Research Administration Practices (RAP) Sessions

Foundation and Non-Profit Sponsors

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Agenda

• Welcome and Introductions
• Definitions
• Common Items and Issues
• Office of Foundation Relations
• Resources
Definitions

The Council on Foundations defines a *foundation* as an entity that supports charitable activities by making grants to unrelated organizations or institutions or to individuals for scientific, educational, cultural, religious, or other charitable purposes.

MIT includes *non-profit organizations* in this category as well: disease societies like the American Cancer Society, industrial foundations such as the Schlumberger Foundation, and our fellow educational institutions if the project is to be funded from an internal source.
Common Items and Issues

• Activity Type determination may be complicated
• Budget restrictions
• Underrecovery - Limits on overhead rates or amounts
• Proposals for large dollar amounts (>5M) may require special review
• Cost sharing
• Application submission portals
• Negotiation and Post Award
  • Intellectual Property Terms
  • Processes for award changes
Budget Restrictions

Common budget restrictions include:

- Equipment not allowed
- Subawards not allowed
- Cap on fringe benefits: Budget to cap DLC must confirm that amounts exceeding those allowed will be covered by department funds
- Cap on tuition costs: Budget to cap, DLC must confirm that amounts exceeding those allowed will be covered by department funds
- Budget limited to set amount
- Lab Allocations may not be allowed
Underrecovery

When Sponsor’s F&A rate allowance does not match MIT’s F&A rate, underrecovery (UR) occurs.

At proposal stage, DLCs should be entering the correct F&A and base in KC, through “Budget Settings”, “Rates” and “Comments”.

Note: KC errors at final approval stage if the same source account is entered twice in one fiscal year.

In KC, Budget > Budget Settings (top right header) – update “Unrecovered F&A Rate Type” and “F&A Rate Type”, along with Comments.

In KC, Budget > Rates – update “Applicable Rate” column accordingly.

Research Administration Practices (RAP) Sessions - Foundation and Non Profit Sponsors
At award stage, UR is shown in KC via KC Award module > Commitments tab > Rates. This information is the estimated underrecovery based upon the proposal budget expenses...
...but the Summary Statement in SAP shows the actual underrecovery through the F&A Calculated and F&A Adjustments g/l accounts, based upon the actual expenses charged to the award. When monthly reconciliations are done, DLCs process the monthly transfer of underrecovery to the appropriate source account(s) (listed in the proposal budget or as updated in internal communications during the life of the award).
In solicitations, Foundation and Non Profit Sponsors may use language noting either:

1. ___% overhead allowed on direct costs or
2. ____% overhead allowed on total costs

The chart on the right shows the conversion rate for “TDC” when Sponsor notes F&A allowed on Total Cost base.

<table>
<thead>
<tr>
<th>TC Rate</th>
<th>TDC Rate</th>
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<tbody>
<tr>
<td>5%</td>
<td>5.26%</td>
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<tr>
<td>8%</td>
<td>8.69%</td>
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<td>10%</td>
<td>11.11%</td>
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<td>45%</td>
<td>81.82%</td>
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<tr>
<td>50%</td>
<td>100.00%</td>
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Cost Sharing

DLCs must cover overhead costs associated with costs voluntarily shared. The Institute will cover overhead costs associated with mandatory cost sharing.

- **Mandatory if:**
  - cost sharing is required in the sponsor application guidelines
  - the sponsor requires costs to be committed from other sources as a condition of accepting a proposal for review

- **Voluntary if:**
  - other project cost information is not required, but voluntarily provided by PI

Considerations:

- **Proposal Stage When Tracking May be Waived:** If other project funding information is required, or if PI is soliciting several non-profits to raise funds for a program/project, and cost sharing is not intended by the PI, the cost share commitment can be waived provided the PI includes explicit statements in the proposal to demonstrate how the sponsor’s funds will be used to support the grant purpose in the event additional project funding does not become available.

- **Award Stage:** RAS will review the nature of the cost sharing that is committed, and confirm upon award the sponsor’s expectations regarding reporting to determine whether it will need to be formally tracked in the accounting system for reporting/audit purposes.
DLC Perspective

Proposal Stage
• Deadlines – in addition to normal proposal routing times, note special reviews/approvals (UR, other) may require additional time
• Communicate with your PI
  • Are there special Sponsor requirements/instructions (from solicitation)?
  • Provide checklist and timeline for on time proposal submission

Award Stage
• Review Grant Agreement and account setup
• Financial Reporting/Other Reporting

In General
• In addition to your RAS CA, get to know:
  • OFR – Office of Foundation Relations
  • RSO – Recording Secretary’s Office
  • VPF SPNA – Sponsored Billings Team
Negotiation and Post Award

- Intellectual Property Terms
  - If Terms are known at the Proposal Stage:
    - Review terms with your PI
    - The RAS CA will ask you and/or your PI to confirm that all understand and can comply with the terms
  - At the award stage, the RAS CA will coordinate the negotiation of terms if needed
Negotiation and Post Award, cont’d

• Once awarded, always check agreement terms for processes to request project changes such as budget, period of performance, or changes to the project aims

• If the agreement is silent on what to do, consult with your RAS CA. It is most often safe to assume that any changes require the sponsor’s prior written permission

• Unless the agreement says explicitly that any change requests come from the Institute, it is generally fine for the PI/DLC to submit the request. Send the Sponsor’s response in writing to your RAS CA for documenting in the KC award module
Office of Foundation Relations - Key Roles

Use expertise to match MIT areas with foundation goals to develop and manage relationships, in partnership with senior leadership, faculty, and colleagues.

Work with cognizant units across MIT to coordinate strategy and proposals.

Steward support and continue to serve as a matchmaker to identify and foster additional funding opportunities.
Four OFR Strategies

- Focus on OFR maintaining strong relationships with foundations over time on behalf of MIT

- Sustain and grow OFR foundation funding knowledge

- Aim for wider coverage of MIT with matrixed OFR staffing

- Foster OFR organizational resilience through best practices, stronger systems, and efficient processes
Activities with Foundations  
“The fundraising cycle”

OFR external relationship engagement

Engagement and cultivation (With foundation leadership and program staff)

Solicitation and proposal development (Faculty and staff-driven approaches)

Settlement

Identification, research, and prospect discovery

Stewardship
Please reach out to OFR as faculty are preparing foundation proposals. OFR clearance is part of the RAS review process, but the earlier the OFR knows about a proposal the better.

OFR may be in touch post-award for questions related to gift settlement or stewardship purposes.

ofr-ops@mit.edu
Resources

• **Handouts** from Department of Physics
• **RAS (Research Administration Services)**
  Home page: [https://ras.mit.edu/](https://ras.mit.edu/)
  Underrecovery: [https://ras.mit.edu/grant-and-contract-administration/underrecovery](https://ras.mit.edu/grant-and-contract-administration/underrecovery)
  CA Listing, by DLC: [https://ras.mit.edu/about-ras/staff/by-department](https://ras.mit.edu/about-ras/staff/by-department)
• **MIT Research Development and Office of Foundation Relations** share responsibility to MIT Fund Ops listserv, for open and limited solicitations.
• **Office of Foundation Relations**
  Questions, send email to ofr-ops@mit.edu
  Website: [https://foundations.mit.edu/](https://foundations.mit.edu/)
• **Research Development**
  Website: [https://ras.mit.edu/finding-funding/about-research-development-mit](https://ras.mit.edu/finding-funding/about-research-development-mit)
• **Recording Secretary’s Office**
• **Sponsored Billings**
  [https://vpf.mit.edu/sponsored-accounting](https://vpf.mit.edu/sponsored-accounting)
• **Research Education and Support Team**
  Ra-help@mit.edu