

# STREAMLINING ADMINISTRATIVE REQUIREMENTS TO REDUCE EFFORT AND COST

At a July 12, 2017 meeting between universities and nonprofit funding organizations, the topic of university costs associated with administrative and compliance requirements was raised. For research universities, affiliated medical centers, and independent research institutes, the cost of compliance with federal regulations and policies has grown significantly over the last two decades. As responsible stewards of philanthropic dollars, some nonprofit funders ask for compliance with similar requirements. However, the question was raised as to the potential for implementing more streamlined and less administratively time-intensive alternatives that still serve the needs of the nonprofit funding organizations.

The use of different tools and templates by nonprofit funding organizations means additional administrative effort because institutions need to accommodate a wide variety of unique processes. If requirements and processes had common elements this might lead to a decrease in administrative costs associated with awards from nonprofit funders. By streamlining requirements, benefits to funding organizations might include shorter negotiation time, more timely reporting, and consistently accurate and thorough reports. Several COGR member universities collaborated to identify efficiencies and areas where more uniform processes and templates could increase efficiency by reducing university administrative efforts and costs. These ideas were augmented by suggestions from members of the Health Research Alliance (HRA), a collaborative member organization of nonprofit research funders, regarding other ways funders can help improve efficiency at research institutions, while still serving the funders' needs with respect to advancing their missions.

Nonprofit funders generally adopt regulations and policies similar to their governmental counterparts to ensure research compliance with government regulations, to document accountable use of their funds, and to maximize the benefits of their investments in research. Funding organizations' efforts to maximize their allocation of resources to research while minimizing their own operating costs can put a strain on available resources to monitor and track compliance of grant requirements. This document sets out some suggestions for both nonprofit funders and research institutions to streamline requirements and procedures, which we hope will reduce burden on applicants, applicant institutions, and funders. Though many research institutions and funders already follow

these guidelines, a broader discussion of these suggestions can provide a framework for determining practical solutions.

## 1. PROPOSAL SUBMISSION

Eliminating inefficiencies related to proposal submission may have the largest impact because it would reduce administrative effort for both successful and unsuccessful proposals. For every award received often multiple proposals have been submitted. Below are several suggestions that could reduce administrative effort related to proposal submission. Universities and funders should discuss their respective limitations associated with proposal submission to understand where change is possible.

Acknowledging that because of variations in scope and missions, funders will never be able to endorse a few application submission systems or tools that most funders can employ, funders could work together to incorporate common themes in the tools they DO use including the following:

- Give plenty of notice and optional training when changes are made to individual funders' submission tools and processes
- Limit submission deadlines to normal business hours
- Allow multiple points of access to funders' application systems so that large or decentralized institutions can submit proposals efficiently
- Consider minimizing institutional review by not requiring acceptance of award terms and conditions at the proposal stage – as long as the institution commits to at least informally reviewing the funder's terms and conditions BEFORE proposal submittal to ensure they are acceptable, if the proposal is successful
- Work towards a more consistent format for proposal applications

Acknowledging that research institutions do not have complete control over researchers' proposal submissions, institutions could consider the following:

- Provide realistic guidance to potential applicants about funders' missions, grant programs, eligibility criteria, and success rates (to cut down on unsuccessful submissions)
- Train potential applicants how to read requests for proposals and guidelines so that proposals aren't thrown out because of lack of compliance or ineligibility
- Train researchers on institutional grant submission procedures, to minimize last minute or late submissions due to administrative details
- Train researchers to understand the role of university foundations and facilitate researchers' ready identification of appropriate tax IDs required for application to private funders
- Verify applicant eligibility for awards prior to preparation and submission of applications and ensure institutional letters of support clearly verify the applicant's eligibility (including faculty status, graduation dates, etc as applicable) for the grant.

- Provide accurate contact information for authorized university personnel responsible for proposal submissions to funders and communicate changes to these contacts immediately. Ensure all necessary personnel have access to the submission system before the grant deadline
- Meet submission deadlines. If there are difficulties with a submission, do not wait until after the deadline to contact the foundation

## 2. AWARD ISSUANCE AND ACCEPTANCE

In addition to intellectual property, which has been a focus of this collaboration over the past several years, there are other terms that regularly require negotiation. Universities and foundations would benefit from working together to create model/template language addressing these areas. In addition, the following suggestions will make the award acceptance process more efficient:

Suggestions for nonprofit funders include:

- Prioritize maintenance of online links: Award agreements may reference broken or out of date online links to terms and policies
- When individual negotiation is required, re-using agreed upon terms will reduce administrative effort for future agreements
- Work with research institutions and other funders to agree on definitions of intellectual property terms
- Work with the community of funding organizations and research institutions to develop guidelines and suggested practices that increase efficiency with respect to:
  - Publicity, use of name, indemnification, rights to governmental and third-party sponsors, termination, and allowable costs
  - Timing and formats for continuation proposals/progress reports, financial reports, and technical reports
  - Options for payment terms
  - Processes for no cost time extension and re-budgeting requests and approvals
  - Transparent support for direct costs, indirect costs, and other costs associated with the research project
  - Agreement about payment of salary and fringe benefits directly benefiting the project
  - Termination language (especially as it relates to impact on students working on the project)

Suggestions for research institutions include:

- Implement consistent processes for review of terms and conditions
- When individual negotiation is required, designate a point of contact that is technically equipped to negotiate terms

- Limit individual negotiation when funding organization is re-using previously agreed upon terms
- When feasible, review the foundation's policies and procedures prior to receiving the grant agreement.
- Provide accurate contact information for authorized university personnel responsible for awards and signature of grant agreements, and convey changes immediately
- Establish a consistent workflow to process and sign electronic grant agreements
- Meet the deadline for signing a grant agreement

### 3. FINANCIAL AND PROGRESS REPORTING

Research Institutions spend a significant amount of time and resources to ensure that post-award reporting is performed to audit-ready standards. The use of processes that are more consistent across funding organizations, and when possible incorporating general templates, could streamline financial reporting.

Areas for nonprofit funders to consider include:

- Creating resources (including general templates) that would allow research institutions to report on project-specific expenditures
  - Consider accepting the standard invoicing template from research institutions when that template serves the need for project-specific reporting (if relevant)
- Discuss among the nonprofit funder community general reporting practices for collecting and reporting financial data that can be incorporated into funders' own systems, and identify useful financial reporting tools that funders could employ or add-on to their own systems.
- Increase accessibility to funders' financial reporting systems by allowing multiple logins to allow key staff to assist investigators
- Incorporate changes in access when research institutions report staff changes in a timely fashion
- Financial report due dates for the Period of Performance end date set without grace periods are a challenge for research institution administrators who have to collect subrecipient's financial reports as applicable and may have outstanding invoices. A grace period, such as 90 days post performance end would alleviate this issue.
- Work with research institutions to develop financial reporting templates that can be included with the award notice
  - Given the type of information being entered, the Excel format for financial reporting templates is greatly preferred over MS Word or Adobe PDF.

Institutions and funders should work collaboratively to develop an Excel template that includes the details that both parties need.

- Some financial reporting templates that are in Excel have no formulas or corrupted formulas – universities can help with template development to address these issues
- Send all communications to the authorized organizational representative as well the investigator, and ask that institutional representatives should not only acknowledge receipt but acknowledge they have read the communications.
- Provide more guidance on the following topics:
  - How to handle interest balances
  - How to handle unspent balances
  - Conditional Carryforward Restrictions
  - Allowable budget variances and re-budgeting

Suggestions for research institutions include:

- Develop financial accounting systems so that research expenses collapse easily into categories requested by nonprofit funders and federal government
- Avoid editing previously approved budgets. Keep the approved budget for the reporting period on hand as you prepare the expense report. Report variances against the approved budget
- Meet deadlines for submitting reports. If a reporting deadline can't be met, provide an explanation before the deadline, and ask for an extension in writing. Communicate with the funder early to prevent unnecessary personnel time spent in attempts to get the report
- Respond in a timely manner to questions about reports
- Provide accurate contact information for authorized organizational representative responsible for financial reports
- Provide an explanation for large variances between the approved budget and actual expenses
- Provide explanations for large reallocations in proposed budgets
- Do not budget large allocations to unspecified expense categories
- Reach out to the funders' grant manager before the submission deadline if there are any questions regarding financial reporting, including allowable expenses. This will reduce time spent on corrections and subsequently, payment delays.

#### 4. OTHER

- Rather than applying the Public Health Services conflict of interest threshold and requirements, that often result in unnecessary additional burden, nonprofit funding

organizations could consider adhering to the conflict of interest requirements of the National Science Foundation or defer to the research institution's COI policies and procedures.

- Research Institutions could focus internally on coordinating communication among the funder, sponsored programs, and the development office.

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