

## Tracking Investigator Award and Expenditure Credit for Sponsored Programs

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### I. Introduction

Northwestern University strongly encourages inter- and multi-disciplinary research collaborations. To facilitate such collaborations, it is important to remove administrative barriers that impede research interactions across department, center or school boundaries. For example, investigators from different schools and colleges may perceive barriers to collaboration if credit for a research award goes only to the unit of the principal investigator (PI). Schools, centers and departments may perceive barriers if all or some of the credit for research activity is assigned to the wrong unit. Ensuring appropriate credit is vital for fostering research collaborations. It is useful to distinguish between two aspects of the meaning of credit: award credit and expenditure credit.

Award credit is recognition to the units of investigators who have played a principal role in submitting and winning an extramural award. Award credit is important in certain instances, such as for external reporting related to unit ranking (e.g., US News and World Report), or for internal reporting to reflect the total research activity for individual faculty affiliate members of a research center, like the Robert H. Lurie Comprehensive Cancer Center. Award credit, because it can legitimately be claimed, in some instances, by more than one unit, can exceed 100%.

Expenditure credit refers to the accounting of funds actually expended on the research activity of a sponsored program. Tracking investigator expenditure credit is necessary for determining the appropriate distribution of facilities and administrative (F&A) cost recoveries, as well as for informing decisions regarding the allocation of space and other resources. Expenditure credit must add up to 100%. Tracking expenditure credit is important for research activities that cut across school and research center organizational lines. Also, initiation of an F&A revenue sharing program with three of the research- intensive schools on the Evanston Campus and the research centers reporting to the Vice President for Research (VPR) requires expenditure tracking. This new revenue sharing arrangement is described in greater detail in the document titled [New Program for Sharing Facilities and Administrative Cost Recovery Revenue](#).

A clear policy is needed to guide attribution of both award and expenditure credit for collaborative research projects to the level of the investigator and to the individual academic department or research center. This document outlines both a policy for attributing credit and a mechanism for tracking it.

### II. Policy Guidelines for Award Credit

The following sections describe the guidelines for tracking investigator award credit.

**1. Proposal Submission.** At the time of proposal preparation, the collaborating investigators will reach an agreement regarding the allocation of award credit. This information will be indicated on the OSR-1 proposal submission form. Proposals will be submitted to the chairs, center directors and/or dean's offices of the investigators involved for their review and approval. If the parties are unable to come to an agreement, the issue will be mediated by the appropriate dean (if all parties are within the same school) or by the VPR (if the parties are from different schools).

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**2. Grant Award.** Because the awarded funds may differ from those originally proposed, agreements among the investigators may have to be modified. The allocation of award credit will be confirmed at the stage of award set-up. The Office of Sponsored Research (OSR) will make changes requested by the collaborating investigators if a completed OSR 1 form with the appropriate signatures is sent to the OSR director.

## III. Policy Guidelines for Expenditure Credit.

The following sections describe the guidelines for tracking investigator expenditure credit.

1. **Two Paths.** There are two paths for allocating expenditure credit. One path is for grants in experimental fields where laboratories are typically maintained for conducting research. Normally, this includes grants in the natural sciences, engineering and medicine but is not limited to these research areas. For example, research in psychology is often conducted in labs designed for testing human and animal subjects.

A second path is for grants in fields that rarely or never use research labs. Normally, this includes grant activity in the social sciences, humanities and arts where researchers do not require dedicated research space. Instead, research is often conducted in individual faculty offices, libraries, or even home offices. Rarely is the research conducted in space intended solely for research, as is the case for laboratory grants.

For purposes of tracking research expenditure credit, research activity must be categorized into one of these two paths, described as follows:

- A. **Laboratory Grants.** For laboratory grants, the basic premise of this policy is that expenditure credit is to be attributed to the unit *whose resources and facilities are being used for the research project*. The facilities are normally research laboratories. In the case of program projects, center grants, and similarly complex awards in which multiple investigators are engaged, the establishment of separate sub-project accounts will be *mandatory*. These sub-project accounts will be the mechanism both for tracking expenditure credit and for attributing F&A costs. The expectation is that each sub-project will be administered, including account management, by the unit *where the work is physically performed*. Where appropriate, a center may petition to administer the sub-project account and retain a portion of the department administration recovery with the remaining expenditure credit going to the unit where the work is physically performed.
- B. **Non-laboratory Grants.** For non-laboratory grants the basic policy is that expenditure credit is to be attributed to the unit providing administrative support for of the grant. In the case of center grants or complex awards, the establishment of separate sub-project accounts will be *mandatory*. These sub-project accounts will be the mechanism both for tracking expenditure credit and for attributing F&A costs. Each sub-project account will generally be established in the unit *providing the administrative support for research activity*.

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The distinction between the two cases is important because it underlies the basis for attributing all expenditure credit for collaborative research activity. It is possible that department chairs and center directors will have conflicting views on the crediting of research activity. In these cases, deans of the schools involved and the VPR for the research centers may be called on to decide on the appropriate expenditure crediting of the research activity.

2. **Attribution.** Attribution of expenditure credit will involve the use of separate CUFS accounts for sub-projects to ensure expenditure information will be tied to the appropriate sub-project. For sub-projects identified to departments in the School of Education and Social Policy, the McCormick School of Engineering and Applied Science, Weinberg College of Arts & Sciences, or to a research center reporting to the VPR, cost recovery for the department administration portion of F&A recoveries will be credited annually to the School of Education and Social Policy, the McCormick School, Weinberg College, or the Office of Research, respectively. For sub-projects identified to a department in the Feinberg School of Medicine or the Law School, recoveries for both the F&A portions will be credited annually to Feinberg or Law, respectively, since both of these schools operate on a decentralized financial management structure, and pay all of the costs for the space they occupy.
3. **PI Responsibility and Authority.** Agreement to establish sub-project accounts does not alter the PI's obligation for good stewardship of the grant. The PI has the responsibility and authority to monitor the scope and performance of the sub-projects and to ensure that they are carried out consistent with the policies of Northwestern University and the sponsoring agency. Requests from co-investigators for major budget changes within a sub-project require the approval of the PI on the OSR-2 form before the changes may be made.
4. **Scope.** From the institutional point of view, the basic unit for the tracking of direct and F&A cost credit will be the R01, or the R01-equivalent on large, multi-project awards. In general, separate sponsored CUFS accounts will not be established for co-investigators on other types of awards, regardless of the researchers' department or affiliations. However, nothing in these guidelines precludes individual schools, centers or departments from establishing and administering distributed credit mechanisms at the R01 level, should they so choose. This policy is designed to track credit for the F&A for research grant awards with at least \$250,000 in total budgeted expenditures over the entire grant period.

When all parties cannot agree on the allocation of credit, the final decision will be made by the dean when all parties belong to the same school, or by the VPR when multiple schools are involved, or by the Provost when a University research center and a school are involved.

**Summary.** Although these policies and guidelines are meant to capture as closely as possible both award and expenditure credit, they are also meant to be flexible. Whether a sub-project award is designated to be managed by a co-investigator's academic department or by the PI's

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center/institute will be influenced by the balance of resources provided. If the collaborating investigators wish to share credit or F&A recoveries differently from the guiding policy and this arrangement is approved by the respective chairs/center directors/deans, the agreement will be recorded on the OSR form at the proposal stage and will be followed when the award is set-up. Schools that operate under a centralized financial management structure will share only the department administration portion of the total F&A recoveries.

**Timeline.** This policy is effective starting in FY 2006. The policy will be reviewed during summer 2006 for possible revision.

**Examples.** Some applications of the above guidelines are illustrated by the following examples.

- a. Dr. J is a Feinberg School of Medicine medical scientist with a funded sub-project of a P01 program project grant run through a university research center physically located on the Evanston campus. Dr. J's research on the sub-project is carried out in departmental space on the Chicago campus. Expenditures for the sub-project are handled by administrative staff in Dr. J's department. In this case, a sub-project account is set up in Dr. J's department and the F&A costs associated with the work would be credited to Dr. J's department. Please note that both the F&A recoveries are attributed to Dr. J's department because FSM operates under a de-centralized financial management structure and pays its entire annual operating costs for space it occupies.

The remainder of this program grant is handled through a sub-project account in a research center reporting to the VPR. Only the department administration portion of the F&A recoveries on this sub-project account will accrue to the VPR because the center provides administrative support for this portion of the grant, but it does not pay for its space costs.

- b. Dr. M. is a physical scientist in the engineering school with a funded sub-project of a U54 center award administered in Feinberg School of Medicine. Dr. M's research on the sub-project is carried out in departmental space on the Evanston campus. Expenditures for the sub-project are handled by administrative staff in Dr. M's department. A sub-project account could be established in Dr. M's department and the department administration component of F&A costs are credited to Dr. M's school. Please note that only the department administration portion of the F&A is distributed in this case because Dr. M's department does not pay directly for the space it occupies.
- c. Dr. X is a social scientist with a funded project run through the Institute for Policy Research (IPR), which reports to the VPR. IPR provides Dr. X with an office and administrative support, including account management, so the department administration portion of the F&A would be credited to the VPR. Her research involves heavy data analysis and she does some of this work in her IPR office, but also some of it in her departmental office using a computer purchased with her setup funds. Her department argues that it incurs administrative costs (for, among other costs, computer maintenance and replacement, printer supplies, etc.) to support the portion of the research conducted in her departmental office. The department, accordingly, believes it should share in the department administration portion of the F&A. If IPR and the VPR agree, the department

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administration portion of the F&A funds are shared. This is not facilitated through the use of a sub-account (because the activity does not meet the threshold for separate accounts), but, rather, through a transfer of funds from the VPR to the school.

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