¶120.18   ***Understanding the Why behind What We Do in Research Administration***

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The world of research administration is very complex and is often misunderstood; however, understanding the why alleviates confusion and garners support for established practices and procedures. Successful research administrators develop an appreciation of the different players (i.e., individuals and organizations) and the policies and processes that drive this complex system. Because research administrators operate in a constantly changing environment and often navigate gray areas, it is essential to be flexible and able to adapt to different systems and processes. To better understand the why behind decisions, it is essential to grasp the decision making hierarchy and gain confidence in making judgement calls. Furthermore, savvy research administrators invest time in developing strong support systems and use effective, timely, and clear communication to nurture good relationships with stakeholders. The driving force of the why in research administration rests on comprehending the hierarchy of regulations, the impact of policies and procedures, the value of collaboration, and the importance of strong communication.

The Regulatory Hierarchy

Institutions apply for and receive various types of awards from an assortment of sponsors. The federal government issues financial assistance in the form of grants and cooperative agreements, awards procurement contracts, and enters into other types of agreements managed by offices of sponsored projects/programs. States, counties, cities and other governmental units; industry; private foundations; and other business entities issue awards to universities and colleges in support of research, instruction and public service. The successful management of sponsored projects depends on key stakeholders understanding the hierarchy of regulations, policy and guidance that govern these awards. For research administrators, this guidance serves as the foundation upon which we build processes, procedures and internal controls, and explains "why" we do things a certain way.

Because the federal government is a major sponsor of basic research, it is important for research administrators to achieve a deep understanding of the regulatory environment in which we operate. This requires an understanding of the federal budget process and the organizational structure of the government. In the legislative branch, Congress passes laws and appropriates funds. The executive branch, under the direction of the president, carries out and enforces laws. For example, the Office of Management and Budget (OMB), the "largest component of the Executive Office of the President,"[1] issues the regulations that provide guidance to the federal agencies on how to implement statutes. These regulations are located in the Code of Federal Regulations (CFR) and published in the Federal Register. Federal grants and

[1] The White House President Barack Obama. (n.d.). Office of Management and Budget. The Mission and Structure of the Office of Management and Budget. https://obamawhitehouse.archives.gov/omb/organization_mission/

cooperative agreements are governed by 2 CFR 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) whereas contracts are governed by the Federal Acquisition Regulation (FAR) located in 48 CFR 1. These regulations provide guidance to federal agencies.

The agencies that fund research through grants and contracts are part of the executive branch of government. This includes executive departments such as the Department of Health and Human Services (DHHS) and independent agencies such as the National Science Foundation (NSF). These organizations issue awards from various federal programs funded through annual budget appropriations. It is important to note that these funds have an expiration date. According to the United States Code (USC) (31 U.S.C. §1552(a), 1956),[2] appropriations expire and agencies must return unspent funds to the US Treasury by September 30 of the fifth fiscal year after the funds were made available. For grant recipients this means the federal agency cannot approve a no-cost extension if the appropriation used to fund the award will expire. In these cases, the Notice of Award may include a term stating the award cannot be extended.

Federal agencies implement the Uniform Guidance and issue their own agency specific terms and conditions that either clarify the regulations or create more stringent requirements for their awards. For example, the National Institutes of Health (NIH), NSF and several other agencies worked together to implement the Research Terms and Conditions (RTC) which are applicable to their research awards issued to institutions of higher education and non-profit organizations. Other agencies publish their own requirements.

Sponsors publish policy guidance that grant and contract recipients must follow when applying for funding and managing awards. For instance, the NIH *Grants Policy Statement* (GPS) and the NSF *Proposal & Award Policies and Procedures Guide* (PAPPG) are resources that provide detailed guidance to universities navigating the complexities of grant funding from these two agencies. These documents are incorporated by reference in the terms and conditions of the award notices. Consequently, it is critical for research administrators to become very familiar with the sponsor's policy guidance. Other federal agencies publish policy in different formats. Non-federal sponsors vary greatly in the policy guidance that is made available to award recipients. Small private foundations may have few requirements and may not publish much guidance. In these cases, the university is tasked with interpreting the sponsor's intent and may seek direction from the organization. One area that often comes into question is indirect cost recovery. Foundations vary widely in what they allow.

Sponsors may have terms that are specific to a program and the funding opportunity announcement should list these requirements. For example, the sponsor may restrict the budget categories or limit the indirect cost recovery on a set of awards, as is the case with NIH training grants. For these awards, student salaries are not allowable because trainees are not employees paid for work performed. They receive subsistence

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[2] Office of the Law Revision Counsel United States Code. (n.d.). https://uscode.house.gov/ 1 U.S.C. §1552 (1956) https://www.govinfo.gov/content/pkg/USCODE-2010-title31/html/ USCODE-2010-title31-subtitleII-chap15-subchapIV-sec1552.htm

allowances in the form of stipends which are paid at levels prescribed by NIH. Additionally, indirect cost recovery is allowed at 8% of modified total direct costs (MTDC) regardless of the rate and basis in an institution's negotiated rate agreement.

The sponsor may include terms and conditions in the agreement that are specific to an award. Examples include restricting the use of funds until a specific milestone is reached or approval is given to collaborate with a foreign entity. This is why it is critical to read the agreement (several times if needed) and refer to it when questions arise. The agreement is the best place to start when seeking to understand an award.

As the graphic shows, the focus of the hierarchy narrows as each level is traversed, starting with the overarching federal regulations and ending with requirements specific to a particular award.
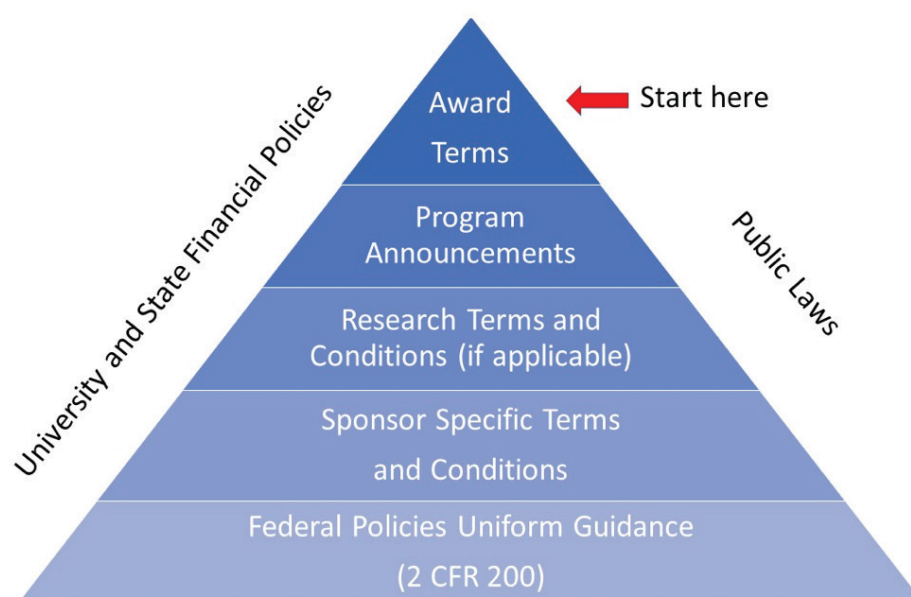
Additional considerations include institutional policy and state policies if the university is a public entity. These requirements may be more restrictive and must be considered in conjunction with sponsor requirements because they do not operate independently. When in doubt, the general practice is to document and follow the **most restrictive** policy. Taking this a step further, institutions may have policies and practices that are defined at the division or department level. This is often the case at universities with very decentralized operations.

When determining what is required, start with the terms and conditions in the award letter, contract, or agreement. Then review the agency or sponsor specific requirements and regulations referred to or linked in the agreement. Check institutional policies for additional guidance and consult with others or the sponsor as needed. Successful research administrators synthesize the guidance and make judgement calls when operating in gray areas. Developing expertise and becoming comfortable with this aspect of grant management takes time and is one of the reasons this profession is so collegial. We are in this together.

Policies, Processes, and Procedures: Know the Difference

Because research administration is so complex, it is important to differentiate be-tween policies, processes, and procedures.[3] Having a clear understanding of each of these concepts will guide the research administrator toward understanding why a decision was made.

Policies

Policies are the baseline. Similar to the foundation of a home, policies provide sup-port for the establishment of processes and procedures which are based on institu-tional values. Policies help guide a multitude of determinations: expense allowabil-ity, approved rates for specific budget items, assignment of employment categories and job specifications, purchasing procedures, as well as a number of other consid-erations necessary for managing grants. Policies ensure organizations can function adequately.

Processes

Processes are established by the organization to ensure policies are followed. They vary from organization to organization and internally across departments and schools and colleges. Processes help clarify how an institution will comply with the countless policies it encounters both internally and externally.

Procedures

Procedures are step by step guidance on how to follow sponsor and institutional policies. Procedures help navigate the complicated nature of the myriad policies and processes research administrators must abide by. They explain in detail what the institution will do to ensure it complies with sponsor requirements in a consis-tent manner.

Breaking it Down

To better understand how regulations affect grants and why certain decisions are made, this section provides an overview of a few policies and the impact of these requirements on common elements in the budget. The budget is the financial plan for the project and it includes direct and indirect costs. Direct costs are items that are specifically identifiable, whereas indirect costs are not readily identifiable with a par-ticular project. The budget should demonstrate that the institution understands what it will take to complete the project and that the organization has done a thorough re-view to ensure both proposed and actual costs are reasonable, necessary, and in com-pliance with the award terms and conditions. Different projects will have different budget needs; for this reason, it becomes essential to establish a strong relationship with the Principal Investigator (PI) to ensure a shared understanding of the project goals. This will provide a better sense of the items to incorporate when preparing the proposal budget and the type of costs to expect when managing the award.

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[3] City of Bothell. (n.d.). Policies and Contracts. http://www.ci.bothell.wa.us/167/Policies-Contracts

Personnel

Personnel costs are often one of the major expenses in a budget. A well-detailed budget should be developed in consultation with the PI to identify each staff member involved in the project and the time commitment each person will devote to project activities. An award may involve working with individuals in different employment categories and each institution will have its own set of guidelines to determine the appropriate employment classification for each employee. Research administrators should be familiar with these categories and work with human resources to properly understand and appropriately use the different employment classifications in budgets. This becomes especially important during the pre-award process. Failure to appoint a person in the correct employment category or failing to include a staff member in the budget could have serious consequences for the project, including significant financial implications that may require re-budgeting or not having adequate staffing to carry out the project. This may limit the scope of the project and could be detrimental to the success of the award.

The time commitment each person will devote to the project should be tied to specific project activities in order to justify the need for salary support. The level of effort proposed may be expressed in calendar or academic months or as a percentage of their time - this will depend on the funding agency's requirements. The PI should know what is most appropriate in terms of time commitment for each individual to complete required tasks. Research administrators can support PIs by ensuring the sponsor's effort guidelines are met and by consulting with the PI to confirm time commitments are in line with the scope of the project.

Another component of personnel costs is fringe benefits, which represent the cost of benefits paid by employers on behalf of employees. They are generally expressed as a percentage of salary and may include Social Security, health insurance, life insurance, Medicare, and unemployment insurance. Fringe benefit rates vary by institution and may differ by employment classification. Therefore, knowing institutional rates and applying the correct rate to the appropriate employee classification is essential. Since it is not always possible to foresee how salaries and fringe benefit rates will change over time, sponsors may allow applicants to escalate base salaries and fringe benefits when budgeting costs for future years. Policies on annual salary escalation differ by funding agency and institution, therefore, it is important to understand what is allowable by the institution and the sponsor.

Travel

In order to successfully conduct specific project activities such as data collection or to disseminate information, some awards may include funds to cover the travel costs related to these tasks. Some sponsors may limit travel funds or require the university to budget travel costs for specific activities (e.g., annual PI project meeting or dissemination activities). The amount budgeted for travel will depend on the needs of the project, the sponsor's requirements, and institutional policies. To estimate travel costs, institutions may have a set per diem or require the use of a specific vendor. Always follow the award terms, look for specific budget guidelines in the agreement, and understand institutional policies for determining these costs.

Tuition Remission

Tuition remission fees are another expense that may be part of the budget. Tuition remission is a waiver of tuition costs and is a benefit provided to students, generally graduate students, as part of their compensation package. To recover the tuition costs for students working on sponsored projects, some institutions charge a tuition remission surcharge. Policies related to tuition remission and surcharge amounts vary by university and include specific criteria for students to qualify for this benefit. For example, institutions may require that students be appointed at a certain level or only include students paid on specific appointment types (e.g., research assistant, program assistant, or teaching assistant employees). However, some sponsors may limit the amount that can be requested for tuition costs or not allow these costs at all.

Participant Support

A budget may also include participant support costs. The Uniform Guidance in §200.75 defines participant support as "direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects".[4] This definition applies to federal grants, but the institution must follow sponsor guidelines for non-federal awards. The amount budgeted for participant support will depend on the scope and needs of the project as well as potential award limits. Another factor to consider is whether these costs can be included in the calculation of indirect costs. On federal grants, institutions are not allowed to recover indirect costs on participant support; however, non-federal sponsor policies may differ.

Subawards

Investigators often partner with collaborators at other institutions to fulfill specific project activities. In cases where a subawardee relationship is determined, the prime recipient organization, also known as the pass-through entity (PTE), issues a subaward agreement to the subrecipient institution. This agreement incorporates the terms and conditions of the award, collaborator's budget and budget justification, scope of work, and specific guidance regarding the administration of the subaward. Research administrators should work closely with the PI to monitor each subaward.

When calculating indirect costs on federal grants that include subawards, the PTE's indirect cost recovery is limited to the first $25,000 of each subaward total. Additionally, subrecipients on federal grants may budget indirect costs at the rate allowed by the sponsor. Keep in mind that sponsor policies vary, especially for non-federal awards, and policy is what drives the allowability of indirect costs.

Indirects

Generally, indirects, also known as overhead or Facilities and Administrative (F&A) costs, comprise a significant portion of the budget. These costs represent reimburse-

[4] Electronic Code of Federal Regulations. (July 28, 2021). https://www.ecfr.gov/cgi-bin/text-idx?SID=d4c203eb903cb14e317145b45ff5f730&mc=true&node=pt2.1.200&rgn=div5#se2.1.200_11

ment for actual expenditures made by the institution in support of extramural activities that cannot be directly charged to a grant or contract. Examples of these costs include utilities, physical plant operation and maintenance, and departmental and central office administrative expenses.

Because indirects are not directly allocable to specific project activities, PIs and project managers may not understand the importance of including these costs in a budget. Therefore, it is essential for research administrators to comprehend the reasoning and to effectively articulate it to others. Charging indirects to sponsored projects allows universities to recover the full cost of performing the work, not just the direct costs. Sponsors that restrict or do not allow indirects are requiring the institution to subsidize the cost of the project. The institution depends on this financial reimbursement to help advance the research enterprise as it enables the organization to provide the adequate resources and capabilities needed to ensure key project activities are conducted successfully. Without this support, universities cannot sustain investments in extramural research programs.

The amount of indirect costs charged to an award is determined by applying a base to a rate. Organizations may work with the federal government to obtain a Negotiated Indirect Cost Rate Agreement (NICRA) which establishes the rates and applicable base that should be applied to federal awards, unless the agency has a prescribed rate for certain programs. MTDC is the most commonly used base in determining overhead costs and it includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward. Equipment is excluded from this base. Another base used by smaller institutions is salaries and wages and it may include fringe benefits. Additionally, sponsors may limit indirect costs to a percentage of total direct costs (TDC).

If the institution does not have a federally negotiated rate, the government allows the organization to apply a de minimis rate of 10% of MTDC to achieve recovery of some of the organization's indirect costs.

These are just a few examples of budget items and their related policies that may help research administrators grasp how these expenses are managed. While it is crucial to understand and learn to navigate numerous policies, the work of research administration does not end with policy. The profession is ripe with gray areas and complicated scenarios that require analysis, interpretation, and collaboration.

Collaboration and Communication

Research administration thrives when collaboration and communication are strong.

Collaboration is the first key attribute of a great research administrator. Learning how to successfully collaborate across departments, divisions, and colleges; other organizations; government agencies; and a myriad of other intricate lines facilitates the development of responsible stakeholder relationships. These connections serve as the foundation for expanding the infrastructure necessary to successfully manage awards and secure future funding.

Although some researchers may perceive offices of sponsored projects/programs as a barrier to efficiently meeting project goals, the reality is that the collab-

orative nature of the research administration profession derives benefits that effectively support PIs through long careers of conducting responsible research.

Every aspect of research administration is centered on developing and maintaining relationships with internal and external partners. Internally, the foundational collaboration for a research administrator is that of the research administration team within the institution. The size and make up of that team varies depending on the volume of research and size of institution. Small Primarily Undergraduate Institutions (PUIs) may be a one person central office where collaboration is most prevalent in working with parallel colleagues located in other areas, such as accounting/ business services and other departments. A large research intensive institution may provide a foundational collaborative environment with colleagues who specialize in a specific area in the grant life cycle, such as compliance, technology transfer, or subaward monitoring. Either way, as the research administrator matures, so does the need to expand internal collaborations. Depending on the structure of the organization, most research administrators work directly with PIs, while Director/ Sr. Level research administrators are often found collaborating with Department Chairs, College Deans, Provosts, Vice Chancellors, and even Presidents to foster institutional research.

The most obvious external collaborations are with sponsors ranging from a small local nonprofit to a heavily funded federal agency. Each type has its own set of expectations for appropriate interaction, which requires an acumen for relationship-building balanced with compliance. It has been said that the greatest relationship development tool is a timely, complete and accurate report, thus the reason reporting becomes a major focus for many post-award administrators.

Communication is the second key attribute of a great research administrator. Leadership in research administration is often fostered by those who share stories about how research and discovery has impacted their lives – health, technology, and innovation. The result is communication that advocates for researchers and research institutions as individuals and as a community. Research administrators are curious, passionate, creative, and knowledgeable. However, that knowledge is most often gleaned by knowing how to find the right answer, rather than knowing the right answer. The key is to ask the right question and to provide a reasonable, consistent answer. Thus, the "why" behind clear and concise communication is to instill confidence in the decision making process among all stakeholders.

Conclusion

At the institutional level, developing a deep understanding of the regulatory hierarchy, consistently applying policies and procedures, building a strong network with stakeholders, and utilizing effective communication are the building blocks of research administration. These functions allow research administrators to successfully break down complex systems into smaller parts to make well-informed decisions. Within this framework, we find "the power of research rests on its ability to

open up the solution space for future crises not yet envisioned."[5] This is particularly true in the wake of the COVID-19 pandemic, where the need for researchers and research administrators to navigate that solution space is crucial to a healthy global recovery. This is the overall why of research administration—to open, maintain, safeguard, and nurture the solution space necessary to improve humanity and its cherished surroundings.

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[5] The President's Council of Advisors on Science and Technology (PCAST). (November, 2012).