



## **Management Reporting Policy**

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**Policy Number:** 600-033  
**Effective Date:** April 3, 2007  
**Last Updated:** April 3, 2007  
**Issuing Authority:** Vice President for Research and Compliance  
**Responsible Offices:** Office of Sponsored Programs/Research Administration and Post Award Services Unit and Grants and Contracts Accounting

### **Purpose:**

To establish measurable indicators for management reports, which are used to monitor sponsored program administration at Howard University and all related entities, business units, subsidiaries and affiliated organizations including, but not limited to, Howard University Hospital (hereinafter referred to collectively as "Howard University").

### **Policy:**

It is the policy of Howard University to identify performance metrics and review reports to monitor and evaluate the administration of sponsored programs at Howard University.

### **Business Process Description:**

The Office of Sponsored Programs/Research Administration (OSP/RA), the Office of Sponsored Programs/Post Award Services Unit (OSP/PASU) and Grants and Contracts Accounting (GCA) have developed performance metrics to monitor performance in a number of areas. The performance metrics provide information to help OSP/RA, OSP/PASU, and GCA leadership improve service to the Howard University research community and meet sponsor requirements. On a periodic basis, the management of these offices reviews the metrics listed in this document, or other metrics, in order to evaluate the performance of their area. The management and leadership in each area are responsible for determining which metric, or combination of metrics, should be reviewed and at what frequency, based on the business and operational goals of the respective area.

### **Management Report Types:**

The following lists include performance metrics that could be used to provide a reasonable basis for customer service expectations, to help standardize business processes, and to provide meaningful reports for management.

#### **Institutional Performance Measures:**

- Total number of PI/PDs involved in research
- Total number of faculty involved in research
- Annual Customer Service Survey
- Total number of new sponsored programs awarded to Howard University annually
- Total number of new sponsored programs awarded by each sponsor
- Total number of new sponsored programs awarded by college/department
- Cumulative total funds available (awarded amount > expended amount)
- Cumulative total funds overspent (awarded amount < expended amount)

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- Total yearly expenditures for sponsored programs broken down by sub-section
- Total yearly expenditures for sponsored programs by sponsor
- Total yearly expenditures for sponsored programs by college/department
- Total F&A reimbursement
- Number of proposals/awards with “waived” F&A
- Total amount of waived F&A over a specified period (e.g., 1 year)
- Number of proposals/awards with non-F&A cost sharing
- Total amount of non-F&A cost sharing over a specified period (e.g., 1 year)
- Number of new proposals submitted versus new awards received
- Percent of effort reports completed in the designated timeframe

### **RA Reporting Measures:**

- Number of proposals submitted
- Number of proposals submitted in advance of the OSP/RA 5-day deadline and breakdown of proposals submitted after deadline (i.e., how many submitted 4, 3, 2, and 1 day(s) before sponsor due date)
- Average number of days to set-up an award

### **PASU Reporting Measures:**

- Number of Rebudgeting Requests reviewed
- Number of subrecipient invoices reviewed
- Average number of days for document review
- Number of non-financial reports delinquent *Accounts Payable*
- Average number of days required to review subrecipient invoices
- Number of subrecipient invoices open over “X” number of days
- Total number of subrecipient invoices paid over a specified period (e.g., 1 year)

### **GCA Reporting Measures:**

- Total number of cost transfers per month
- Number of active projects past their end date
- Number of late financial reports
- Number of revised financial reports
- Average accounts receivable balance for sponsored programs
- Average number of days for outstanding accounts receivable
- The number of invoices submitted each month
- The number of Personnel Actions processed each month

### **RETA Reporting Measures:**

- Total number of faculty trained.
- Total number of staff trained.
- Total number of trainings conducted.

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### Management Report Details:

#### **Institutional Performance Measures:**

- **Total number of PI/PDs involved in research**  
A measure of the total number of Principal Investigators and Program Directors operating at Howard University. This measure can be compared from year to year in order to determine the growth and development of the PI/PD personnel and role.
- **Total number of faculty involved in research**  
A measure of the total number of faculty involved in sponsored programs at Howard University to compare from year to year in order to determine the growth rate of research faculty.
- **Annual Customer Service Survey**  
A measure of the satisfaction of the Office of Sponsored Programs' customer base. (To be developed).
- **Total number of new sponsored programs awarded to Howard University on an annual basis.**  
Tracking the total amount of sponsored program funds awarded to Howard University helps OSP/RA to gauge the current research volume. It also provides a method to track the growth/decline of the research enterprise at Howard University and to understand the trends in sponsored program administration. This critical performance measure is an essential tool for management to understand the infrastructure and organizational requirements to support an efficient research enterprise.
- **Total number of new sponsored programs awarded by each sponsor.**  
Provides an indication of the type of research being conducted and highlights which sponsors are awarding funds to Howard University.
- **Total number of new sponsored programs awarded by college/department.**  
Provides OSP/RA with information on the volume of research being conducted in colleges and departments so that resources are appropriately distributed to address the volume.
- **Cumulative total funds available (awarded amount > expended amount).**  
Provides the total amount of sponsored program funds that have an expenditure balance less than the budgeted amount. This report provides management with the information necessary to monitor the amount of residual funds remaining on sponsored programs.
- **Cumulative total funds overspent (awarded amount < expended amount).**  
Provides the total amount of sponsored program funds that have an expenditure balance greater than the budgeted amount. This report provides management with the ability to monitor the total deficit amount currently on sponsored programs.
- **Total expenditures for sponsored programs annually.**  
Used in conjunction with the total new awards received on an annual basis, this measure helps gauge the current research volume. It also provides a method to track the growth / decline of the

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research enterprise at Howard University and to understand the trends in research administration. Measuring the growth / decline of research volume by reporting this information should be done at least annually.

- **Total expenditures for sponsored programs by sponsor.**  
Provides an indication of the type of research being conducted and highlights which sponsors are awarding funds to Howard University. This report can be generated annually to determine the funding levels by sponsoring agency and changes in their relative shares of Howard University awards from year to year.
- **Total expenditures for sponsored programs by college/department.**  
Provides OSP/RA with information on how much research is being conducted in colleges and departments so that resources are appropriately distributed to address the volume.
- **Total F&A reimbursement**  
Provides information as to the annual recovery of indirect costs associated with research activities at Howard University
- **Number of proposals with “waived” F&A**  
Provides information about the frequency with which Howard University recovers less than the maximum amount allowed by the sponsor of indirect costs associated with research.
- **Amount of waived F&A over a specified period (e.g., 1 year)**  
Quantifies costs that were not recovered from sponsors for “waived” F&A.
- **Number of proposals/awards with non-F&A cost sharing**  
Provides information about the frequency with which Howard University dedicates its own internal resources to indirect costs associated with research.
- **Total amount of non-F&A cost sharing over a specified period (e.g., 1 year)**  
Quantifies direct costs and in-kind resources dedicated to research that were supported by Howard.
- **Number of new proposals submitted versus new awards received.**  
Provides a measure of the Howard University proposal “win rate” when competing for funding. This measure does not include continuation proposals.
- **Percent of effort reports completed in the designated timeframe.**  
Tracks the percentage of effort reports that are completed on time by OSP/RA in order to monitor the progress of the effort certification process in a given period. Knowing the percent of effort reports completed within the designated distribution period helps OSP/RA know if effort reporting is being conducted in a timely and efficient manner.

### RA Reporting Measures:

- **Number of proposals submitted**

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Tracks the number of proposals that OPS/RA is handling in order to enable management to track and trend the increase and reduction in that volume over time.

- **Number of proposals submitted in advance of the OSP/RA 5-day deadline and breakdown of proposals submitted after the deadline (i.e., how many submitted 4, 3, 2, and 1 day before the sponsor's due date)**

OSP/RA strives to meet all sponsor deadlines for submission of sponsored program materials. This measure assists OSP/RA in providing the necessary data to support, or change, its 5-day submission deadline. Additionally, it assists OSP/RA with measuring tardy submissions.

- **Average number of days to set up an award.**

Tracking the time it takes to set-up an award so that the PI/PD can begin charging expenses to the award can be critical to the efficient management of the project. Setting up a new award is a detailed process that is critical to the proper management of the award. OSP/RA and RFA-OSP/GCA must follow several steps to properly notify all Howard University offices involved in award management, review the Award Notice, negotiate undesirable terms and conditions, and set up the necessary budgetary information to account for the award in the university accounting system.

### **RFA-OSP/GCA Reporting Measures:**

- **Total number of cost transfers per month.**

Cost transfers are made when an error occurs and an expense is mistakenly charged to a sponsored program that does not benefit from the expense. A high number of cost transfers can mean that expenses are consistently not charged to the proper awards to which they were incurred. Cost transfers can lead to revision of financial reports or invoices. Additionally, a high number of cost transfers increase the likelihood that the reported balances on invoices and financial reports sent to sponsors may not be accurate. If the transfers are not completed within the quarter that the incorrect charges occur, the sponsor will be improperly billed for an expense that was neither allowable nor beneficial to the project. High numbers of cost transfers may also signal that individuals within the research community at Howard University, both central administration and faculty, are not adequately educated on the cost principles set-forth by OMB Circular A-21 establishing the regulations for accounting for sponsored awards. Cost transfers can also signal a breakdown in business processes, or inadequate financial systems. As such, a high number of cost transfers are a major compliance risk. On a monthly basis, a report should be generated that identifies the number of cost transfers that took place on sponsored programs. In addition, the report should include the number of days it took to process the transfer after the error was discovered.

- **Number of active projects past their end date (over 90 days).**

Most federal awards require the submission of a final report 90 days after the award has terminated. While for some sponsors, the report deadline is sooner, 90 days is the amount of time used for standardizing this performance measure. The 90 days post award termination should be used to complete the research on the project, submit technical reports, have all obligated balances liquidated, and to reconcile and report account balances. Expenses should not be posted to an award after it has terminated unless the expenses were incurred for use on the project during the life of the award. As such, active accounts past the 90-day grace period pose a

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compliance risk as expenses may continue to post to an award after it has been reported closed and the final invoice submitted. This creates an opportunity for inaccurate financial reports and invoices to be sent to the sponsor, and increases the likelihood that revised reports and invoices will be needed. Furthermore, this creates additional work for OSP/RA and RFA-OSP/GCA due to a higher number of transactions that need reconciliation and the reports and invoices needing revision. This can add unnecessary stress and an increased workload on the research infrastructure. Keeping track of the number of projects that remain open more than 90 days after termination is an important measure of performance, and should be done monthly. (Please see the [Closeout Reports Policy](#) for further guidance)

- **Number of late financial reports.**

Provides a measure of how many financial reports sent to sponsors are considered late, or are submitted after the sponsor-identified deadline. Most federal sponsors require financial reports to be submitted 90 days after the award terminates. However, certain sponsors may request interim financial reports. The measure should identify the number of financial reports that are submitted after the sponsor identified reporting period and should be run at least quarterly. Timeliness of the submission of financial reports to many sponsors such as NIH and NSF can be reviewed online (NIH Commons and NSF Fast lane).

- **Number of revised financial reports.**

Reporting the financial status of a sponsored program is the certification to the sponsor of how their funds were spent for the stipulations laid out in the agreement. The sponsor assumes, when entering the agreement, that Howard University has sufficient business processes to oversee the awards. A high number of revised financial reports can signify that financial business processes may be inefficient or that the accounting for awards may not be accurate. Although errors occur, a high number of revisions may indicate to a sponsor that Howard University is not capable of accounting for sponsored programs. Tracking the number of revised financial reports sent to sponsors is a good indicator of the accuracy of financial reporting and strong accounting. A report should be generated at least annually to gauge how the sponsored programs division is performing.

- **Average accounts receivable balance for sponsored programs.**

This measure is important to both OSP/RA and to RFA-OSP/GCA as it may signal difficulty in the ability to collect revenue. In addition, delinquent account receivable balances may need to be written off, putting Howard University budgets and funding at risk. Managing the accounts receivable balances by continually measuring the average amount of accounts receivable helps identify financial risk, and identify inefficiencies with collection. This measure is obtained by performing the following calculation:

$$\text{(Beginning Accounts Receivable) + (Ending Accounts Receivable) / 2}$$

The period for beginning and ending accounts receivable balance can be on an annual basis, or a quarterly basis. The desired ratio for the average accounts receivable balance should be 1/6<sup>th</sup> of the total invoiced amount for the period tested.

- **Average number of days for outstanding accounts receivable.**



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The average number of days for outstanding accounts receivable on sponsored programs measures the number of days the accounts receivable balances are outstanding. This measure is a good indicator of the length of time it takes to receive payment from a sponsor. Several other risks areas linked to this ratio are listed below:

- Time it takes to apply cash to the receivable balance (Cash Management – the time the cash is collected to the time it is applied to the project is included within the average days outstanding)
- Problems contacting sponsors with outstanding accounts receivable balances
- Sponsors withholding payment because the terms of the agreement have not been met

To calculate the Average Number of Days Outstanding for A/R, complete the two steps listed below (*assume the period tested is yearly, or 365 days*).

Step 1.) Calculate the Accounts Receivable Turnover ratio, or “Turns Ratio.” This ratio is used to determine the average number of days outstanding for accounts receivable. In addition, this ratio is also used to quantify the number of times Howard University collects accounts receivable for the year; or how fast invoices “turn” into cash.

### **Total Invoiced Amount for the Period / Average Accounts Receivable**

The higher the number resulting from this ratio means Howard University is more efficiently collecting accounts receivable.

Step 2.) To calculate the Average Number of Days Outstanding ratio, divide the total number of days in the period (365 days) by the Turns Ratio generated above. As stated above, a higher number resulting from the Turns Ratio is better, as it translates into a lower number of days outstanding.

### **365 Days / Accounts Receivable Turnover**

The lower the numbers of days for this financial ratio, the faster invoices are paid and cash is collected from sponsors.

It is also possible to calculate an average number of days outstanding more simply by taking the difference between the invoice date and the date cash is collected, summing the difference for each invoice, and dividing by the number of invoices included in the summed population. This number differs slightly from the value returned using the first formula above as it only accounts for invoices in which cash is collected. Outstanding invoices are not included when calculating average days outstanding using the simple formula, as cash must be collected in order to calculate the value. The first formula in the preceding paragraph incorporates all invoices, including invoices where cash is outstanding.

- **The number of invoices submitted each month**  
Provides a metric for the workload in OSP/GCA.

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- **The number of Personnel Recommendations processed each month**  
Provides a metric for the workload in PASU.

### RETA Reporting Measures:

- **Total number of faculty trained**  
Provides a measure of the total number of faculty receiving formal training through the RETA developed and/or supported programs.
- **Total number of staff trained**  
Provides a measure of the total number of staff receiving formal training through the RETA developed and/or supported programs.
- **Total number of trainings conducted**  
Provides a measure of the number of trainings provided on a quarterly or annual basis.

### PASU Reporting Measures:

- **Average number of days required to pay subrecipient invoices**  
Provides a measure of how quickly subrecipients are being paid. Monitoring trends, such as increases or decreases in the number of days, will help gauge the efficiency of this process.
- **Number of subrecipient invoices open over “X” number of days**  
Provides a similar metric as *Average number of days required to pay subrecipient invoices* placing increased focus on invoices outstanding past a certain number of days.
- **Total number of subrecipient invoices paid over a specified period (e.g., 1 year)**  
Provides a metric for the workload in PASU.
- **Number of rebudgetting requests open over “X” number of days**  
Provides a similar metric as *Average number of days to approve rebudgetting requests for sponsored programs* placing increased focus on requests open past a certain number of days.

### Travel

#### Target Benchmarks:

Target benchmarks are set by Howard University for each management report to measure the effectiveness of research administration business processes. The target benchmarks are not static, but are responsive to a dynamic environment. The Office of the Vice President for Research and Compliance coordinates with the management in the OSP/RA, RFA-OSP/GCA, RETA, PASU, the AVPSP and RCO to set and evaluate goals focused on continued improvement of customer service and research administration support provided to the Howard University research community.

#### Roles and Responsibilities:



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### Office of the Vice President for Research and Compliance

- **Vice President of Research and Compliance (VPRC):** The VPRC initiates the review of and prioritization of the management reports that are reviewed for a designated time period. The VPRC works closely with the Research Compliance Officer, the Associate Vice President for Sponsored Programs, the OSP/RA Manager, the RETA Manager, the RFA-OSP/GCA Manager, and the OSP/PASU Manager to determine the priority and frequency of the review of management reports.

### Related Policies:

- Internal Control Policy

### Forms and Links:

- OVPRC Website: <http://ovprc.howard.edu>