

# MTU RESEARCH ADVISORY COUNCIL

March 18, 2005

1:30 PM

ROOM 305 ADMIN

## MINUTES

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### **Far Committee Update**

Julie Seppala provided an update on the Facilities & Administrative Rate Committee. The Far Committee held its first meeting last week. The current rates were discussed: research rate, instruction rate, & other sponsored activities rate. The committee also discussed use of an uncapped rate on industrial projects; other universities use it. Ours is 63%. We need to decide if MTU wants to begin to do so. This would affect about one-third of the funding. DOD is the only sponsor that we charge the uncapped rate. July 1, 2006 new rates will come into effect currently. ONR is our current audit agency. DHHS rates are usually lower. We currently define off-campus as more than 50% of the total costs incurred (consider both salaries and wages, and other direct expenses); travel and consulting costs are considered off-campus. More audits are happening. A-133 audit is not as thorough as it should be per Federal agencies. Participant support grants have been audited more frequently questioning mail, copy, telephone charges. These items will have to be looked into more closely by MTU.

ACTION: Julie will keep the RAC updated on FAR Committee progress.

### **Equipment Threshold**

Kelly Dube of the Property Office provided information on changing the equipment threshold. Kelly proposed to raise the equipment threshold from \$2,500 to \$5,000. Kelly provided the RAC committee with a handout. The Federal definition of equipment is \$5k. Approximately 50% of our tagged equipment would no longer need to be tracked. Administratively this would lessen the need for tracking of items and ensure that we would keep all items under \$5,000. It would also benefit MTU in the compliance area. An ONR representative was here and did a random physical inventory of tagged equipment, so MTU needs to begin to follow regulations more closely. Peg Gale voiced a concern about MTU tags being associated with the Department not an actual PI. There is a policy in place for transfer of equipment by a PI. In many cases, the sponsor can request to have

equipment returned. If the threshold were raised, it will take about 7 years before this would become more manageable due to depreciation. Overhead impact is spread out over numerous projects. If this policy were implemented July 2006 with all new projects, existing would be grandfathered along with proposals so there would be less of an impact on the PI. June of 2006 will be the next agreement renewal period.

ACTION: RAC committee decided that this would be a beneficial move for the University.

**Research Compliance** – Joanne Polzien gave a handout to the RAC with some updated research compliance information. Joanne raised a concern that MTU needs to make sure that we are staying in compliance. The research offices are continuously striving to keep MTU within regulations

ACTION: RAC recommended that important compliance issues information and alerts be disseminated in the VP for Research Newsletter and as on the Research website.

### **Technical Reports**

Julie Seppala discussed having late technical reports and corresponding receivable issues. Currently there are technical reports that are two years over due (August 2003) receivables \$250k/60days over due, of which \$55k is due to late technical reports. Currently we are 6 months behind on the over due September 2004 technical reports. Julie asked the committee for recommendations to assist her in obtaining these late reports. We are also having a problem with PI's spending out the money of the project and the university cannot invoice for final payments until the final reports are submitted to the sponsor.

ACTION: The RAC agreed that we need to implement a technical report deadline system for the over due reports with the Deans and Chairs of the PI's department to insure tracking of the technical report submission.

Next RAC meeting to be held on Tuesday April 26<sup>th</sup> from 2:30-4:00PM  
(Moved from Friday due to the BOC meeting & commencement)