

Improving the Efficiency of the Research Award Setup Process

By Mike Daniel and Rob Rubens

The setup of a research award is a high profile, outward facing, linchpin process in the award lifecycle. There are several key stakeholders, including academic and department leadership, principal investigators (PIs), and local research administrative support, all of them cognizant of the time required to set up a research award. These various groups' perceptions of the efficiency of the award setup process greatly affects their overall impression of the customer service level provided by central research administration offices.

The setup process often involves several personnel handoffs, from the pre and post-award functions, and can also include various compliance offices (COI, IRB, IACUC, IBC), general counsel, technology transfer, and sometimes offices outside of the research administration infrastructure, such as information technology. Each step provides an opportunity for hiccups in an award's progression, but consequently each identifies areas to streamline. Fortunately, setup is one of the easier research administration areas to quantifiably measure and improve via metrics, as there are myriad defined checkpoints. This paper will address key roles and responsibilities

surrounding award setup as well as valuable metrics to motivate staff, identify bottlenecks, and ultimately improve the efficiency and effectiveness of the overall process.

Award setup often forms the bridge between pre-award and post-award within a research administration organization. At a high level, all new awards or award modifications, once received, must be entered into the institution's various internal systems, including the pre-award tracking and post-award financial system. Communication of award receipt and basic award requirements (reporting requirements, budgetary terms) to PIs and local administrators must also occur.

Award setup also establishes the foundation for effective future management of the award, including meeting technical and financial reporting requirements, determining allowable costs, and tracking other salient milestones. Accurately recording data points during award setup is critical to effective and compliant award monitoring, as well as efficient cash management. Many prominent research administrators have recognized the importance of award setup to the smooth operation of their organizations. An ex-

ample of a recent process improvement initiative at the University of Wisconsin Madison (UW-Madison) centered on effectively employing metrics to improve the speed of award setup times: *"Using data to capture processing times for key steps in the award setup process, UW-Madison was able to quantify its baseline performance and identify ways to improve the process through workflow, IT, and training enhancements. The outcome of the initiative was an overall reduction in award setup times by over 60 percent. On an ongoing basis, UW-Madison has been able to maintain fast award setup times as a direct result of monitoring goal vs. actual performance data in this area on a monthly basis."* - Kim Moreland, Assoc. Vice Chancellor for Research Administration, and Director, Research and Sponsored Programs, University of Wisconsin.

Initial data entry errors create the potential for a butterfly effect downstream, ultimately increasing audit risk. Many other research administration functions rely on accurate award setup including invoicing of research accounts, financial reporting, Facilities & Administration (F&A) rate negotiation, effort reporting, and institutional

Proper Award Setup

Data Points Captured:

- F&A rate
- F&A base
- Overall budget
- Personnel effort

Effective Future Management

- Technical Reporting Requirements
- Milestones
- Financial Reporting Requirements
- Allowable Cost Determinations

Efficient Operations & Satisfied Customer Base

- Effective Cash Management
- Reduced Audit Risk
- Accurate Award Monitoring
- Compliant

1. Receipt of Award Document

2. Review & Negotiation of Award Document

3. Award Setup in Financial System

4. Award Account Distribution

budgeting. Data points such as F&A rate, F&A base, and overall budget, including personnel effort, must be accurately captured.

It is important that award setup proceeds as smoothly and efficiently as possible. Take cash flow, for example. If process holdups delay establishing the award account in the institution's financial system, the expensing of project costs and possibly reimbursement for costs already incurred are delayed. Many institutions allow investigators to utilize a "pre-award" or "advance" account for project expenses in anticipation of the official award. This holding account houses expenditures prior to the negotiation or receipt of formal award documentation. However, until the award has been received by the institution and fully set up in all applicable pre-award and post-award systems, the institution cannot bill the sponsor for research expenditures incurred. From a cash management perspective, timely conversion from a pre-award or advance account to an executed grant or contract is crucial in order to optimize cash flow at an institution.

Exact roles and responsibilities in the process can vary greatly among institutions due to differences in the sizes and structures of research administration offices as well as approaches utilized.

Examples of different organizational approaches to award setup include:

- Separate personnel in both the pre-award and post-award offices, each having a unique role in the process
- Award setup as its own unit within either the pre-award or post-award office
- A cradle-to-grave approach where a single research administration unit manages the process from proposal to award, including setting up awards in all systems

One common theme found across institutions, however, is that the PI and/or the PI's administrative support often play a key role in the process. For example, the PI may be responsible for acknowledging the terms and conditions of the

award before the award is accepted by the institution and research costs incurred. While each of the above approaches is valid, coordination of tasks among the different roles in the process remains critical.

Researchers value a high level of efficiency and accuracy in award setup, as they need the ability to incur expenses as quickly as possible upon award execution. Additionally, the ability to pay research staff salaries, purchase equipment and supplies, book travel, etc. is dependent on this cycle time. Delays in award setup will result in decreased customer satisfaction, with PIs often not hesitating to communicate their dissatisfaction and frustration to university leadership. Essentially award setup is a gate-keeping step for beginning research: spending and progress can only occur as fast as awards are set up.

To further understand the importance of the award setup process, it is useful to take a look at key steps in the process in more depth, including personnel responsible for proper execution, pitfalls to avoid, and key metrics related to each phase.

1. Receipt of the Award Document

Award setup begins when the award document, e.g. a fully executed contract or notice of grant award, is received by the institution. An intake staff member matches the award document to its associated proposal and records receipt of the award document in an internal tracking system. Typically, notification of award receipt is then electronically sent to the PI/department. At this point, it is imperative to begin tracking cycle times. Certain documents are time sensitive, requiring a signature and quick turnaround to the sponsor after receipt. Using the initial award receipt date as the starting data point of an award setup cycle makes sense as (i) it is the reasonable starting point from which administrative action can occur, (ii) it allows for tracking as process steps take place across various roles, and (iii) the receipt date will likely be viewed by the PI as the

starting point upon which action is expected of central research administration.

Pitfalls at this phase can be avoided with the following steps:

- Avoid communication breakdowns: Award documents and related information sometimes may not flow between the central research administration office and departments efficiently, causing dissatisfaction for PIs and their staff.
- Identify and associate award documents with corresponding proposal file(s), which requires additional due diligence upon award receipt, depending on both the clarity of data on the award document as well as the strength of the institution's proposal tracking system.

Two key metrics to begin tracking in this phase:

1. The receipt date of an award as the starting point for an award setup processing time metric
2. The type of award received (new, modification, subcontract) to enable a comparison of cycle times by type

2. Review and Negotiation of the Award Document

Next, staff will review the award document, identifying troublesome clauses, conducting compliance reviews, comparing the document against the corresponding proposal, negotiating with the sponsor if necessary, then accepting and entering the relevant data in the pre-award system.

Review of award documents will vary depending on complexity of the terms and conditions of the award, as well as the staff member's familiarity with the sponsor. This research administrator holds responsibility for noting special requirements and questioning non-standard terms. If issues are identified and fall outside his or her immediate realm of expertise, the administrator

should bring in additional resources within the office or elsewhere in the institution, e.g. the technology transfer, general counsel, or human resources departments, to resolve outstanding questions. Subsequently, applicable compliance checks related to conflict of interest (COI), humans subjects research (IRB), animal research (IACUC), and hazardous materials (IBC) should be completed at this stage.

It is at this point in the overall process that central research administration must verify the PI has taken comprehensive and necessary actions to gain all applicable compliance-related approvals. These compliance checks are a regulatory responsibility for the institution and comprise a critical step of the overall award setup process. If necessary, the award is then formally accepted by returning an executed contract or award document to the sponsor.

Pitfalls at this phase can be avoided with the following steps:

- Communicate necessary forms and procedures related to open compliance issues with the PI/department prior to award receipt, so award setup is not delayed. Award setup personnel should continue to follow up with

compliance offices and the PI to ensure a smooth flow through the applicable compliance approval processes.

- Establish clearly defined issue escalation procedures to address problematic award terms and conditions. For example, an institution could automatically escalate award negotiations that have gone on for more than 30 days since award receipt. Any delays and causes thereof should be tracked for future process improvement.

Two key metrics to begin tracking in this phase:

1. Time to review an award document. This could be defined as total pre-award review time for those institutions with separate pre-award and post-award offices. There is a benefit in tracking total review time for each administrative role in the process; leadership will gain a deeper understanding of the different components of overall process cycle time.
2. Number of awards put on compliance “holds,” length of compliance holds, and process time utilized in waiting for information from other offices (PI, departments, and compliance offices).

3. Award Setup in the Institution’s Financial System

At this juncture staff reviews the award’s reporting and financial requirements to determine payment schedule and disbursement method, e.g. letter of credit, invoicing, or fixed payments. In addition, it may be the case that the sponsor has awarded a reduced budget versus what was originally proposed. If this occurs many institutions will require the PI to provide an updated budget to reflect the awarded amount before proceeding with award setup. Some institutions will only require an updated budget if the reduction crosses a certain threshold, such as 20% of the total proposed budget. Using clearly communicated budget reduction threshold will send a clear signal to campus when a revised budget will be required.

Special reporting requirements should also be identified and noted, e.g. FFATA, cost sharing, and the frequency of sponsor financial reporting. The administrator should then establish this information in the institution’s financial system as well as any additional “shadow” system being utilized to track award data. This step establishes the research account and creates the unique account number.

Summary of Highlighted Metrics for Each Step of Award Setup

1. Receipt of Award Document	2. Review & Negotiation of Award Document	3. Award Setup in Financial System	4. Award Account Distribution
Award setup processing time (receipt date)	Time to review an award document	Total number of award setups over a specified period of time	Total award setup cycle time: award receipt to communication to PI that he/she may begin spending
Cycle times comparison by award type: new, modification, subcontract	Number of awards put on compliance “holds”	Cycle time from end of pre-award setup to end of post-award setup	Percentage of awards with corresponding “pre-award accounts”
	Length of compliance holds	Administrative award setup cycle time, or time from award receipt to completion of post-award setup	Average time before pre-award accounts are converted to effective grant revenue accounts
	Process time utilized in waiting for information from other offices	Cycle time to set up new awards vs. award modifications	

Pitfalls at this phase can be avoided with the following steps:

- Communicate the need to revise the project budget either internally (PI/Department) or externally (consultants/subrecipients) without delay.
- Ensure all award information is consistently and accurately transferred to post-award from pre-award.
- Completely capture award attributes in the financial post-award system; downstream financial processes and reporting can be affected.

Four key metrics to begin tracking in this phase:

1. Total number of award setups over a specified period of time, e.g. annually, quarterly, etc.
2. Cycle time from end of pre-award setup to end of post-award setup
3. Administrative award setup cycle time, or time from award receipt to completion of post-award setup
4. Cycle time to set up new awards vs. award modifications as well as various types of awards, e.g. contract vs. grants, federal grants vs. nonfederal grants

4. Award Account Distribution to PI and Department

One final step that cannot be overlooked in the award setup process is the final communication to the PI. After an award is established in the post-award financial system, documents and account information must be communicated to PIs and key department representatives in a timely manner. Any special or unusual terms or conditions should be noted. It then becomes the PI's and department's responsibility to review all award documents and understand all award attributes before beginning the research project.

Succinct and articulate communication to the PI and department is imperative. Research administration should send only relevant material in an easy-to-read format, and ensure atypical terms and conditions receive the necessary emphasis and explanation.

Total award setup cycle time - from award receipt to final communication to the PI granting allowance to spend - can now be captured. This metric measures overall process cycle time as well as interim cycle time (pre, post, department, and ancillary compliance offices) and allows for an assessment of the process efficiency.

Pitfalls at this phase can be avoided with the following step:

- Prompt, concise communication to the PI and research team once award setup is complete: although the need for clear communication is uniform throughout the process, it is especially critical at this stage as there are no additional administrative hurdles present that would inhibit the PI from beginning to spend funds awarded from the sponsor.

Two key metrics to begin tracking in this phase:

1. Total award setup cycle time – from award receipt to communication to the PI that he or she may begin spending award funds
2. Percentage of awards with corresponding “pre-award accounts,” as well as the average time before pre-award accounts are converted to effective grant revenue accounts

Frequent communication during the award setup process among all stakeholders is critical to process success. Especially within and across pre-award and post-award offices, free and open exchange of award information is vital for teams and individuals. In larger offices where award setup is supported by a variety of roles, it is crucial that key players remain in constant communication when trying to resolve award setup issues. Also worth highlighting once more for central research administration offices is the importance of communicating with and seeking feedback from its customers, i.e. the PIs and their local administrative support.

It is also important to measure performance metrics, and utilize them to drive process improvement. The benefit derived from capturing and analyzing these metrics will depend on multiple factors, including:

1. Recognizing staff for strong performance when warranted

2. Identifying where additional resources may be needed or where processes can be reviewed and changed to enhance efficiency
3. Detecting process bottlenecks both inside and outside of central pre and post-award offices, e.g. departments, compliance offices, problem sponsors
4. Setting goals for processing times to motivate staff as well as provide detail behind Service Level Agreement with the research community
5. Prioritizing workloads and reducing backlogs, e.g. redeploying staff to focus on awards held up for compliance reasons
6. Transparent reporting to leadership and campus to improve customer service and perception

In summary, optimizing the award setup process will lead to a plethora of tangible benefits for a research institution. A smooth, timely, and informative award setup process, evaluated by well-considered metrics, will boost customer service and satisfaction, improve cash management through the quick conversion of awards received into active research accounts, and enhance institutional compliance. ■



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