this issue and asked committee members for feedback. Professor Kuhu will draft a brief statement addressing this issue and will distribute it to committee members by e-mail for their review and comments.

The meeting adjourned at 2:50PM.