Research Administration Practices (RAP) Sessions

Foundation and Non Profit Sponsors

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Presented by:

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Agenda

- Welcome and Introductions
- Definitions
- Common Items and Issues
- 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
• Cost sharing
• Negotiation and Post Award
  • Intellectual Property Terms
  • Processes for award changes
“Organized Research” or “Other” are common Activity Types

Special Note
The Activity Type “Fellowship” is used when the program supports a mentored training activity – those programs intending to support Faculty are most often considered “Organized Research”
Budget Restrictions

Common budget restrictions include:

- Equipment not allowed
- Subawards not allowed
- Cap on fringe benefits: Budget to cap [manual entry in KC - confirm with Kim], 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
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”.

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.
Underrecovery, con’t

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.
Cost Sharing

DLCs must cover overhead costs associated with costs shared voluntarily. 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.
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 negotiate the terms if necessary and review them with the PI if MIT can accept them.
Negotiation and Post Award, con’t

• Once Awarded, Always check agreement terms for processes to follow 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. Be sure to get the response in writing that can be added as documentation to the KC account file.
Resources

Handouts
RAS – website content, CA listings, other?
Research Development links
Office of Foundation Relations
https://foundations.mit.edu/
Recording Secretary’s Office
https://vpf.mit.edu/about-vpfbusiness-units/office-of-recording-secretary
Sponsored Billings
Ra-help@mit.edu – for any research administration question and assistance
Resources