

Office of Sponsored Programs

Mission and Functions

The mission of the [Office of Sponsored Programs](#) (OSP) is to assist the MIT research community in securing sponsored research funding and administering those funds in a manner consistent with the mission and goals of the Institute and to make the administration of these funds as easy and efficient as possible. The primary functions of the office are:

- Proposal review to ensure adherence to sponsor requirements and compliance with Institute and sponsor policies.
- Review and negotiation of agreements that support MIT's research community, including sponsored research agreements, non-disclosure agreements, subaward agreements to other institutions, unfunded collaboration agreements, consortia agreements, and other agreements that sustain MIT's research efforts.
- Post-award administration to assist departments, labs, and centers in meeting MIT and sponsor requirements in carrying out sponsored programs.
- Calculation, audit defense, and negotiation of MIT's facilities and administrative and employee benefit rates.
- Development and maintenance of Coeus, a grants management system that supports the Institute's policies and management reporting needs.
- Development and delivery of training programs on research administration policies and procedures.

Challenges and Accomplishments

Training and Communication

Sponsored Project Administration (SPA) Training

The Training & Communications Team is made up of a manager, a senior training specialist, and a web producer. The added capacity supplied by the training specialist has made it possible to consistently deliver the Sponsored Projects Administration (SPA) training program. The eight-day program, supported and taught by more than 40 business experts and representatives from departments, labs, and centers (DLCs) and central departments, teaches critical facets of the role and responsibilities of lead research administrators in DLCs. Thirty-nine administrators participated during FY 2011. To date, the 54 SPA alumni work in departments that represent 99 percent of the Institute's 2011 research volume.

Fundamentals Training

The team has also reinvigorated short, integrated learning programs on the fundamentals of research administration policy and practice at MIT. Three "Fundamentals" programs have been relaunched: Unallowable Costs; Postaward:

Administration and Reporting; Project End and Closeout. Efforts continue to coordinate the training offered by the Office of the Vice President for Finance (VPF) and OSP. In addition to the collaboration that makes the SPA program possible, OSP's Fundamentals courses are developed and delivered with significant contributions by business experts from both departments. VPF and OSP training managers have worked to integrate a sponsored programs perspective into the VPF "Introduction to..." programs. With peers in training across campus, the OSP training team is committed to continuing and expanding such collaborations and cross-department learning integration.

OSP Intranet

The new OSP intranet site went live on May 2, 2012, featuring improved organization and access to resources for all OSP staff. With over 1,000 pages of content, it includes searchable resources that help OSP personnel better support departments in managing sponsored programs, as well a central repository for OSP policies and procedures.

Streamlining and Improving the Sponsored Project Proposal Process

In response to the 2009 MIT Institute-wide Planning Task Force recommendations, with the Research Administration Coordinating Committee (RACC), OSP continues to facilitate process improvements across the MIT research community that make significant and measurable improvements in the development, review, and submission of sponsored project proposals.

Coeus Development and Resources

The number of new proposals submitted by MIT increased modestly during FY2012 from 2,522 to 2,530. At the same time use of the Coeus electronic research administration system as a proposal preparation and routing and review tool continued to grow. In FY 2011 Coeus was used for 48.6 percent of all proposals; in June 2012 our Coeus proposals made up 81 percent of all proposals. As of August 15, 2012, all proposals are now being prepared and routed using Coeus. To accomplish this milestone, OSP staff:

- Developed on-line resources to assist Coeus users (Quick cards for Minimum Routing requirements, Coeus Validation Rules, Customized Budget Views, and DLC Proposal Checklists)
- Developed and implemented a new support/help model to work with DLCs that are transitioning to using Coeus. We created a DLC research administration questionnaire to assist us with the setup and implementation of Coeus for first time users and departments and we provided one-on-one assistance when needed.
- Developed new training for DLCs focusing on the basics of preparation and routing of proposals to non-federal sponsors. The first class was held in February, 2012. Fifty-one people have been trained and initial evaluations are very positive.

The upgrade to the most recent version of Coeus completed in June, 2012 provided time saving enhancements to MIT's proposal development system. For example, many of the Principal Investigator questions were moved to a new Questionnaire module within the proposal where only "Smart" Questions specific to the proposal are required. In addition, Subaward budgeting for proposals submitted to the Federal government was simplified.

Credentialing Contract Administrators

During FY2012, OSP continued to streamline OSP proposal review by authorizing qualified OSP grant and contract administrators to submit proposals to identified sponsors without senior staff review. The number of OSP administrators to be granted such submission authority grew from three to nine during FY2012, allowing us to increase the number of proposals going through a single stage review prior to submission by 19%, with continued improvement already underway for FY2013

Non-Federal Agreements

The OSP Non-Federal Agreements Team negotiated 358 agreements (all sponsors and agreement types – funded and non-funded) in FY2012. Ninety percent of these negotiations involved non-federal sponsors. Seventy-eight percent of the non-federal negotiations involved for-profit (industrial) organizations, while the remainder involved non-profit foundations (three percent) or other non-federal/non-profit sponsors (19 percent).

The team was also responsible for 116 new non-federal awards and original-source non-federal expenditures increased 9 percent, from \$191M to \$208M.

Negotiation Process Improvements

For a second year, OSP continued its program to improve the way in which non-federal negotiations are conducted and the way we communicate with the MIT community. During FY2012, the program:

1. Extended our appointments of an additional Contract Specialist and Assistant Contract Specialist for another year, to continue improving communications with stakeholders, standardizing our negotiation business processes, and implementing other improvement projects.
2. Further improved our use of Coeus to track non-federal negotiations, measure and analyze time duration of these negotiations to mitigate sources of delay in the processes, and generate weekly progress reports for OSP management and negotiators.
3. Implemented a new central MIT web site (<http://nda.mit.edu/>) on confidential information agreements (non-disclosure and data use agreements), setting forth MIT policy and practice on these agreements and providing a novel web-based online questionnaire for requesting such agreements, that automatically directs

- the request to the appropriate office for action. The new system facilitated a 40% increase in requests for these agreements from the MIT community while shaving over 10 days off the time from request to agreement execution.
5. Further refined templates for frequently drafted research agreements, to reduce or eliminate language that triggers unnecessary negotiation.
 6. Took advantage of the reduced number of negotiations to spend more time proactively managing communications with stakeholders inside and outside of MIT, yielding more satisfying outcomes for the stakeholders. Our ongoing per-negotiation survey of PIs after negotiations are completed demonstrates that these changes have improved PIs' overall satisfaction with OSP's negotiation services from 47% satisfied/43% dissatisfied in our December, 2010 benchmark survey to 90% satisfied/5% dissatisfied in the fourth quarter of FY2012.
 7. Purchased an advanced strategic negotiation course from a highly-rated vendor using the Harvard Negotiation Program curriculum and customized the course's role play exercises to provide examples of challenging OSP negotiations, then conducted two sessions (in June and August 2012) to train all OSP negotiators, including Contract Specialists, Contract Administrators and Subaward Administrators, to improve their strategic and tactical negotiating skills.
 8. Continued to document for OSP negotiators the rationale behind MIT's standard contractual terms for sponsored programs, and how much OSP's negotiators can deviate from standard MIT positions before seeking approval from other MIT offices or senior leadership. This "negotiation latitude" project has already enabled OSP's negotiators to become more flexible and creative during negotiations and will eventually become content for additional training programs for all OSP negotiators; meanwhile the content under development is being posted onto OSP's intranet to allow OSP negotiators to test and refine it.

This work will continue into FY2013 with further development of training materials for MIT negotiators of sponsored program agreements and subawards.

Research Subawards

In FY2012, MIT issued 178 research subawards to other organizations.

Subaward Process Improvements

To improve the efficiency of subaward requisition, drafting and negotiation, and issuance, OSP's Research Subawards Team implemented the following changes:

1. Revised and standardized the subawards business process
2. Improved the Coeus subawards module so it can be used as the sole means of tracking subawards through the issuance and administration processes, incorporating automated electronic notifications to MIT stakeholders to take specific actions at initiation, renewal and closeout milestones, and providing regular reports to management.

3. Expanded use of the Coeus negotiations module to track subawards negotiations.
4. Revised the subawardee qualification process, criteria and tools to initiate the process at proposal time so subawardees can be qualified before an award is received and so OSP has more flexibility to qualify and approve subawardees under non-federal prime awards.
5. Implemented a contract template to simplify and speed the drafting of subawards under non-federal prime awards.
6. Developed improved procedures and tools to speed close-out of subawards.

American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act (ARRA) of 2009, also known as the Economic Stimulus Package, calls for federal funding agencies to invest approximately \$22 billion in extramural research by September 2010 for the purpose of stimulating the US economy, in particular, retaining existing and creating new jobs. To date, MIT has received 189 awards totaling \$151 million.

These awards come with stringent additional reporting requirements. Principal investigators (PIs) are required to provide quarterly reporting of expenditures, progress on the project, and counts of the number of jobs created and retained for each award funded with ARRA funds for the life of the project up to five years. OSP has completed the twelfth reporting cycle for these awards. Reporting on 103 awards continues. ARRA expenditures in FY2012 totaled \$41.08 million with cumulative ARRA expenditures at \$117.81 million.

In September 2011, OMB issued memoranda M-11-34 "Accelerating Spending of Remaining Funds from the American Recovery and Reinvestment Act for Discretionary Grant Programs", which stated that ARRA awards must be completed by September 2013, unless OMB specifically approves an extension. Most of MIT's ARRA awards will end in FY 2013. The full list of ARRA awards can be found at <http://osp.mit.edu/coeus/user-guides/osp-guide-to-arra-reporting/report-of-mit-arra-awards>.

Research Administration Coordinating Committee

The Research Administration Coordinating Committee (RACC), an interoffice coordinating and advisory committee on research administration and compliance sponsored jointly by the VP for Research and the VP for Finance, was launched in March 2009 to provide ongoing review of research administration policies, systems, and business practices and processes to improve the way the Institute manages sponsored funding. RACC is a group of volunteers from key offices, including OPS, and does not have a staff.

Key Accomplishments FY2012

- Continued to monitor salary certification compliance and launched a subteam to review the current systems used to certify salaries, and recommend improvements that would simplify the process without compromising compliance.
- Launched a pilot of a 'pre-closeout' audit process to further support the work to improve award closeouts.
- Process improvement efforts included the management of cost sharing related to federal awards, streamlining the financial reporting and closeout process and streamlining the proposal process, including clarifying roles and planning for the implementation of online PI certification in support of MIT's new Conflict of Interest Policy which will go into effect on August 24, 2012.

The Metrics Project, an effort sponsored by RACC in Collaboration with the MIT Audit Division to consistently collect a common set of research indicators at the DLC level to assist with diagnosis of problems and to determine MIT's general level of compliance with federal research requirements, has continued to gather feedback from pilot groups. Key accomplishments in 2012 included improvements to the integrity of the data, the development of preliminary graphical reports showing averages and trends of key indicators, and the continued expansion of the use of the quarterly metrics reports in the DLCs. Starting in 2012-13, all of the Audit Division's quarterly reports will be in the Metric Project format.

Costing Issues

In July of 2012, the Office of Cost Analysis concluded negotiations with the Office of Naval Research (ONR) establishing fixed facilities and administrative (F&A) rates for FY2013 at 56.0 percent On-Campus and 4.5 percent Off-Campus. MIT had, for a number of years, set its rates artificially high in order to settle a large carryforward receivable amount with the government. At the end of FY2011, MIT had collected all carryforward amounts due and had, in fact, over-collected F&A. In FY2012, due in large part to steady growth of the research MTDC base and successful cost containment measures, MIT continued to over-collect F&A. A sizeable payable now exists and must be settled by artificially lowering the rate.

In addition, employee benefits (EB) rates have been negotiated for FY2013 on a provisional basis. Rates are 28.0 percent On-Campus, 26.0 percent Off-Campus, and 8.0 percent for part-time employees. Rates are projected to continue to rise, primarily driven by amortization of market losses on invested pension funds.

Throughout FY2012, the Office of Cost Analysis was also engaged in supporting routine Federal audits of MIT's research programs conducted by the Defense Contract Audit Agency (DCAA) and the Institute's comprehensive audit of compliance with Office of Management and Budget (OMB) Circular A-133 performed by PricewaterhouseCoopers (PWC), the Institute's independent auditors.

National Policies Affecting Research Activities

Conflict of Interest

In August 2011, NIH issued the first revision to its conflict of interest in research policy in over 15 years. The new policy includes:

- a lower reporting threshold for payments from for-profit entities
- a more robust institutional review process by someone at the institute (Designated Official) to determine if an outside activity is related to a researcher's MIT responsibilities (e.g. teaching and research); this will be accomplished by MIT's Conflict of Interest Officer, or a department head or his or her designee
- a requirement to publically disclose any situations where a researcher's outside professional activities could cause a financial conflict of interest with their Public Health Service funding

OSP organized an effort to develop new policies, procedures, systems, and training to bring MIT into compliance with the new federal regulations. Several offices and groups around campus contributed to the success of this very large task, including individuals in the offices of the General Council, Vice President for Research, Research Administration Coordinating Committee (RACC) Management Group and the Faculty Advisory Committee on Conflicts of Interest, comprised of 13 faculty.

The overall project included 5 work streams:

- **Develop a new Conflict of Interest in Research Policy** –Modified policy from 1995, combining up to date examples, process clarification and resources for PIs. See <http://coi.mit.edu/research/policy> for the full policy.
- **Revise the Coeus COI Disclosure process** – Revamped and streamlined the annual COI process and tool for collecting information related to financial interests.
- **Streamline the COI disclosure process during proposal submission** - reduced the number of full COI disclosures PIs previously made for all NSF and NIH proposals, and improved the quality of the baseline COI-related questions MIT asks all PIs during the sponsored programs proposal process.
- **Design and deliver training to NIH PIs that meets the new requirement** - under the new regulation all investigators conducting research under Public Health Services must be trained in the new PHS policy and in MIT's policy. Under this project we developed training and a means of tracking whether or not individuals subject to the requirement are in compliance.
- **Develop and deliver training to the MIT community on new policies and processes** – The new Conflict of Interest in Research policy applies to all members the MIT research community. We developed a series of workshops and on-line, on-demand training materials for faculty, staff and administrators, to orient them to the new regulations and highlight where to go for additional information.

MIT's policy is effective August 22, 2012.

A-21 Task Force

The Office of Management and Budget (OMB) formed a team of high level officials of federal research funding agencies to review administrative burdens included in OMB Circular A-21 – Cost Principles for Educational Institutions. MIT participated in several efforts to respond to this initiative, including those initiated by the Council on Governmental Relations (COGR). The Task Force was reported to be completing its work soon, on several occasions, but this revised combined circular has yet to be released.

Export Control Regulations being Reviewed

OSP and MIT's Export Control Officer have continued to address opportunities for improvement in MIT's export control compliance program.

- For example, sponsored research agreements and non-disclosure agreements now engage MIT's partners in helping us to assure that technology with export control restrictions doesn't unexpectedly arrive on campus, where it could create difficulties complying with export control regulations as well as MIT's open research policy. International research opportunities can now be evaluated with clearer guidance and a consistent framework for analyzing the effect of US import controls.
- Export control awareness training has been delivered to senior investigators in departments, labs, and centers, and has led to increased engagement both on specific transactions and on structuring research for the best combination of effectiveness and compliance.
- Finally, our experience during the past two years has been incorporated into a revised website (<http://osp.mit.edu/compliance/export-controls>) focused on the activities affected by export controls: classes, research, travel, shipping, and payments, which we believe will be clearer and more efficient for members of the MIT community.

Goals and Key Areas of Focus for FY2013

Much of the work of the OSP staff in FY2012 focused on initiatives and process improvements that we expect to rollout and/or continue to develop in the coming year.

Training and Communications

Using course evaluation tools, the team will continue to refine existing courses and develop new courses and other resources to complement our efforts to streamline the proposal process, improve the non-federal awards negotiation process, and continued support of the SPA and Fundamental programs. Emphasis will also be placed on training and communications tools regarding changes in federal regulations, such as the new Conflict of Interest requirements.

Process Improvements

Optimizing the Proposal and Award Management Processes

The OSP Grants and Contracts team is working closely with a team at the Sloan School to balance the workload of our contract administrators (CAs) to optimize the proposal experience, for both the CAs and MIT investigators. To complement this program, we're using data from the proposal review tool to evaluate the administrative quality of proposals arriving in OSP, and seeking opportunities to reduce the number of issues in those proposals. OSP is also engaging in roles-based training of our assistant contract administrators (ACAs) to better-assist with award management, by responsibilities combining decision-making and transaction processing responsibilities and allowing ACAs to take on additional responsibilities.

Electronic Document Storage

We're also moving forward with an initiative to store all active proposal and award documents electronically in Coeus, allowing authorized personnel to view the documents as needed.

Conflict of Interest and Outside Professional Activities (OPA)

The Coeus team will continue to develop modules and program refinements in support of OSP's efforts to improve the proposal and award processes, as well as specific tools for Conflict of Interest (COI) and Outside Professional Activities (OPA).

Coeus Development

Over the last few years, the MIT and the Coeus Consortium have been working with the Kualu Foundation to develop the next generation grants management system – Kualu Coeus. MIT now plays an active role in the new Kualu Coeus Community with Steve Dowdy serving on the Foundation Board, and as the Program Manager, Colleen Leslie, recently nominated as chair-elect of the Functional Council and Carol Wood, co-lead of a newly created User Experience Working Group. Additionally, MIT will play the lead role in testing the migration scripts for the conversion of MIT Coeus 4.5 to Kualu Coeus 5.0. OSP plans to implement Kualu Coeus, projecting an FY 2014 implementation date.

RACC

The RACC Cost Sharing Implementation Team will strive to make measurable progress in addressing the issues raised in the RACC Cost Sharing Team report to improve the processing, tracking and administering of cost sharing commitments on sponsored research. It is expected that the work of the Cost Sharing Implementation Team should feed directly into developing faculty effort management and tools – another area of focus for the RACC.

The goals of the RACC Metrics Project for 2012-13 include: expansion of the pilot to eight additional units bringing the total participants to eighteen, the development of management reports for the School Dean's Offices including a process for the periodic review of the indicators, continued work on the development of standards and targets

for use in determining the level of compliance and the migration of the reporting to a research metrics dashboard using Cognos reporting capabilities that can be targeted to the particular user's authorizations and can be run on demand.

Research Volume

The MIT total research volume (expenditures) for FY2012, excluding Lincoln Laboratory, was \$681 million, which represents an increase of 3.06 percent over the FY2011 expenditures.

The volume breakdown by major sponsor is shown in Table 1.

Table 1. Research expenditures by sponsor (in thousands of dollars), FY2008–FY2012.*

	2008		2009		2010		2011		2012	
	Original source	Proximate source								
Federal										
DHHS	226,307	198,205	255,896	231,449	136,923	123,100	152,664	135,756	133,687	116,148
DOE	64,889	57,239	65,356	58,183	72,599	65,035	89,253	78,035	90,940	78,734
DOD	87,370	55,526	97,528	63,650	106,890	69,969	107,753	66,225	117,502	71,350
NSF	64,973	51,120	61,386	47,864	69,802	54,678	74,859	59,814	81,487	65,217
NASA	25,479	14,923	27,358	16,433	30,629	20,464	28,080	19,524	30,204	20,447
Other	14,891	12,715	14,975	12,644	13,311	11,258	16,912	13,808	18,762	12,810
Subtotal	483,909	389,728	522,499	430,223	430,154	344,504	469,521	373,162	472,582	364,706
Nonfederal										
Industry	79,016	100,285	96,214	116,170	89,790	110,101	97,867	123,289	107,365	133,499
Nonprofit	50,909	117,469	63,817	128,327	50,040	106,136	47,729	111,049	51,506	125,375
Other **	29,209	35,561	35,673	43,483	44,387	53,630	45,708	53,325	49,626	57,499
Subtotal	159,134	253,315	195,704	287,980	184,217	269,867	191,304	287,663	208,497	316,373
Total	643,043	643,043	718,203	718,203	614,371	614,371	660,825	660,825	681,079	681,079

Note: Original Source includes expenditures on awards directly from US government agencies plus expenditures at MIT through subawards. For example, if we receive Department of Health and Human Services (DHHS) funds via a subaward from Princeton University, we would count it as DHHS funding under Original Source column, and Nonprofit under Proximate Source. Therefore, federal funds would be higher under the Original Source column.

*Totals exclude Lincoln Laboratory.

† FY2010 Totals exclude all Broad Institute expenditures. The MIT Brown Book reports \$626,560,519 in expenditures.

** Includes State, Local, and Foreign Governments, MIT Internal and Lincoln Laboratory.

OSP Operating Statistics

OSP operating statistics for FY2009–FY2011 are shown in Table 2.

Table 2. Office of Sponsored Program Operating Statistics, FY2009–FY2012.

	FY2009†	FY2010†	FY2011	FY2012
New proposals	2371	2453	2523	2525
New awards	936	1133	1007	1030
New contracts (US fed)	170	173	182	196
New contracts (non-fed)	115	153	147	116
New Subawards issued	187	205	194	178
Subaward invoices processed	2,818	3,031	3172	3037
Non-Fed Team Negotiations (funded and non-funded)	366	336	417	358
Active Awards	3242	3497	3512	3517
Active contracts (US fed)*	489	494	508	508
Active contracts (non-fed)*	436	457	457	451
Active grants	2317	2546	2547	2558
Active consortia	55	57	53	48
Total active consortia members	760	700	627	485
Consortia expenditures	\$37,575,903	\$28,260,230	\$30,342,373	\$30,111,851
ARRA proposals	274	124	5	4
ARRA awards	23	137	25	4
ARRA awards: total anticipated \$	\$13,378,861	114,415,688	22,165,000	1,629,967
ARRA expenditures	\$147,463	26,316,903	50,267,561	41,078,559
Coeus help-desk tickets	1,596	2,844	2,520	2795

*Includes fellowships, IPAs, and instruction

†Excludes Broad Institute

“US Fed” is original source as US Fed

“Non-fed” is original source as non-US Fed

Michelle D. Christy
Director, Office of Sponsored Programs