

SENATE RESEARCH COMMITTEE*

September 29, 1995
Minutes of the Meeting

PRESENT: Allen Goldman (chair), N. Gault, Tony Potami, Elizabeth Jansen, Kathryn Rettig, Dorothy Hatsukami, Kathy James, Joel Eisinger, Christopher Wiley

REGRETS: Mark Brenner, Jeylan Mortimer, Mary DeLong, Mark Snyder

ABSENT: Rob Super, Henry Buchwald, Susan Hupp

OTHERS: WinAnn Schumi

(In these minutes: Discussion regarding NIH Action against University; Agenda items to be considered in the forthcoming academic year)

Professor Goldman convened the meeting at 1:30, welcomed new and continuing members and asked for introductions.

The first item of business was to approved the minutes of the June meeting. Motion was made and seconded to approve the minutes.

University's Response to NIH Action

Professor Goldman turned the meeting over to Tony Potami to lead the discussion regarding the National Institutes of Health (NIH) action - placing the University of Minnesota in a category called "exceptional organization."

Mr. Potami began by explaining that whether the action is fair or not, there are obviously some issues that NIH felt compelled to take some action on the University. Much of this stems from the investigations that are going on at the University. This designation came as a surprise, he said. It has never been used at any major university. It has been threatened to be used at various institutions because of financial reporting delays, human subjects, etc. The NIH is requiring the University to various things in the future, plus taking away our expanded authorities. He went on to briefly describe the concerns of NIH.

Mr. Potami stated that while the following outlines NIH's concerns, it should be noted that NIH did not have the latest information or they did not know whether the systems had been fixed. Therefore, some of the concerns are unfounded.

Effort reporting is a major concern of NIH. The lateness of effort reports was addressed in 1992-93 at which time the University hired Coopers and Lybrand to review and give advice on what to do about the backlog of reports. In 1993, Deloitte & Touche conducted a study of the Medical School's effort reporting (many disagreed with parts of that report). These two reports were used against the University, he said. NIH did not have information on our current effort reporting system. We do have very good compliance, he said,

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reporting is done quarterly, and PI's are required to sign off on grants and contracts. NIH will be visiting campus in the near future and talking with some of the faculty. They want to know what faculty know about grants management. Mr. Potami said that he is confident about the effort reporting of the future. Training is now mandatory for individuals who are effort coordinators and departmental administrators, he added.

Financial Reporting came up as an issue that he said they do not believe is a problem and will dispute NIH's claim. The institution is almost at 100% compliance.

PHS Grants Application NIH's concern about this issue, Potami said, is founded through their (NIH's) investigations and what has been in the press. It has to be demonstrated to NIH that PI's and departments are on top of things.

Program Income By virtue of the grant, income is generated by such things as selling a product, Potami explained. Most grants will not have program income. NIH is questioning the program income primarily because of the grant in the Department of Surgery, specifically the ALG program. Again, he said, procedures have been issued relative to program income.

Accounting System and Departmental Accounting System NIH is concerned about whether or not the institution can account for its funds accurately and timely. NIH is asking whether PI's get information so they can manage their grants? Is money being juggled from one grant to another?

Invention Reporting NIH is concerned about our invention reporting because of what Mr. Potami believes occurred in one case where it was not known that it was a NIH invention. He said that we do have a good invention reporting system and that we comply totally. NIH has suggested that we use the new on-line system. He said that we will be doing that.

NIH is requiring the following:

Code of Conduct NIH is requiring the University to develop a written Code of Conduct for faculty and staff to follow in their performance of sponsored research and their business dealings on behalf of the university. Mr. Potami said that a committee has been established to do this.

Conduct an Audit NIH is requiring the University to conduct an audit and increase the scope of audit that is currently done annually by an outside firm.

Removing Expanded Authority This mean that funds can no longer be carried forward automatically from one budget year to another.

Pre-Award Ability The University has lost its pre-award abilities (90 days before the grant starts). It seems that we will be able to do this under another section of NIH regulations, Mr. Potami said.

No Cost Extensions Grants can not be extended for a year.

Mr. Potami moved on to talk about a University-wide committee that came out of the Arthur Anderson reviews. This committee is looking at issues institutionally, taking it a step further than grants management

in terms of information systems and human resource systems. The process will be managed by a reengineering committee made up of people internally and external to the University. The committee is chaired by Chuck Denny and Jim Infante. The committee will look at grants management and the NIH. One of the areas the committee is looking at is improving and developing departmental systems (accounting system), and to develop a training program. One recommendation is to split ORTTA - that the accounting operation move to the controllers office. The decision has been made to act on the recommendation and will be effective October, 1995.

Mr. Potami went on to explained that ORTTA sends out a notice of the grant award signed by ORTTA. He said that it is important to the reengineering committee and to NIH that PI's sign the grant as well. The PI should know what his/her obligations are. ORTTA has designed a new form that will include the basics and some specifics of the grant or contract. Other areas that ORTTA is looking at are the roles and responsibilities of people throughout the organization and policy development. In addition, a group is looking at a new automated grants management system that is currently being developed by the University of Southern California, IBM, North Carolina State, Ohio State. The University of Minnesota may join the consortium.

Concluding, Mr. Potami said that while ORTTA is responsible for the technical and fiscal parts of the grants, the institution has to have systems with checks and balances. Programmatically and fiscally the PI is responsible. Ultimately, the institution has to answer to the government. He emphasized that most grants are handled the right way. It is clear that the institution is making a commitment to shift with systems and to provide the support to make the shift. He said that the institution is making every effort to develop, with NIH, an acceptable plan to correct remaining problems in the grant management systems to ensure that the designation of "exceptional organization" is removed by NIH.

Members spent some time discussing accountability issues.

Why did the NIH come down so hard on the University and characterizing it lax in general when in fact the perception here is that it is quite localized, it was asked? Mr. Potami responded that the NIH is reengineering itself to some extent and that the magnitude of the problem in a single department is severe. What about the other agencies such as the NSF, the Department of Defense, and the Department of Energy, queried another? They have been informed, but the institution has not heard from them, responded Mr. Potami.

One member asked Potami if he envisioned in the process of redoing the grants management program the replacement of the CUFS system. Mr. Potami acknowledged that the CUFS system has been a problem and there are many things wrong with it in terms of research. It may need to be replaced and it may not withstand the test of time. The reengineering committee is looking at the CUFS system. He predicts that CUFS will either be replaced or changed to the extent that it will not be recognized as what it is today.

Who is developing the Conduct Code and how does it relate to the tenure code, another asked? Mark Brenner will develop the Conduct Code, Potami responded. The Conflict of Interest policy was passed by the Board of Regents, someone pointed out. Mr. Potami said that it is now being changed to meet the new federal guidelines - the changes are not substantial. The Conflict of Commitment was forwarded to the University Senate last spring and was rejected, added Potami. A revised document will go back to the Senate this fall.

Agenda Items to be Considered

Members spent time discussing items for the committee to consider during the academic year in addition to what is brought forward by the administration. They include but are not limited to:

- Training in grants management for graduate students;
- Use of Animals in Research - Educating the Public;
- Discussion about improving the networking systems of research interests;
- Graduate Student Benefit Rate;
- Follow up on the Workload Addendum;
- Responsibility Centered Management
- ICR
- Research that is conducted without ICR

The meeting was adjourned at 3:00.

- Vickie Courtney

University of Minnesota