

Office of Sponsored Programs

The mission of the Office of Sponsored Programs (OSP) is to assist the MIT research community in securing sponsored research funding that is consistent with the mission and goals of the Institute; to provide information and assistance in managing sponsored research funding; to provide the proper stewardship of research funds that satisfies both the sponsor and the Institute; and to advocate for MIT research to outside entities. 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, including outgoing subawards, to ensure consistency with the Institute's corporate charter and status as a tax-exempt educational institution and compliance with Institute academic and research policies such as those relating to freedom to disseminate research results, access for all foreign faculty, staff, and students to MIT's educational and research activities, control of intellectual property, and full cost reimbursement.
- Post-award administration to provide assistance to departments, labs, and centers in meeting MIT and sponsor requirements.
- Calculation, audit defense, and negotiation of MIT's facilities and administrative and employee benefit rates.

Research Volume

The MIT total research volume (expenditures) for FY2009, excluding Lincoln Laboratory, was \$718 million, which represents an increase of 11.69% over FY2008. The volume breakdown by major sponsor is shown in the table on the following page.

Challenges and Accomplishments

Training

OSP developed a new proposal review training curriculum related to all sponsored program activities, which was delivered to OSP contract administrators in May. The assessment of the effectiveness has demonstrated that contract administrators are now more proficient at identifying issues and errors in proposals prior to submission to the sponsor. OSP is in the process of reorienting this training to deliver it to departmental administrators; we expect the program to be equally effective in terms of better equipping those who prepare proposals that meet Institute and sponsor requirements. Other ongoing training efforts in OSP include the development of a robust training program for senior departmental administrators on the full range of topics related to management of sponsored programs, which will be offered beginning in January 2010; and plans for a certification program for departmental research administrators. These two new training initiatives are being undertaken in collaboration with the Training Alignment Team and the Research Administration Coordinating Council. The OSP website is expected to be launched in early 2010, and the Top 10 Compliance Topics for PIs [principal investigators] is expected to be published in November 2009.

Research expenditures by sponsor (in thousands of dollars), FY2005–2009.*

	2005		2006		2007		2008		2009	
	Original source	Proximate source	Original source	Proximate source	Original source	Proximate source	Original source	Proximate source	Original source	Proximate source
Federal										
DHHS	180,682	162,170	195,573	174,171	201,557	177,175	226,307	198,205	255,896	231,449
DOE	69,927	62,722	67,265	60,179	64,741	55,990	64,889	57,239	65,356	58,183
DOD	85,866	54,403	89,535	54,196	90,571	57,113	87,370	55,526	97,528	63,650
NSF	66,686	56,206	65,040	54,412	65,057	52,006	64,973	51,120	61,386	47,864
NASA	32,170	19,258	31,229	19,405	27,889	16,536	25,479	14,923	27,358	16,433
Other	12,267	10,164	15,709	11,569	14,589	12,026	14,891	12,715	14,975	12,644
Subtotal	447,598	364,923	464,351	373,932	464,404	370,846	483,909	389,728	522,499	430,223
Nonfederal										
Industry	47,196	69,789	73,179	99,712	75,190	99,771	79,016	100,285	96,214	116,170
Nonprofit	50,409	110,442	28,306	86,015	37,590	99,934	50,909	117,469	63,817	128,327
Other	22,221	22,270	21,660	27,837	21,084	27,717	29,209	35,561	35,673	43,483
Subtotal	119,826	202,501	123,145	213,564	133,864	227,422	159,134	253,315	195,704	287,980
Total	567,424	567,424	587,496	587,496	598,268	598,268	643,043	643,043	718,203	718,203

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.

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. Both the National Science Foundation (NSF) and the Department of Energy received about 50% more in funding (\$3 billion each) in addition to their usual FY2009 appropriation amount (about \$6 billion each). The National Institutes of Health (NIH) received another \$10 billion in addition to their \$29 billion FY2009 annual appropriation. The other funding agencies received more modest increases in funding through ARRA.

To date, MIT has received 125 awards totaling \$93 million. These awards come with stringent additional reporting requirements. Specifically, 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. The first report was due 10 days after the close of the quarter ending September 30, 2009, seven months after the announcement of the ARRA funding program. OSP, in coordination with the Office of the Vice President for Finance (VPF), developed a new module in Coeus, MIT's electronic research administration system, to enable PIs to meet the reporting requirements as easily as possible.

In addition to the ARRA awards already received, MIT submitted several large infrastructure proposals to NSF and NIH, which are still pending.

The Broad Institute

The Broad Institute will officially separate from MIT effective July 1, 2009. OSP was a key contributor in the planning of logistical details for the separation. In addition, we worked with Broad and VPF staff to transfer the \$178 million research portfolio to the new Broad Institute, comprised of 122 prime awards and 96 subawards.

Research Administration Coordinating Committee

The Research Administration Coordinating Committee (RACC) was launched on March 2, 2009. The new group will provide ongoing review of research administration policies, systems, and business practices and processes in the context of changing funding and regulatory environments, and will identify opportunities for better serving the research community. Several projects are under way through the use of subcommittees. Projects for the first year include improving compliance with the salary certification process overseen by VPF, piloting a new process for allocating faculty salaries to Institute and sponsored funds to better match actual effort to charges. This initiative was triggered because of a change in NSF policy. Like its predecessor the Research Administration Improvement Initiative, RACC is a group of volunteers and does not have a staff.

Costing Issues

On July 1, 2009, the Office of Cost Analysis, under the leadership of John Donahue, concluded negotiations with the Office of Naval Research regarding MIT's FY2010 facilities and administrative rates. Rates were approved, as proposed, at 68.0% on campus and 6.5% off campus. MIT earned \$12 million of the \$44 million in carryforward from previous years. We estimate that we will continue to earn additional carryforward funding in 2010. However, the carryforward has been fully reserved on the MIT books in the event we are unable to recover any of the remaining \$32 million through the usual rate process.

Impact of National Policies on Research Activities

Conflict of Interest

NIH and Congress continue to scrutinize researchers with potential conflicts of interest. This has led to several front-page stories involving researchers at Harvard University, Stanford University, and Emory University, for example. As expected, NIH also put out a call for comment on the Federal Register, requesting for increasing reporting for researchers and more stringent oversight of potential conflicts. OSP will continue to monitor these issues through the American Association of Universities and the Council on Government Relations.

In the meantime, MIT has been evaluating the means by which it collects financial disclosure information and monitors financial relationships, and has made changes to the conflict of interest disclosure process to improve quality of information we receive to review potential conflicts. OSP has also worked very closely with the Committee on Conflicts of Interests formed by the provost last year.

Code of Business Conduct

As reported previously, an amended Federal Acquisition Regulation (FAR) requires, for contracts exceeding \$5 million with a performance period of 120 days or more, a written code of business ethics and conduct be provided to each employee engaged in the performance of the contract within 30 days of the award, unless extended by the sponsor. The amended FAR also requires display of agency Fraud Hotline posters. FAR also requires an awareness program in business ethics and business conduct and an internal control system to detect improper conduct, and implement corrective measures. An internal reporting mechanism, such as a hotline, is cited as an example of one element of the internal control system. OSP has been a key contributor along with members of the Office of the General Counsel, Human Resources, VPF, and MIT Audit Division in developing a code of conduct for MIT and implementing a hotline. The code is expected to be announced by the end of the calendar year, and the hotline is expected to be operational by the end of the fiscal year.

E-Verify

Based on an executive order signed by former president George W. Bush, there is a new federal regulation that requires MIT to enroll and participate in the Department of Homeland Security's E-Verify program. E-Verify is an internet-based system that requires employers to verify the employment eligibility of employees, regardless of citizenship. The new regulation requires federal government contracting officers to include an E-Verify clause in all prime federal contracts of \$100,000 or more with a period of performance longer than 120 days. In addition, prime contractors under a contract with the E-Verify clause must "flow down" the E-Verify requirement to all subcontracts with a value over \$3,000. The regulation *does not* apply to grants and cooperative agreements. The implementation has been delayed several times due to federal court litigation challenging the rule but finally went into effect September 12, 2009. MIT has received contracts with this requirement, and as a result, we have enrolled in and followed E-Verify requirements for employees working under those particular contracts.

OSP is currently taking the lead in scanning individuals until a more appropriate process can be developed in Human Resources or the HR Payroll Service Center.

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More information about the Office of Sponsored Programs can be found at <http://web.mit.edu/osp/>.