

DATE: March 1, 1999

FROM: Ike Muslow, M.D. *Im*

TO: All Department Heads & Faculty
Business Office
Grants Administration
Office of Research

RE: New Policies on Grant Applications & Expenditures

A recent internal audit of expenditures on research grants from the National Institutes of Health and other agencies has revealed that some grant applications submitted by LSUMC-S faculty do not include a request for salary support that is commensurate with the per cent effort devoted to the proposed research activity. The fact that salary support on grants is not uniformly used to pay a portion of the faculty salary, thereby relieving obligations of state funds, was also raised as a concern. Accordingly, I have been asked to develop a formal policy that addresses these and related issues regarding research grants.

The following policies will apply to all new grant applications submitted from this institution after April 1, 1999;

- 1) The amount requested for the principal investigator's salary will accurately reflect the percent effort devoted to the project, but no less than 20%. Requests for exemptions from this policy must be justified in a memo (with appropriate documentation from the funding agency) from the Department Head that accompanies the Proposal Check List (green sheets) to Grants Administration. This policy will require that all grant applications be received by Grants Administration at least five working days prior to the submission deadline.
- 2) When a grant is awarded, the requested amount of salary support for the principal investigator must be charged to the grant, effective the date of the award. The PER to change the source of funds for the principal investigator must be submitted to Grants Administration before the account is activated. The corresponding amount of salary and FTE (full time equivalent) on department state funds will be preserved in the department and available for rebudgets or future needs for that faculty member's salary when the grant expires.
- 3) Inasmuch as rebudgeting from salary to equipment categories on an NIH grant results in a loss of indirect cost recovery for the institution, an investigator who needs to purchase equipment not budgeted in the original proposal should work within the department, and with the administration if necessary, to identify alternative sources of

funds that can be used or exchanged so that the institution does not lose indirect costs.

4) Rebudgeting of departmental state funds may be possible for up to 90% of the monies freed up from the state budget by the PI's salary, which is now paid from the grant. The remaining 10% of the freed up funds will be retained as unspent budget in the Department, where it will be used to avoid overspending the institutional operating budget. Appropriate expenditures for rebudgets include equipment purchases, supplies, postdoctoral fellows, graduate assistants, students, positions not requiring an FTE or positions requiring up to the equivalent FTE that was freed up by the PI's salary charged to a grant. Departments choosing to rebudget the Departmental state funds should contact the Budget Office, preferably near the beginning of the grant budget period. Requests for rebudgeting of the state funds can be submitted to the Budget Office on July 1, December 1, and April 1 for each grant.

It is my hope that these policies will allow for maximal recovery of indirect costs for the institution and be in compliance with Federal laws and regulations, while maximizing the ability of the faculty to maintain productive and nationally competitive research programs.