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TO: All Faculty

FROM: Tony G. Waldrop
Vice Chancellor for Research and Economic Development

Tony

RE: New Policies:
1) **Multiple Principal Investigators**
2) **Sharing of Facilities and Administrative (F&A) Cost Reimbursements in Collaborations**

Research and scholarship at UNC-Chapel Hill are highly collaborative and multi-disciplinary endeavors, and the University has long been among national leaders in fostering research partnerships. However, university research policies have not always kept pace with the collaborative research environment. To remedy that situation, I call your attention to two new research policies in critical areas: (1) the authority to recognize more than one Principal Investigator (PI) on extramurally funded grants; and (2) a University-wide formula for sharing Facilities and Administrative (F&A) cost reimbursements on awards involving collaborative work among faculty members from different academic units. These policies result from the work of a campus wide ad hoc Committee on Facilities and Administrative Cost Allocation, chaired by Jack Richman, Dean of the School of Social Work.

1) Co-Principal Investigators (Co-PIs)

A recent report from the federal Office of Science and Technology Policy required all federal funding agencies to develop policies and procedures to allow the recognition of more than one PI on their extramural awards. The National Science Foundation already allows more than one PI; the National Institutes of Health is currently implementing new policies to allow this practice on most awards beginning early in 2007.

On the advice of the ad hoc Committee, the University has modified its definition of Principal Investigator to allow for Co-Principal Investigators, as follows: ***Co-Principal Investigators are two or more individuals designated by the University of North Carolina at Chapel Hill who are responsible for the scientific, technical, scholarly or artistic direction of an extramurally funded project. Co-Principal Investigators share equal authority and responsibility for all intellectual, administrative and fiscal aspects of the award, consistent with applicable laws and regulations and the terms and conditions of the award or agreement.***

Under this definition, UNC-Chapel Hill recognizes two or more individuals each as holding full authority over an extramurally funded award. Any one Co-PI has full decision and signature authority over the award at any time. How Co-PIs make decisions and communicate their wishes is left to their discretion; university designation of Co-PIs does not obligate the collaborators to any particular form of action. One partnership might choose, for administrative convenience, to have only one of the Co-PIs sign documents and submit reports. Another partnership might decide that the first available Co-PI would sign any document, or that Co-PIs would take responsibility for different aspects of the project and sign only in connection with their areas. Whatever style a partnership adopts does not affect the underlying authority of each Co-PI in the eyes of the University.

Just as Co-PIs share authority, they share responsibility. If an account is overdrawn, an expense disallowed, or an audit finding issued requiring repayment, each Co-PI shares equal responsibility, including fiscal responsibility, to rectify the situation. If the partnership fails to accomplish the stated technical objectives of the award, each Co-PI is held equally accountable.

University policy does not envision that every collaborative project will result in Co-PIs. Recognizing multiple PIs is viewed as appropriate only when two or more individuals are truly intellectual equals on the project and deserve to be recognized as such.

2) Sharing of Facilities and Administrative (F&A) Cost Reimbursements in Collaborations

The University generally distributes 19.5 percent of F&A to units that originate and administer research awards, an amount in excess of $20 million annually[1]. These funds are critical to the financial viability of the academic and research units across the University, but they have traditionally been distributed only to the unit that is administering awards, even though collaborators on the awards may have primary academic appointments in other departments or schools. Most academic and research units have developed their own unofficial formulas for sharing some portion of recovered F&A with the home departments of Principal Investigators when awards are being administered in some other unit. These formulas vary from school to school or center to center and often have to be separately negotiated up front for each proposal that is submitted.

In order to eliminate confusion and ensure consistency in business practices across the University, and on the recommendation of the ad hoc Committee, the University has adopted a standard formula for the distribution of F&A recoveries in cases where there are Co-PIs or other significant collaborations as described below.

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[1] The current on-campus F&A rate for research is 46.0 percent of Modified Total Direct Costs (MTDC). That means UNC-Chapel Hill collects 46.0 cents of F&A for every dollar of MTDC on any on-campus research award that reimburses F&A at the full negotiated rate. There are different rates for different kinds of projects. Currently, 19.5 cents for every dollar of F&A actually collected is distributed to units that originate and administer awards.

In the absence of an alternative agreement approved by faculty member collaborators, their respective academic units and any center or institute involved in the administration of a project, University policy is that the 19.5 percent of F&A recoveries currently distributed to originating academic or research units be further distributed as follows:

3.9 percent	Dean or Vice Chancellor[2]
5.2 percent	Home Department(s) of Principal Investigator(s) and any Qualifying Co-Investigators
5.2 percent	Unit where award is administered
5.2 percent	Unit(s) where work is actually performed

This standard formula for distributing F&A recoveries is to be used in cases of collaboration involving more than one department, school, center or institute. Collaborators are encouraged to continue to use any previously conceived mutually agreeable formula or to develop an alternative mutually acceptable formula if they believe it would be more fair or advantageous to them in a specific case.

The formula to be used—either the fall-back University formula or one specific to the individual collaboration—is to be specified prior to submitting the grant application and is to be documented and approved as part of the sign-off process on the University Internal Processing Form (IPF). Collaborators are allowed to change formulas during the life of the award, but only with the signed agreement of all who approved the original distribution on the IPF. The Office of Sponsored Research has revised the electronic IPF to accommodate this process so that questions about the distribution of F&A will come up automatically in cases that qualify under this policy.

Sharing of F&A is required whenever a proposal has Co-PIs and strongly encouraged whenever a proposal has a single PI and one or more Co-Investigators (Co-Is) with a person-month or more of their time formally committed to the project in the budget, either in direct costs or University cost-sharing.

The report of the ad hoc Committee is available on the UNC-Chapel Hill website at http://research.unc.edu/osr/documents/f_a_final_report.pdf. That website also contains further details for implementation of the policies and examples of F&A sharing in different kinds of awards. Please direct any questions about implementation of these new policies to Dr. Robert P. Lowman, Associate Vice Chancellor for Research, at lowman@unc.edu or 962-0656.

[2] In common understanding, this 3.9 percent is said to go to a dean or center director. Technically, for all offices, centers and institutes not reporting to a dean, this 3.9 percent goes to the appropriate vice chancellor.