

Office of Sponsored Programs Newsletter

Cost Sharing Basics

The National Council of University Research Administrators (NCURA) defines cost sharing as “a cost that specifically benefits a sponsored project, but is not charged to the grant.” Cost sharing is usually in the form of a direct cost, but it can also be in the form of facilities and administrative (F&A) costs. In general, there are four main types of cost sharing: mandatory cost sharing, voluntary committed cost sharing, voluntary uncommitted cost sharing, and in-kind cost sharing.

Mandatory cost sharing is required by law or the funding agency. In these cases, the cost sharing is always pledged in the proposal. *Voluntary committed cost sharing* occurs when no cost sharing requirement exists, but a cost sharing commitment is made in the proposal. An example of this would be when a detailed budget is submitted to NIH



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and 10% effort (1.2 calendar months) is listed for the principal investigator (PI), but less than 10% salary or no salary will be drawn from the grant. Another example is when a PI lists calendar months in a budget justification and indicates no salary will be requested. There are several ways to indicate the participation of a significant contributor in a budget justification without committing to voluntary committed cost

sharing. The Office of Sponsored Programs (OSP) can provide suggestions for alternative language upon request, as well as options on how to list personnel without making cost sharing commitments.

Voluntary uncommitted cost sharing is when a PI lists 10% effort in a grant proposal, but ultimately puts in 20% effort.

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Special Quotes:

- We can easily forgive a child who is afraid of the dark. The real tragedy of life is when adults are afraid of the dark.

—Plato

- Joy is God's way of telling us we are on the right path; sustained joy requires the elimination of others' suffering.

—Judith Light

- Our job should be to beat down the path and hang lanterns of courage and kindness. To make it easier for children coming behind us to see.

—Michael Keaton

Office of Sponsored Programs (OSP) Website

Be sure to periodically check out the News and Announcements section of our website. The website address is listed in the highlighted box to the right of this article.

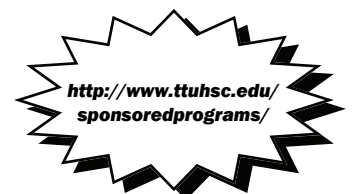
In this section, you'll find helpful information pertain-

ing to recent NIH policies, such as those pertaining to resubmissions and early stage investigators.

We've also posted recent grant deadlines in our Calendar of Deadlines section. In our Forms and Instructions

section, be sure to check out the Question and Answer document associated with Personnel Activity Forms.

As always, you can find the OSP route sheet and Quick Facts document on our website, too.



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In other words, the PI's effort on the grant exceeded the amount pledged and budgeted for in the proposal. Because a commitment was not made to the agency, a separate cost sharing account does not need to be established to track the additional effort spent on the grant as is the case with both mandatory and voluntary committed cost sharing. NCURA defines *in-kind cost sharing* as "the provision of goods and/or services whose value can be established by reliance on what those goods and/or services may bring in the open marketplace." Because this type of cost sharing is provided by sources outside the institution, it is not reflected in the institution's financial system and, therefore, a

separate cost sharing account is not necessary. However, the source of in-kind cost sharing should be reliable and documentable. For example, let's say a PI is engaged in a community project and an established foundation allows the PI to use space for free that would normally be charged at a specified dollar amount. Generally, this would be considered a reliable, documentable source.

At the Texas Tech University Health Sciences Center (TTUHSC) our cost sharing approval system begins at the department level (e.g., the department chairperson or research dean should be contacted by the PI so that support for any cost sharing contained within a proposal is obtained prior to submission). There

is a cost sharing box on the OSP route sheet. The box should be checked "yes" if cost sharing is involved and "no" if it is not. The PI is responsible for the information provided on the OSP route sheet, which includes the disclosure of cost sharing. When the department chair and/or research dean signs the OSP route sheet, this indicates that any cost sharing within the application is approved by the PI's department, regardless of whether the PI checked the appropriate box on the OSP route sheet or not. Therefore, it is essential that the PI and the PI's department identify any cost sharing commitment at the pre-award stage of the application so that

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NIH Policy: New Investigator vs. Early Stage Investigator (ESI)

NIH is strongly committed to funding New Investigators and particularly encourages them to "apply for R01 grants when seeking first-time funding from NIH."

NIH defines a **New Investigator** as a "Program Director/Principal Investigator (PD/PI) who has not previously competed successfully as PD/PI for a significant NIH independent research award." In other words, a PD/PI who has received a competing NIH R01 is not considered a New Investigator.

NIH defines an **Early Stage Investigator (ESI)** as "an individual who is classified as a New or First-Time Investigator and is within 10 years of completing his/her terminal research degree or is within 10 years of completing medical residency (or the equivalent)."

For more details, go to: http://grants1.nih.gov/grants/new_investigators/index.htm.



Diet Composition and Energy Balance

Award Type: NIH, R01, PA-10-152
OSP Deadline: May 27, 2011
Agency Deadline: June 5, 2011

Amount: Standard NIH rules apply. Investigators requesting no more than \$250,000 per year in direct costs may use the PHS 398 Modular Budget Form.

Award Description: Applications are encouraged from investigators who plan to study the role of diet composition in energy balance, including studies in

both animals and humans. Topics can range from basic studies investigating the impact of micro- or macronutrient composition on appetite and energy expenditure to clinical studies evaluating the efficacy of diets differing in micro- or macronutrient composition, absorption, dietary variety, or energy density for weight loss.

For more details, go to: <http://grants.nih.gov/grants/guide/pa-files/PA-10-152.html>



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any necessary department approvals can be obtained prior to the proposal's submission.

In the event of an award, both mandatory and voluntary committed cost sharing commitments must be tracked by setting up a separate cost sharing account in addition to the main grant account. This cost sharing account is a companion account to the main grant account and is distinguished by a different account number. The name of the cost sharing account should begin with "Cost Sharing," to further identify it as the cost sharing account. When an award is made and cost sharing is involved, ideally both accounts (the main

grant account and the cost sharing account) are set up at the same time. However, sometimes the cost sharing account is set up shortly after the main account is established, especially when multiple departments within the TTUHSC are involved. It is important not to let too much time go by before setting up a cost sharing account, otherwise there is a chance that cost sharing commitments may not be appropriately documented, leading to negative consequences in the event of an audit.

Another issue to consider is that senior personnel are sometimes listed on a variety of grants at low percentages of effort, such as 1% or 2%, without salary requested. This is often done to improve

the chance of funding and may not seem problematic at first; however, if someone is listed on a variety of submissions and many of the submissions are awarded, the cumulative percentage of effort could exceed 100% or be unrealistic when considering the person's overall responsibilities. Both scenarios are red flags for auditors. If in doubt, contact the OSP and we can query our database to obtain a person's cumulative percentage of effort. Some administrators also keep track of this data on the department level.

As Dennis J. Paffrath during an NCURA presentation stated, "It is important to recognize the compliance implications

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NIH Electronic Submission Updates

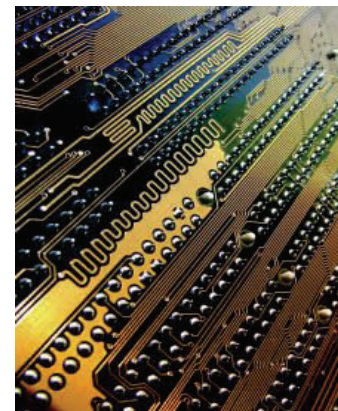
Two-day Error Window Closed

There is no longer a two-day error window allowed in order to address errors. Therefore, all applications must be submitted to OSP in their completed form (including the research plan) no later than 5 working days prior to the NIH deadline in order to give OSP a chance to review the application and the PI time to address any identified errors *prior* to the deadline date. In the past, we had two days after the deadline to correct errors, but NIH has closed that error

window. This means that all applications must be error-free by the deadline date.

Biographical Sketches

All biographical sketches **must** include a personal statement as Part A. The statement should focus on what makes the PI uniquely qualified to conduct and lead the project. Selected peer-reviewed publications listed in the biographical sketch cannot exceed 15.



Alzheimer's Disease Drug Discovery

Award Type: NIH, R21, PAS-10-151

OSP Deadline: June 10, 2011

Agency Deadlines: June 16, 2011

Amount: Up to \$275,000 for 2 years with no more than \$200,000 direct costs allowed in any single year.

Award Description: The purpose of this funding opportunity is to encourage the early stages of drug discovery necessary to identify promising disease-modifying therapies as well as treat-

ments aimed at ameliorating the cognitive and neuropsychiatric/behavioral symptoms characteristic of Alzheimer's disease. Studies aimed at the discovery and testing of therapies directed at a variety of established as well as novel therapeutic targets are encouraged.

For more details, go to: <http://grants.nih.gov/grants/guide/pa-files/PAS-10-151.html>



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of cost sharing, whether the cost sharing fulfills a mandate or is offered voluntarily. When cost sharing of any kind is represented in a proposal, upon award that cost sharing becomes a commitment that must be met and tracked for sponsor verification in the university's records." Are all costs allowable for cost sharing? The answer is "no." If a federal grant is involved, for example, the costs must be "allowable and allocable under federal cost principals and the terms of the sponsored agreement," according to Paffrath. In other words, the cost of a laptop computer would not be an exam-

ple of a cost sharing expense with regard to NIH grants, since NIH does not normally allow the purchase of laptop computers with NIH funds. In addition, Paffrath said that allowable costs for cost sharing must be "necessary and directly related to the project objectives, as well as represent costs incurred during the project period of performance." Also, the same dollar used to cost share for one project cannot be used on another.

Although TTUHSC generally discourages voluntary cost sharing whenever possible, our institution does not have a policy against it. Some institutions do not allow cost sharing except in rare cases,

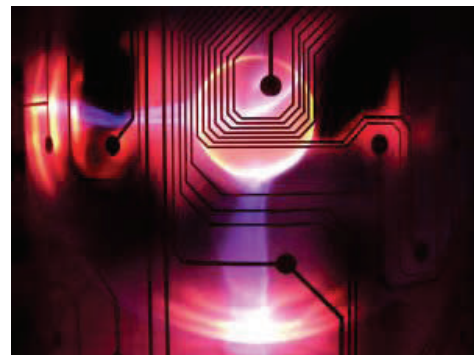
whereas others are extremely cost sharing oriented. Too much cost sharing can have a negative impact on an institution's F&A rate, causing it to be reduced in future years. However, like many other institutions, TTUHSC's policy is to consider cost sharing on a case-by-case basis, generally allowing the decision to be made by the PI and the leaders of his or her department who are best aware of the departmental resources necessary to fulfill cost sharing commitments.

NIH: ADOBE-FORMS-B versus ADOBE-FORMS-B1

NIH is transitioning from the Adobe B forms to the Adobe B1 forms. Many investigators are concerned about sending in the wrong application package, but NIH assures us that the transition will be a smooth one.

According to NIH, they will accept applications on either forms until May 7, 2011. However, after May 7, 2011, NIH states that "all NIH opportunities will use ADOBE-FORMS-B1."

For more information, please go to: http://grants.nih.gov/grants/ElectronicReceipt/files/Adobe_Forms_B.htm

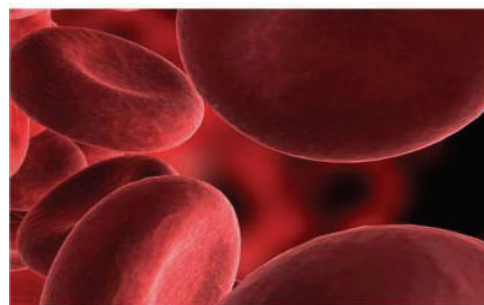


Cancer Prevention and Research Institute of Texas (CPRIT)

Five (5) total High-Risk/High-Impact (HR/HI) grants (all campuses) are allowed. A pre-review committee has been established. Anyone interested in submitting an HR/HI application for pre-review should submit a 5,000 character abstract, PI biosketch, and specific aims (optional) to the TTUHSC Cancer Committee no later than 5 pm April 15, 2011.

The material should be submitted in a single PDF file and emailed to: Rena.Mashburn@TTUHSC.edu.

Each PI may submit one Individual Investigator application. Grants that have been submitted twice to CPRIT cannot be submitted again. Only one submission and one resubmission are allowed.



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NIH Allowable and Unallowable Costs

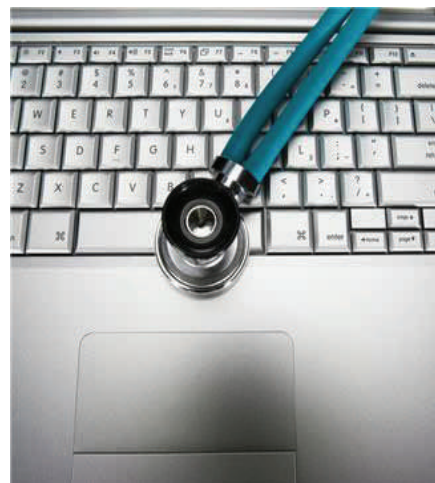
As stated on the NIH website: Generally, NIH **does not** allow desktop or laptop computers to be purchased with NIH funds. In addition, NIH **does not** allow standard tech support provided by our institution to be charged to an NIH grant. These types of charges should come out of the F&A costs.

However, NIH **does** allow research specific computer services, such as reserving computing time on supercomputers or getting specialized software to help run your statistics.

For more information, please go to: http://grants.nih.gov/grants/developing_budget.htm#other

NIH has also stated in their Grants and Policy Statement the following about purchasing journal subscriptions: If an organization has a library, books and journals generally should be provided as part of normal library services and treated as F&A. Therefore, in the case of TTUHSC, journal subscriptions are not allowed to be charged to NIH grants, unless our library doesn't carry or have electronic access to the journal.

Alcoholic beverages are unallowable as an entertainment expense, but allowable if within the scope of an approved research project.



NIH Food for Thought: Significance Versus Impact

According to NIH, "Significance" is how important the research project would be if everything worked perfectly. "Impact" is the likelihood that the project, as written, will change the relevant field of research and make a difference in human health. In other words, "Significance" is whether the project is worth doing, while "Impact" is what NIH gets for its money at the end of the project.

As Dr. Karin Rodland at the Pacific Northwest National Laboratory states, "It

can't have impact if it isn't worth doing, so high scores in these two areas are important. But if the research plan is seriously flawed or if the reviewers don't think the research team has the necessary experience and resources to complete the proposed experiments, then the research is unlikely to have much impact even if the topic has high significance. So, the 'Impact' score really is a combination of *all* the review criteria: Significance, Innovation, Investigators, Approach and Environment."



Cancer Prevention and Research Institute of Texas (CPRIT)

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Award Type: CPRIT, RFA R-12-HIHR-1
OSP Deadline: May 24, 2011
Agency Deadlines: May 31, 2011

Amount: Up to \$200,000 for 2 years.

Award Description: High-Impact/High-Risk Research Awards—Supports relatively short-term high-impact/high-risk projects that are innovative, developmental, or exploratory in nature targeting new avenues of cancer research.

For more details, go to: http://www.cprit.state.tx.us/images/uploads/rfa_r-12-hihr-1.pdf

Award Type: CPRIT, RFA R-12-IIRA-1
OSP Deadline: May 24, 2011
Agency Deadlines: May 31, 2011

Amount: Up to \$500,000 total costs for up to 3 years. Exceptions permitted if extremely well justified.

Award Description: Individual Investigator Research Awards—Supports applications for innovative research projects addressing critically important questions that will significantly advance knowledge of the causes, prevention, and/or treatment of cancer.

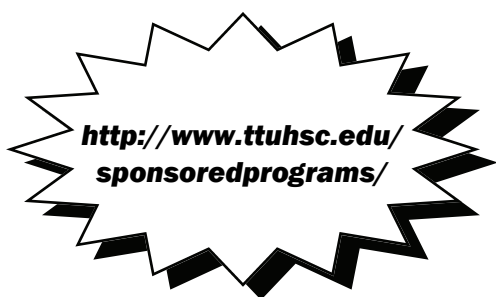
For more details, go to: http://www.cprit.state.tx.us/images/uploads/rfa_r-12-iira-1.pdf

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TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER



OUR MISSION

The purpose of the Office of Sponsored Programs (OSP) is to assist faculty and staff in identifying, obtaining, and maintaining external funding that support the TTUHSC mission of instruction, research, and patient care. Numerous resources are utilized to assist faculty in identifying possible funding opportunities, including the Community of Science (COS), the world's most comprehensive funding database with utilities for identifying collaborators and interactive CV updating. The OSP is responsible for reviewing and approving proposals seeking external funding from federal, state, and local agencies and negotiates the contractual funding agreements with such entities (with the exception of clinical trials with drug companies). Upon receipt of an award, the OSP provides assistance and oversight, including budget set-up and project revisions.

The OSP provides administrative support for two federally-mandated research committees: biohazardous materials research (IBC), and recombinant DNA research (RDRC). In addition, the OSP assists with several internal TTUHSC seed grant programs.

Selected Funding Deadlines

OSP Deadline: 5/27/2011 (due to the Memorial Day holiday)

Sponsor Deadline: 6/5/2011

- **NIH R01 (new)**

<http://grants1.nih.gov/grants/oer.htm>

OSP Deadline: 6/10/2009

Sponsor Deadline: 6/16/2011

- **NIH R03, R21, R34, R36 (new)**

<http://grants1.nih.gov/grants/oer.htm>

OSP Deadline: 6/25/2011 (due to the July 4th holiday)

Sponsor Deadline: 7/5/2011

- **NIH R01 (renewals, resubmissions)**

<http://grants1.nih.gov/grants/oer.htm>

OSP Deadline: 7/11/2009

Sponsor Deadline: 7/16/2011

- **NIH R03, R21, R34, R36 (renewals, resubmissions)**

<http://grants1.nih.gov/grants/oer.htm>

OSP Deadline: 3/25/2011

Sponsor Deadline: 4/1/2011 (next deadline 10/15/2011)

- **American Cancer Society: Targeted Grants for Research Directed at Poor and Underserved Populations**

<http://www.cancer.org/Research/ResearchProgramsFunding/FundingOpportunities/IndexofGrants/NewInitiatives/targeted-grants-for-research-directed-at-poor-and-underserved-populations-expired-program>