Welcome

Marcia Smith
Associate Vice Chancellor for Research
Agenda

- Welcome and Announcements
  - Marcia Smith

- UCLA Research Proposals & Awards FY 2014 & FY 15
  - Rory Constancio

- NSF-OIG Final Audit Report
  - Gwen Herring, Audit and Advisory Services

- OCGA Award Processing Timelines
  - Patti Manheim

- Award Processing Timeline Case Study
  - Heather Winters

- Federal Demonstration Project Meeting: Federal Sponsor Update
  - Kathy Kawamura

- EFM Effort Reporting Update
  - Connie Brown

- Questions and Discussion
Review ORA FY 2014 Research Proposals & Awards & FY 2015 Q3

http://portal.research.ucla.edu/

Rory Constancio
Director, Office of Research Data Management
FY 2015 through Q3 Update

Proposal Requested Dollars & Counts

<table>
<thead>
<tr>
<th>Requested Dollars</th>
<th>Proposal Counts</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,802,568,659</td>
<td>4,119</td>
</tr>
</tbody>
</table>

Awarded Dollars & Counts

<table>
<thead>
<tr>
<th>Awarded Dollars</th>
<th>Award (Transaction) Counts</th>
</tr>
</thead>
<tbody>
<tr>
<td>$662,952,868</td>
<td>3,862</td>
</tr>
</tbody>
</table>
FY 2015 through Q3
Comparison to FY 2014
Proposal Requested Dollars & Counts

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Requested Dollars</th>
<th>Proposal Counts</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015 to Q3</td>
<td>$2,802,568,659</td>
<td>4,119</td>
</tr>
<tr>
<td>FY 2014 to Q3</td>
<td>$2,860,599,922</td>
<td>4,054</td>
</tr>
</tbody>
</table>
## FY 2015 through Q3
Comparison to FY 2014

### Awarded Dollars & Counts

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Awarded Dollars</th>
<th>Award (Transaction) Counts</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015 to Q3</td>
<td>$662,952,868</td>
<td>3,862</td>
</tr>
<tr>
<td>FY 2014 to Q3</td>
<td>$614,886,709</td>
<td>3,648</td>
</tr>
</tbody>
</table>
FY 2014 & FY 2015 through Q3
Awarded Dollars

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2014 through Q3</th>
<th>FY 2015 through Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Government</td>
<td>$356.5</td>
<td>$421.8</td>
</tr>
<tr>
<td>Business &amp; For-Profit</td>
<td>$55.2</td>
<td>$84.7</td>
</tr>
<tr>
<td>State &amp; Other Government</td>
<td>$81.1</td>
<td>$40.2</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$51.2 $50.2</td>
<td>$54.4 $49.4</td>
</tr>
<tr>
<td>Foundations &amp; Charities</td>
<td>$16.8</td>
<td>$16.3</td>
</tr>
</tbody>
</table>

Millions
NSF PERFORMANCE AUDIT OF INCURRED COSTS
Three UC Campuses were originally selected for the NSF Performance Audit of Incurred Costs in September 2010: UCSB, UCD and UCLA. UCB was added in 2013.

The audit objective was “to determine whether costs claimed by the University to NSF were allowable, reasonable, and in conformity with NSF award terms and conditions and applicable federal financial assistance requirements.”

- UCSB’s final report was issued in September 2012. $6.3 million in questioned costs. Resolution in June 2014: $43,551 disallowance.

- UCB’s final report was issued in March 2015. $1.8 million in questioned costs. Currently in the resolution phase.

- UCD is still awaiting issuance of their final report.
The audit began in September 2010; however, after preliminary information and data was submitted, the audit was stopped in January 2011 in order for the NSF to concentrate on UCSB and UCD.

UCLA’s audit was restarted in August 2012.

There was a lot of behind the scenes preparation required, including the download of all transactional data, and reconciliation of that data to the Federal Financial Reports (FFRs).

Due to the staffing constraints, the NSF contracted with Cotton & Company, LLP (a CPA firm), to complete the testwork. They began their work in March 2013.

The population included all expenditures charged to NSF awards from July 2009 through June 2012. Total expenditures exceeded $226 million.
The NSF used “Data Analytics” to select their sample transactions. This is the science of examining raw data with the purpose of drawing conclusions about that information. This allowed the NSF to target unusual or unallowable items based on such things as expenditure date, object code, cost transfer information, and budget comparison.

Sample: 496 individual transactions were sampled across 40 departments
- 367 Non-Payroll transactions (~ $3.7 million)
- 129 Payroll transactions (~ $444,000)
UCLA was charged with providing supporting documentation for each transaction selected. Therefore, A&AS reached out to the 40 departments and applicable central units to gather the necessary information.

More documentation and explanations were repeatedly requested from the auditors during the audit process.

A **BIG** thank you to those who were called upon by Rachel Yglesias for the payroll transactions and by me for the non-payroll transactions. It was truly a team effort to complete this huge task!
The final NSF audit report for UCLA included 9 audit findings with questioned costs of more than $2.3 million (includes F&A).

Although only $444,000 in payroll transactions were originally sampled, $2.1 million of the questioned costs related to all summer salaries charged during the review period.

After completing the NSF resolution phase, UCLA successfully reduced the disallowance to $130,469.
# Final Audit Results

<table>
<thead>
<tr>
<th>Finding</th>
<th>Description</th>
<th>Questioned</th>
<th>Allowed</th>
<th>Sustained</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Overcharged Summer Salary</td>
<td>$2,111,653</td>
<td>$2,111,653</td>
<td>$0</td>
</tr>
<tr>
<td>2</td>
<td>Unsupported Per Diem Costs</td>
<td>$131,139</td>
<td>$86,792</td>
<td>$44,347</td>
</tr>
<tr>
<td>3</td>
<td>Unallowable Visa Application Fees</td>
<td>$73,135</td>
<td>$0</td>
<td>$73,135</td>
</tr>
<tr>
<td>4</td>
<td>Unreasonable Equipment Purchases Made at the End of the Grant Period</td>
<td>$15,700</td>
<td>$15,700</td>
<td>$0</td>
</tr>
<tr>
<td>5</td>
<td>Unreasonable Salary Expense Charged to an Award</td>
<td>$15,186</td>
<td>$15,186</td>
<td>$0</td>
</tr>
<tr>
<td>6</td>
<td>Unallocable Domestic Travel</td>
<td>$6,104</td>
<td>$0</td>
<td>$6,104</td>
</tr>
<tr>
<td>7</td>
<td>Unallowable Application of Indirect Expenses</td>
<td>$3,200</td>
<td>$0</td>
<td>$3,200</td>
</tr>
<tr>
<td>8</td>
<td>Unallowable Technology Infrastructure Fees</td>
<td>$2,263</td>
<td>$0</td>
<td>$3,683</td>
</tr>
<tr>
<td>9</td>
<td>Late Effort Report Certifications</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td></td>
<td><strong>Totals:</strong></td>
<td><strong>$2,358,380</strong></td>
<td><strong>$2,229,331</strong></td>
<td><strong>$130,469</strong></td>
</tr>
</tbody>
</table>
FINDING 1: Overcharged Summer Salaries
Although we adequately defended UC’s policy, a reminder that no more than 2 months of salary (the equivalent of 2/9ths salary for academic faculty) may be charged to NSF awards, unless specifically approved.

FINDING 2: Unsupported Per Diem Costs
In December 2014, a Deans, Directors, et al., memorandum was distributed to the Campus, and in April 2015, UC BFB G-28, Policy Regulations Governing Travel, was also modified to state “Receipts that support the reimbursement claim for long-term foreign lodging that is charged to a federal fund source (whether reimbursed as a per diem or actual), should be kept on file within the department and retained for such periods as required by either the sponsor’s retention policy or UC retention policy. This change was made as a direct result of the NSF audit. The NSF was lenient, only disallowed half the lodging costs.
LESSONS LEARNED FROM AUDIT FINDINGS

FINDING 3: Unallowable Visa Application Fees
The NSF found that UCLA violated either federal policies or our own policies regarding the direct charging of visa application fees to NSF awards.

UCLA’s guidance states: “Unless prohibited under sponsor policy, charges for immigration visa applications may be charged to contracts and grants when justified. These charges must be reasonable, necessary for the performance of the particular sponsored project(s), and consistently charged to the fund source(s) that supports the immigrant’s salary. The need to hire someone with a particular expertise (i.e., demonstrated scientific need) for whom relocation and immigration expenses are necessary, rather than hiring someone who is already legally qualified to work in the United States must be well justified and documented.”

The auditors pointed out that the individuals selected in the sample were not recruited, but were in fact already employees for many years. Additionally, UCLA did not properly allocate the fees across projects in proportion to each employee’s effort. Extrapolation was used by the NSF to all visa application fee transactions over $1,000 within the review period. UCLA decided to agree to the disallowance.
LESSONS LEARNED FROM AUDIT FINDINGS

FINDING 4: Unreasonable Equipment Purchases Made at the End of the Grant Period
Although the definition of equipment was explained to the auditors, the items deemed “unreasonable equipment” were all computers. As a reminder, campus departments should have detailed justifications or necessary sponsor approvals for any equipment or computers purchased during the last 90 days of a project. With exhaustive explanation by the PIs regarding why these computers were purchased at the end of their awards, UCLA prevailed on this finding.

FINDING 5: Unreasonable Salary Expenses Charged to an Award
A salary expense transfer was made 10 months after it occurred. While UCLA prevailed on this finding because the PI provided justification, UCLA should not engage in such late cost transfers. This issue was also brought to the forefront, because an effort report was never produced, so the PI never certified his time. ORA has now implemented a update to the effort reporting system so that all late pay transactions are captured.
FINDING 6: Unallocable Domestic Travel
A domestic research trip was charged that was not planned or budgeted. The NSF program officer was also consulted during the audit resolution phase, and was determined that the trip was not necessary to accomplish the goals of the project. Additionally, the trip was not mentioned in the final progress report. When trips are not mentioned in the original proposal or included in the budget, please review these expenditures with your PIs and obtain agency approval when necessary.

FINDING 7: Unallocable Application of Indirect Expenses
F&A was inappropriately charged when transferring a cost from one account that did not assess F&A, to another account that did. The expense involved “participant costs.” Please always be cognizant when transferring costs what other issues should be taken into account, such as F&A.
LESSONS LEARNED FROM AUDIT FINDINGS

FINDING 8: Unallocable Technology Infrastructure Fee (TIF)
Please ensure that TIF is allowable on your awards. Two awards specifically stated that TIF was unallowable, yet it was charged.

FINDING 9: Late Effort Report Certification
50/93 effort reports reviewed were submitted late. While there was no disallowance associated with this finding, we encourage you to submit your effort reports in a timely manner so that we can achieve 100% compliance.
SUMMARY OF LESSONS LEARNED

- Review your award budgets to ensure that expenses are allowable, and obtain agency approvals where necessary. Don’t assume that if a PI tells you to charge something to their award, that it is appropriate.

- Ensure that all cost transfers are properly justified and explained. It is not adequate to say, “moving cost to correct fund.” Auditors question why it was charged incorrectly in the first place.

- Ensure that your transactions are timely. Late adjustments or cost transfers send up RED flags to the auditors, especially those that come at the end of the award period.
EFM will be reaching out to the applicable departments to resolve the disallowed cost issues, and refund the NSF.

Should you have any questions, you may contact: Assistant Director Maurice Taylor at x42843, mtaylor@research.ucla.edu
Final NSF Report:

Resolution Letter:
AUDIT & ADVISORY SERVICES CONTACTS

Gwen Hering
External Audit Coordinator
X33740, gwenh@iad.ucla.edu

Rachel Yglesias
Research Compliance Monitoring Coordinator
X33745, ryglesias@iad.ucla.edu
OCGA Award Processing Timelines

Patti Manheim
Director

May 14, 2015
Composition of Awards Received by OCGA
FY 2013 to FY 2015 through Q3, Excludes CTAO & OIP ISR Awards

- Percentage of complex awards continues to increase.
- Anticipate the same for the full fiscal year (FY 2015)
### Award Processing, Expedited & Complex

**FY 2013 to FY 2015 through Q3**

*Excludes 3 Days for ORDM Processing/Fund Set-up, & UC General Accounting Awards*

- 50+ percent processed in two days or less.
- Enhanced eDGE disclosure process
- Increased complexity of awards → increased processing timelines

<table>
<thead>
<tr>
<th></th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015 through Q3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expedited Awards</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2013</td>
<td>7</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>FY 2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2015 through Q3</td>
<td>29</td>
<td>39</td>
<td>60</td>
</tr>
</tbody>
</table>

![Graph showing award processing network days](chart)

**Award Processing Network Days (Median)**

- **FY 2013:** 18
- **FY 2014:** 18
- **FY 2015 through Q3:** 20

*May 14, 2015*
FY 2015 through Q3 Expedited Award Processing

- 70+ percent processed in **5 days or less**.
- 85% processed in **10 days or less**

May 14, 2015


FY 2015 through Q3 Expedited Award

Type of Actions Required

- Awards requiring OCGA Action Only: 51.1%
- Awards requiring External Action(s): 48.9%

Expeditied and Streamlined.

May 14, 2015
FY 2015 through Q3 Complex Award Processing

Despite level of complexity, 50% of all complex awards are processed in 20 days or less.

May 14, 2015
FY 2015 through Q3 Complex Award Agreements

Majority of complex agreements require interaction with external parties.

Awards requiring OCGA Action Only: 43.5%
Awards requiring External Action(s): 56.5%

May 14, 2015
FY 2015 through Q3 Complex Awards Agreement Processing

- **OCGA Action Only**: 10
- **One External Agreement Action**: 21
- **Two or More External Agreement Actions**: 47

Award Processing Net Work Days (median)

May 14, 2015
FY 2015 through Q3 Common Agreement Statuses
Open Agreement Actions External to OCGA (2,435 actions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of Agreement Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pending Sponsor</td>
<td>1,148</td>
</tr>
<tr>
<td>Pending Internal Documents</td>
<td>671</td>
</tr>
<tr>
<td>Pending PI/Department</td>
<td>402</td>
</tr>
<tr>
<td>Pending RPC Review</td>
<td>123</td>
</tr>
<tr>
<td>Pending Miscellaneous</td>
<td>91</td>
</tr>
</tbody>
</table>

Number of Agreement Actions
Award Processing Timelines

• Expedited Awards
  • 70% are processed in 5 days or less
  • 51% require only OCGA action
  • 49% require some external action

• Complex Awards
  • 50% are processed in 20 days or less
  • 44% require only OCGA action
  • 56% require some external action

• Percentage of complex awards continues to increase
  • Higher demand on OCGA and increased external interaction

May 14, 2015
Award Processing Case Study

Heather Winters
Assistant Director, OCGA
- IRB approval
  - Updated CITI’s delayed approval
- Coverage Analysis approval
  - Delayed IRB approval
- IDC exception required
  - Pre-agreed amount with Consortium
  - Required vital interest approval
  - Required UCOP approval (federally funded)
- 40+ unique inquires with sponsor and/or UCOP
- Pending IP Policy exception
  - Campus management plan
  - TTO management plan
• Required review and input from:
  - Insurance/Risk Management
  - Clinical Trials Office
  - OIP/ISR Office
  - PI/Department
  - UCOP
  - Sponsor
  - Other UC Campus
• Began review
• Informed by sponsor, no changes could be made
• Multiple requests regarding IDC rate
• Communication with sponsor regarding status
• Received requested information for IDC
• Communication with sponsor regarding status
• IDC exception sent to Vice Chancellor for review and ultimate UCOP approval
• Provided status update to PI
• Learned another UC campus received same agreement via listserv

• Sponsor provided list of other sites, attempted reaching counterparts

• Coordinated negotiation strategy with other campus

• Provided status update to PI
• Conference call with UC and OIP

• Sought guidance from UCOP

• Conference call with UC’s and UCOP

• Multiple email correspondence with sponsor, UCOP and UCLA

• Provided status update to PI
- Under review by UCOP
- Multiple email correspondence with sponsor, UCOP and UCLA
- Communication with sponsor regarding status
- Provided status update to PI
• Conference call with PI

• Conference call with PI, sponsor PI, sponsor contracts rep

• Multiple email correspondence with sponsor, UCOP and UCLA
• Reached agreement with sponsor on SOME terms

• Under new review by UCOP in accordance with policy exception

• Multiple email correspondence with sponsor, UCOP UCLA

• Provided status update to PI
• Multiple email correspondence with sponsor, UCOP UCLA

• Provided status update to PI
• Conference call with UCLA and UCOP regarding policy exception requirements

• Side agreement drafted and sent to sponsor for review

• Provided status update to PI
• Side letter pending review with sponsor

• Campus and Tech Transfer management plans under consideration

• Pending informed consent from PI
QUESTIONS???
Federal Sponsor Update

Federal Demonstration Partnership Meeting
May 14, 2015
Federal Demonstration Partnership

BACKGROUND

- 154 participating institutions
- Goal: “Improve Government Process”

REPEATED THEMES

- Administrative Burden
- Data Sharing
- Timeliness of Billing
National Science Foundation (NSF)

UPDATES
Proposal & Award Policies & Procedures Guide (PAPPG) for 2016
- ~May 2015 open for public comment
- ~Oct 2015 published
Participant Support Cost (PSC)
- “looked at very closely”
Research.gov
- Status and notification request currently in both Fastlane and Research.gov
- Eventually moving solely to Research.gov
Administrative Burden
- Key topic of interest (PIs of primary concern)
Budgets
- Budget Streamlining - pilot
National Science Foundation (NSF)

REMINDERS

Electronic Compliance Check

- Unsolicited Proposals
  - project description, budget justification, mentoring plan, data management plan, budget (duration & amount)

- Solicited Proposals (as of 4/24/15)
  - “Presence of”…
    - Error Check – project summary, project description, budget, data management plan, mentoring plan (if applicable)
    - Warning – references, biosketch, budget justification, support, resources
NIFA / USDA

ezFedGrants

- New electronic system
- Replace CREEMS, CDS, GAC, PRS
- Goal to standardize
- Status: assessment completed, rollout in summer 2015
NIH - eCommons

eCommons

• Mobile Friendly (PI priority)
  ▪ Status, Summary Statement, Application, Score
  ▪ Active “smart search”
  ▪ Recommended Administrative Functionality
    • Submission of RPPR

• Accounts Management Redesign

• New FFR interface

• Brainstorm of “Pain-points”
Office of Science & Technology
24 federal funding agencies

FY16 – priority of “Precision Medicine”
- Antibiotic Resistant Bacteria

BRAIN Initiative (Brain Research through Advancing Innovative Neurotechnologies)
- Neurology focused (alzheimers, autism)
- $300 million

CURRENT BILLS
America Competes Act
- If passed will reduce R&D funding (NSF, DOE)

NASA Bill
- Reduce NASA budget to earth science
- Additional Reporting Requirements
OCGA Outgoing Subaward Basics
Thursday, May 21st, 2015
Kinross, Suite 210
10:00-11:30 am

This session will discuss OCGA's process of Outgoing Subawards. Will address definitions, including distinguishing between a subrecipient and a contractor. Included will be a review of the updated outgoing subaward forms. This session is appropriate for anyone with responsibility for issuing outgoing subawards.

Follow us on Twitter: @UCLAoocga
ERS Updates

Connie Brown
Compliance Support
Effort Reporting
May 14, 2015
ERS Announcements

- Fall 2014 & Winter 2015 reports released on April 21, 2015
  - Certification Deadline: July 29, 2015
    Don’t wait… Don’t be late… See you at 100% on deadline date!

- ERS Training Course
  - Date: Wednesday, May 20th
  - Time: 9:00 a.m. - 3:00 p.m.
  - Place: Wilshire Center, 10th Floor
  - (Sign-up through LMS)
# Effort Reporting Crusade

5/13/15

<table>
<thead>
<tr>
<th>Academic Year</th>
<th>Fall</th>
<th>Winter</th>
<th>Spring</th>
<th>Summer</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cert Rate</td>
<td>Cert #</td>
<td>Open #</td>
<td>Cert Rate</td>
</tr>
<tr>
<td>2005-2006</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>2006-2007</td>
<td>100%</td>
<td>6112</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>2007-2008</td>
<td>100%</td>
<td>5829</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>2008-2009</td>
<td>100%</td>
<td>5831</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>2009-2010</td>
<td>100%</td>
<td>6484</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>2010-2011</td>
<td>99%</td>
<td>6547</td>
<td>1</td>
<td>100%</td>
</tr>
<tr>
<td>2011-2012</td>
<td>99%</td>
<td>6211</td>
<td>2</td>
<td>99%</td>
</tr>
<tr>
<td>2012-2013</td>
<td>99%</td>
<td>5761</td>
<td>16</td>
<td>99%</td>
</tr>
<tr>
<td>2013-2014</td>
<td>99%</td>
<td>5322</td>
<td>47</td>
<td>98%</td>
</tr>
<tr>
<td>2014-2015</td>
<td>7%</td>
<td>377</td>
<td>4761</td>
<td>7%</td>
</tr>
</tbody>
</table>

- **Phase 1**
  - 1 Open
  - 589 Open

- **Phase 2**
  - 1 Open
  - 113 Open

- **Phase 3**
  - Total 703

Total Open: 703
ERS Support

• Outreach Support
• Help Desk: ershelp@research.ucla.edu
  - Connie Brown
  - Leticia Calderon
Q&A