

UW-Madison Administrative Policy	Effective Date: September 1, 2019
Policy # MBO100	
Collaborative Grant Expenditure Policy	

Functional Owner	Madison Budget Office
Executive Sponsor	Vice Chancellor for Finance and Administration and Vice Chancellor for Research and Graduate Education
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Statement of Policy:

It is the policy of UW-Madison that extramural research grant expenditures should be recorded in the department ID (UDDS) of the unit housing the research.

While individually led research projects generally have one physical laboratory home, multi-investigator grants are often carried out as separate projects in different units. For these grants (when the subproject is of a substantial size) activity associated with the subproject should be carried out in that unit and the expenditures incurred should be recorded in the department ID (UDDS) of the unit housing the research.

Allocating these costs properly is important because the annual Capital Exercise (CapEx) allocations to Schools/Colleges are calculated based on research expenditures and Facilities & Administrative (F&A, also referred to as indirect cost or IDC) costs by School/College ID. With this policy in place, arrangements for re-allocation of CapEx funding outside of these guidelines will not be supported by central campus administrative units.

Rationale:

Aligning expenditures with the location of the research is generally the most efficient means of ensuring expenditures are allocable, necessary and reasonable for the research project. As personnel effort varies over time, it is best to monitor and adjust payroll locally where the staff, the PI, and the administrators can work together to address changes. Similarly, supplies and other expenses are best handled as closely to the research as possible. For wet labs, procurement of supplies should be handled in close communication between the administrative staff and the lab personnel who can provide details on the need and timeline, confirm receipt, label and store the materials appropriately and answer questions throughout the process as needed. There are similar benefits for dry lab based projects which may entail ordering computer equipment or supplies and procuring software and services tied to the work occurring within the research space. Close communication between the administrators and the research personnel are critical to appropriate and effective procurement.

Indirect costs are intended to support facilities and administrative costs. While a significant portion of the facilities and administrative cost associated with research grants are centralized, there are lab maintenance and improvement costs as well as research equipment covered locally. Moreover, proposal preparation and reporting activities most commonly occur within the

physical home of the research. For these reasons it is important to accurately reflect the unit providing the space for the project in order to ensure that they are properly credited for their portion of F&A return as calculated through the Capital Exercise.

Finally, this expenditure model fosters interdisciplinary, inter-unit collaborative research by ensuring the flow of indirect cost revenue to research facilities which housed a portion of the sponsored activity performed on a grant. Having a consistent clear campus-wide policy on resource allocation removes any disincentive for units -- that are not the administrative home of the grant -- to participate in collaborative work. Going forward, because of this new policy, faculty and researchers will not experience pressure to negotiate these arrangements on a case-by-case basis or be denied reasonable requests for edits or subprojects to reflect their contribution to the research effort.

Policy Detail:

Within this policy brief, it is important to lay out the following foundational pieces: Grants should be applied for and administered through the unit best able to support the needs of the program. Most often, this unit will be that providing the majority of the research space or infrastructure. The unit serving as primary home (owning department) for a grant is responsible for overall management of the award, including monitoring subprojects and fiscal management of the overall award. Other units spending on subprojects or expanded spending edits must adhere to expectations regarding dollar limitations provided by the owning department, including the prompt transfer of inappropriate charges to other fund sources.

The method for properly crediting the subprojects is to either establish a subproject in the official university financial system, or to expand spending edits to allow expenditures on the primary project by that unit. (See Business Services Procedure 104, section on Funds availability in 133 and 144 project/grants for information on spending edits.) In either case the primary home of the grant will be responsible for the overall grant. Units can decide on a case-by-case basis whether expanded edits or subprojects are a better fit, but the unit serving as the primary award home should know that in either arrangement, they must ensure proper fiscal management of the overall award.

The owning department for a grant may choose to forgo the subproject/expanded edit arrangement for collaborations expected to fall below an annual threshold amount of \$10,000, inclusive of all costs such as salary, fringe benefit costs, supplies, equipment, and travel.

Because professor appointments are made by the tenure home, it is expected that payrolling of faculty salary will be done by the home department. Grant edits should be expanded as needed to support this arrangement if the faculty salary charged to the award will be consequential (i.e., 2% salary or greater) even if the total expenditures on the project are less than \$10,000. In cases of joint faculty appointments, other arrangements may be more appropriate.

Units that provide services for a grant project on a fee basis would not typically be treated as a project collaborator. Therefore, there is not usually a subproject or expanded edit arrangement for campus service providers. There may be cases when a portion of the service unit staff are

paid on the grant because they play a role in the project. Overall, there should be flexibility in implementation of these guidelines to allow for special circumstances.

Exceptions:

During on-campus faculty relocation or other transitions existing grants may remain in their original administrative home. New grant proposals should be run through the appropriate unit based on space assignment. Additionally, instructional grants are generally best administered in the tenure home where the faculty teaching responsibility lies.

There may be other unique circumstances that should be addressed through exceptions agreed upon by the affected departments/units and dean's offices with the concurrence of the owners of this policy.

Some schools, colleges, departments and graduate programs have specified expectations regarding the appointment home for their graduate students, particularly during the period of pre-dissertation status (typically the first two years of training). This policy does not overrule those division or unit expectations.

Resolution of Disputes:

In cases where the application of this policy is in dispute, the Madison Budget Office will be the final authority.

Policy History: Implemented by the Vice Chancellor for Finance and Administration and the Vice Chancellor for Research on September 1, 2019