December 2002

Dear Research Community:

We are pleased to bring you another quarterly report from the Sponsored Programs Implementation Team (SPIT). This report summarizes current achievements and announces future enhancements. If you would like to review the first quarterly report please go to the SPIT website, www.mais.umich.edu/projects/spit.html.

The table below is a summary of the current achievements as they relate to one of the four areas of concern in the research community (i.e., Financial Reporting, Project Administration, Project Initiation, Organization/Communications). The table is followed by more detailed descriptions of each of the recent achievements. These announcements, some in partnership with central administrative units, highlight changes/enhancements developed in collaboration with SPIT. The communication emails will be structured to provide you with a Table of Contents so you can easily scroll down and read more about specific topics. We welcome your comments and encourage you to ask questions concerning any of the issues in this report. Your comments should be sent to SPIT members at spitlist@umich.edu.

Summary of Current/Coming Changes and Enhancements

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Detail of Current Achievements

I. Financial Reporting Issues

1. Changes to the Project/Grant Budget Status, Statements of Activity, and Voucher Detail Expense Reports

The financials reporting review committee, which included staff from MAIS, Financial Operations, and research administrators selected by SPIT in consultation with deans and directors, was charged to help develop new formats for various financial reports to make them more useful for the schools, colleges, and institutes.

The committee organized focus group meetings, which resulted in recommendations for several changes to the Project Budget Status Report (PBSR), Statement of Activity, and Voucher Detail Expense reports. Redesigned reports were implemented with November business on December 10, 2002. Information about the redesigned reports is on the M-Pathways Web site at http://www.mpathways.umich.edu/fin/interchange_finreports.html.

Financial Operations Coordinator can provide help with reconciling reports or answer questions about the data on a report. The MAIS Help Desk can provide assistance running the reports from the FinODS database (call 734-936-7000 and select option 3, or e-mail maishelpdesk@umich.edu).

2. A-21 Reporting:

To improve the A-21 reporting process, Financial Operations Sponsored Programs has:

- Hired three full-time Financial Control Clerks to complete annual and final A-21 reports.
- Conducted an extensive process review, which included feedback from SPIT representatives and Department Administrator focus groups

This review resulted in suggestions for improvements to the A-21 process, and Sponsored Programs has begun to pilot the proposed changes. Additional feedback from Department Administrators and others interested in the A-21 reporting process should be given to Bryan Van Sickle (e-mail bysickle@umich.edu, or call 734-647-1946).

A communication explaining the changes to the A-21 reporting process will be distributed when the changes become effective in early January. Updated Process Guides, Job Aids, and training will be available.
II. Project Administration

1. Blue Pages and the Research Website Index
   The Blue Pages is a Web directory of administrative contacts for units that submit research proposals. It is independent of the UM Online Directory and the Financial Systems (MAIS). You can search the Blue Pages for administrative contacts using Dept ID, department name, or alphabetical index.

   Each Dept ID included in the index provides the names of the following administrative contacts: Department Chair, Chair’s Designate, Dean, Dean’s Designate. DRDA uses the Designate's names from the Blue Pages to print the PAN and PAC mailers (cover sheets).

   Use the Blue Pages to determine if your Dept ID contact information is correct. To request a correction, click the Blue Pages Update hot link. The Blue Pages can also help identify the contact in another department to arrange faculty collaboration.

2. RC-TIPS Web Page Launched
   Purchasing Services' new RC-TIPS Page informs the research community about procurement process improvements and useful procurement tools. Purchasing Services resource documents, including guides, FAQs, Job Aids, and Tip Sheets will be posted on this Web site. New resources available on this Web site include University Purchasing Confidential Customer Service Survey, Payment Guide, and Small Business Sub-Contracting Plan Overview. Future resources will include Understanding Cash Terms and Understanding Freight Terms. The RC-TIPS Page is linked to the Purchasing Services Web site.
3. University Purchasing Confidential Customer Service Survey
Purchasing Services has created the Purchasing Services Web Based Feedback Form to solicit feedback about its operations. To anonymously send an idea or information about how your project was handled to Purchasing Services senior management, please complete the feedback form. From time to time, users who are randomly selected from a list of projects or purchase orders will receive an email request from Purchasing Services asking them to complete the feedback form. Trends will be tracked and the metrics reported on a quarterly basis to Purchasing Services.

4. Purchasing Services Payment Guide
Feedback from the research community indicated that the various vendor payment processes are confusing, especially when an expedited payment is needed. To improve understanding about what payment process to use, Purchasing Services created a quick reference guide that explains how and when to best use the several payment processes. The Payment Guide will be available soon under the RC-TIPS link on the Purchasing Services Web site.

5. Department Manager and Alternate Department Manager FAQ
SPIT addressed an issue related to the confusion regarding the ability to stop payment to a vendor through M-Pathways. In researching this issue, MAIS and Purchasing Services discovered that the University community was unaware that a department can establish an Alternate Department Manager to approve payments in the absence of the Department Manager. A new FAQ sheet explains the roles of the Department Manager and the Alternate Department Manager. It also describes how to obtain M-Pathways access for both roles and includes information about voucher approval notification and available resources for approving vouchers over $10,000. The Department Manager and Alternate Department Manager FAQ sheet will be available soon under the RC-TIPS link on the Purchasing Services Web site.

6. Purchasing Services and SPRL Finalize Service Level Agreement (SLA)
Although unit administrators need to remember that legal and audit requirements exist, units involved earlier in the process can offer a high level of assistance in the procurement process. To explore this further, Purchasing conducted a pilot project with the Space Physics Research Lab (SPRL). As a result of the pilot program,

Departments desiring a more active role in the procurement process can now enter into a Service Level Agreement (SLA) with Purchasing Services, allowing greater flexibility to facilitate the procurement processes at the department level with assistance from Purchasing Services. The initial SPIT Task Team felt that a closer working relationship between Purchasing Services and research units would provide better support and more timely processing for complex or specialized purchase orders. An SLA also creates the opportunity to streamline the departmental business processes and develop procurement tools with the assistance of the end users. The program’s advantages are outlined in the SPIT December 2002 quarterly report, which also includes information about how you can discuss establishing a SLA between your department and Purchasing Services. A sample SLA will be available soon under the RC-TIPS link on the Purchasing Services Web site.

III. Project Initiation

1. Contract Administration Staff Available to Consult
To clarify whether a relationship requires a subcontract or a purchase order, Contract Administration offers to consult prior to proposal completion. Several Research Administrators have found these
consulting meetings extremely useful. If you would like to work with Contract Administration during your proposal preparation period, contact Pete Gerard at pgerard@umich.edu.

2. **Small Business Subcontracting Plan Process Change with accompanying Flow Chart and Overview Slide Presentation**

   SPIT has identified a need for clarification of when small business subcontracting plans are required by grants and contracts. In general, the University is required to establish a small-business subcontracting plan for federally sponsored programs that exceed $500,000 annually to ensure that underutilized businesses have an opportunity to provide products and services as part of the project. Also, some non-federal sponsors have small-business subcontracting plans, regardless of the program's dollar amount. As a result of SPIT’s analysis, Purchasing Services, in collaboration with DRDA, has revised the small-business subcontracting plan business processes to address compliance issues for both federal and non-federal sponsor requirements.

   DRDA has added a PAN pop-up for use when there are Minority Business Enterprise/Women Business Enterprise (MBE/WBE) requirements, but no Federal Prime Sponsor. In these cases, the account does not have an "M" prefix. ("M" prefixes are only assigned where there are such requirements and the award is $500,000 or more.)

   The text of the pop-up reads:

   "MBE/WBE REQUIREMENTS: The funding agreement for this Project requires project-specific minimum Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) goals for all purchases and sub-agreements. Purchasing will contact you regarding fulfillment of these obligations. Please see attached funding agreement for details."

   Purchasing Services has also created a Web-based slide presentation to explain the responsibilities of the principal investigator, Purchasing Services, and the sponsor to comply with the small business subcontracting program.

   The Small Business Subcontracting Plan Overview slide presentation can be found under the RC-TIPS link on the Purchasing Web site.

### IV. Communication/Organization

1. **SPIT Web Site Launched**

   In September 2002, SPIT, with support from MAIS, launched a Web site to inform the research community about SPIT’s efforts to improve research administration processes. The SPIT Web site contains a list of the issues the team is addressing, as well as progress toward solutions. Where appropriate, links are provided to central office Web sites and additional information. In addition, the SPIT Web site includes an electronic copy of the Quarterly Reports, the Team’s original charge, and a list of the Team members and the units they represent.

2. **Evaluation Model for SPIT Improvements**

   To ensure that the research community is aware of the work of SPIT, SPIT has formed a subcommittee to evaluate issue resolutions and the related communications. (You may have already participated in the sub-committee’s evaluation process if you completed the survey at the November RAN meeting.) The survey results provided helpful information on the effectiveness of SPIT communications.
3. **Federal Audit of UM Purchasing System**

The Office of Naval Research, the arm of the federal government that audits the University for compliance with procurement policies and procedures, completed a full audit of the University procurement system on November 1, 2002. An excerpt from the preliminary report follows:

**ONR Recommendation:**

University of Michigan should ensure that a price or cost analysis is performed on each federally funded purchase order and that the file contains sufficient documentation to indicate the type and extent of analysis performed.

This ONR recommendation is not new and in reality is a federal mandate, which will have a direct impact on the research community. Buying staff must ensure that a price or cost analysis is performed on each federally funded purchase order and that the file contains sufficient documentation to indicate the type and extent of the analysis performed. Often, Purchasing Services is asked to process complex and often high-dollar products and services at the final hour. Because of the increased ONR pressure to develop “sufficient documentation,” expect increased questioning from the buying staff for information, and allow a minimum of 15-20 business days for processing federally sponsored purchases. To reduce purchase-order processing time, it is imperative that buying staff are contacted as soon as a procurement need is identified.

**ONR Recommendation:**

University of Michigan should ensure that small business solicitation documentation is included in all purchase orders in excess of $100,000 issued under Federal prime contracts in accordance with FAR 52.219-9(d)(11).

ONR scrutinized the University’s Small Business Subcontracting Program. In addition to this recommendation, ONR has mandated that Purchasing Services require Principal Investigators to provide a written statement with the progress reports SF294 and 295’s. In the October 2002 submittal of the SF294 and SP295 reports, three small-business subcontracting plans fell short of meeting goals, which subjects the University to possible penalties.

At the recommendation of SPIT, Purchasing Services began quarterly reporting of underutilized business activity and now provides additional assistance to the Principal Investigator and Research Administrators in meeting small-business subcontracting plan goals. One improvement has been to make Austin Tetra’s searchable vendor database available to the University research community. In addition, Purchasing Services also searches the Small Business Administration’s vendor database to identify and provide HUB zone vendors to the research community.
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