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Recommendation #34: Process for collecting, reviewing and changing of data needed for the distribution of IDC revenue

Issue number: I-05, I-06

Background

The Resource Management Model (RMM) provides a formulaic means for distributing IDC revenue. Of the IDC revenue collected, 15% is distributed to principal investigators' incentive accounts (as long as the award yields the maximum allowable indirect cost rate) and 20% is distributed to the Overhead Use of Facilities Fund. Also, 10% will be distributed to the Office of the Vice President for Research and Economic Development (VPRED) to support interdisciplinary activities, 10% to the Resource Responsibility Center that is administering the grant and 45% to the Resource Responsibility Center(s) in which the principal investigator's (s') salary is funded. A more descriptive definition of this distribution model can be found in Recommendation #1 – Indirect Cost Recovery Revenue Distribution which can be found on the RMM Implementation at <http://www.iastate.edu/~budget/approved/IDCRev.pdf>.

Data collecting process

The RMM IDC revenue implementation work group reviewed whether the existing GoldSheet form could be used for collecting the additional data needed for the distribution model. The data needed for the distribution model includes:

- a. Resource Responsibility Center responsible for administering the project
- b. Listing of all of the principal and co-principal investigators and each of their shares of the 15% incentive
- c. Listing of all of the Resource Responsibility Centers and each of their shares of the 45% portion of the distribution model

The GoldSheet form has traditionally been used for the purpose of collecting a variety of data on new and continuing proposals. The work group concluded that with some changes to the GoldSheet form, the administrative unit and the principal investigator incentive data that is currently being collected on the GoldSheet form can be used for the IDC revenue distribution model described above. Additional changes on the GoldSheet were needed to collect data to support the distribution of the 45% portion of the IDC revenue distribution model.

Data reviewing and changing process

The work group also addressed the issue of providing Resource Responsibility Centers (RRC) with the opportunity to change distribution data, specifically the Administrative RRC data and the data associated with the 45% distribution to the RRC, after the grant or contract has been awarded. Several members of the work group agreed that units should be provided with an opportunity to review and change the distribution data at the time that the grant or contract is awarded and then provided another opportunity when an "extraordinary" event occurs that would potentially cause a significant change in how revenue or costs are shared. Such events may be a change in a principal investigator, a change in the appointment of the principal investigator (i.e. changes in the funding source of their salary) or a change in the administrative unit. Currently,

there is not an electronic system in place for changing these distributions after the grant or contract has been proposed. There were some concerns that if criteria for changing this data were not established that there would be a high volume of changes made throughout the year putting an administrative burden on OSPA and Sponsored Programs Accounting department (SPA).

Recommendation

Data collecting process

The RMM IDC Revenue implementation work group recommends that the data needed for the IDC revenue distribution model be collected on the GoldSheet form when it is routed during the proposal stage. There have been several changes to the GoldSheet form made to accommodate this recommendation. Training on completing the updated GoldSheet form will be provided by the OVPR. This training should take place prior to December 31, 2007.

Data reviewing and changing process

Resource Responsibility Center (RRC) administrators will have the ability to change the distribution data for the 10% distribution to the administrative RRC and the 45% distribution to the RRC when the proposal is originated and routed.

In addition, the work group recommends that RRC administrators have the opportunity to review and change the IDC revenue distribution data as follows:

- a. At the time the grant or contract is awarded. The RRC will have a certain number of working days from the date they receive the distribution data from OSPA to submit any changes to OSPA (the number of days that will be allowed to submit changes is currently being discussed between OSPA and RRC administrative offices).
- b. During the year on an active grant or contract when an “extraordinary” event occurs. When this event occurs, the changes should be submitted in writing by the RRC administrative office to OSPA. The criteria for determining when an “extraordinary” event occurs will be established by OSPA/SPA and fiscal officers.

Any changes to existing distribution data when the grant or contract is awarded will need to be approved by all RRCs involved with the contract or grant. The process for how the existing data will be provided to the RRC and the approval process for any changes to the data will need to be developed. Also, the process for incorporating the distribution data changes into the OSPA and SPA databases will need to be developed.