

**Research Administration in History:  
The Development of OMB Circular A-110  
Through Joseph Warner's COGR Subcommittee, 1976-1979**

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### **Authors' Note**

Joseph S. Warner was the Assistant and Associate Director of Grants and Contracts at Yale University from 1966 to 1970 and Director from 1970 to 1983. His tenure occurred during the spurt in research and research administration in the 1960s and 1970s. He served two terms on the Committee on Governmental Relations, subsequently known as the Council on Governmental Relations (COGR), an association of research-intensive universities, and he chaired COGR from 1980-81. Yale was a leading research university, and Warner chaired the Committee of Government Relations Subcommittee on Grants and Contracts Provisions to revise certain principles of A-110 prior to his becoming COGR chair. Upon his retirement from the Cary Institute of Ecosystem Studies in Millbrook, New York, where he worked in research administration and other significant capacities from 1983-2006, Mr. Warner repositied the part of his papers about developing Office of Management and Budget (OMB) A-110 with Marie F. Smith, CRA, Grants Administrator and the Compliance Officer at the Cary Institute. Mr. Warner gave Ms. Smith control over the papers and she opted to have the Society of Research Administrators International become the archive for the collection. With SRA's approval, the originals were mailed to Dr. Phillip E. Myers, SRA's Historian/Archivist, for research, writing and cataloguing. Ms. Smith joins him in co-authoring this article about the contributions of Mr. Warner and his colleagues. The authors are especially indebted to Mr. Warner for his assistance and perceptions during the research and writing of this article. Upon the completion of this research, the Warner Papers will be repositied in the SRA Archives. This article is based on evidence from the Warner Papers. In most cases the authors have cited the correspondents in the narrative.

## Abstract

Research administrators can be assisted in resolving issues with awareness of the critical period of policy formation divulged in the Joseph Warner Papers. He and his colleagues on the Subcommittee on Grants and Contracts Provisions of COGR adopted the philosophy that research administrators needed flexibility, reduced paperwork and costs. Federal principles needed standardization without stifling the diversity that is the strength of American higher education. Of note were attempts to reduce the burdens associated with property and procurement matters. In this and other matters, the subcommittee's federal counterparts respected and cooperated with the erudition of the subcommittee's members about issues that curtailed research administrators from their duties and threatened to raise costs of accounting for federal awards. The subcommittee's goal was to ensure revision of the OMB Circular A-110 after it was first published on July 1, 1976. The COGR subcommittee's successes are causes for celebration and recognition that research administrators' common sense and experience count in shaping federal principles. Thus, this article uses a critical era in the history of research administration to retrieve a new and deeper understanding of A-110 and why the experiences of research administrators and their networks are critical in shaping continual evolution. This knowledge presents a deeper appreciation for principles. All parties in the research effort--scientists, researchers of every discipline, executives, and controllers--need to get this message to continue the necessary work of transforming the vision for the public good.

## Keywords

Research Administration, professional development, responsible conduct of research, research regulations.

## The Warner Subcommittee

Administrators seldom ponder the origins of the documents that they use to interpret principles. Research administration developed rapidly beginning in 1948 with the federal government's transition from purely military procurement to investment in academic research. The inauguration of COGR in 1960 along with the proliferation of research administration offices in the 1960s, the growth of federal funding in the era of the Cold War and Sputnik from \$405 million in 1960 to \$1.7 billion in 1970, made it imperative for research administrators to have a voice in the revision of A-110, the first codification of federal standards to federal granting agencies (Norris & Youngers, 2000). When Joseph Warner's subcommittee arrived on the scene, university central sponsored programs offices were proliferating and were feeling their way with a fierce desire for independence from federal oversight that had been the norm in the 1960s (Warner, 2008; Norris & Youngers, 2000). They were swept into the issues about federal principles guiding federal agencies, which concerned A-110. This issue characterized the period from the mid-1970s to the late 1980s, which Norris and Youngers (2000) explain "saw the greatest growth of regulation and compliance activity in the research enterprise." In this period the Federal Government began to play a direct role in assuring that universities fulfilled their responsibilities for handling federal funds especially because of the phenomenal rate of growth from \$2.5 billion in 1976 to \$9 billion in 1989 (Norris & Youngers, 2000).

During this surge, the Warner subcommittee worked to assure that the federal principles governing the grants and contracts actions of federal sponsoring agencies were not intrusive and impractical compared to the needs of university research and research administration. The subcommittee endeavored on behalf of one hundred research universities to secure and maintain a positive relationship with the Office of Management and Budget, which was the link between the universities and the federal sponsors. The OMB knew that COGR was the primary communication link for revisions. COGR's role, then, was to develop a university consensus on the principles for revision and to suggest alternatives for resolutions. COGR's views prevailed most of the time (Warner, 2008).

This activity spanned the initial concern with financial research administration for policy design and proposal preparation. Mr. Warner, as Chair of the Subcommittee on Grant and Contract Provisions, often performed the initial analysis of the A-110 principles under revision. He then transmitted his draft to the subcommittee members. After they responded, Mr. Warner created a summary statement for Reagan Scurlock, the Executive Director of COGR. In this process, Mr. Warner observes that the subcommittee members from research universities brought a "keen understanding and empathy" to faculty research and a desire to protect academic freedom (Warner, 2008).

The pursuits of the Warner subcommittee convey that research administration has developed quickly over the past fifty years in response to the rapid development of research and supportive technology. Knowledge of the origins and revisions of federal principles that govern university-sponsor relationships helps with interpretation and confidence in doing business and in reorganizing research administration offices to better facilitate the needs of researchers (Norris & Youngers, 2000). The subcommittee's pursuits manifest the goal that COGR's mediating function has always been the education of federal sponsors about academic operations and unnecessary burdens (COGR, 2001).

For these reasons, it is instructive to show how Mr. Warner and his colleagues shaped many of the key principles in the 1970s and 1980s when compliance became a large issue and experienced its greatest growth in the relations between research administration offices, campus structures and the Federal Government, which was composed of eighteen grant awarding departments. The tipoff came on July 1, 1976 when these departments fell under the initial version of OMB Circular A-110, which Norris (2008) writes was issued "to provide standardized administration of research programs funded by grants and cooperative agreements" with the intent of reducing the burdens of research administrators and the federal sponsors. Implicit in this directive was the idea that more responsibilities were placed upon faculty and research administrators to handle federal awards. This change was prominent compared to the 1960s when the government took a stronger hand in the administration of research.

The advent of A-110 to explain the maximum requirements that federal granting agencies could put on universities was timely. The mid-1970s witnessed the increased role of research administrators from identifying funding sources and helping with proposals to include negotiations with potential sponsors based on the terms and conditions of awards; and then officially accepting the awards and ensuring compliance with procurement and financial accountability. The question concerned the responsible relationship between the OMB, federal granting agencies for approval authority for purchasing equipment, filing reports, and maintaining auditable financial records, and the universities that were on the line for compliance. In this mix, university research administrators monitored projects through closeout to watch for abuses in individual rights and responsibilities; protection of living organisms; and fraud, waste,

and abuse. Beyond these new tasks, Norris (2008) explains that research administrators had to begin providing “certification or assurance of compliance with the principles in A-110 and to have institutional policies and procedures in place to ensure compliance.” In most research institutions, Norris continues, the sponsored programs director was made the official responsible “for coordinating and ensuring” that the requirements were understood and met.

Therefore, the work of the Warner subcommittee occurred during this rapid professionalization of research administration; and it increased the body of knowledge requirements. To serve these developments, the subcommittee identified the purpose of compliance as not to restrict or obstruct science, humanities, and research for the public good. Its work illustrated that the principles ensured progress through shared responsibility of institutions, COGR and OMB without incurring needless burdens on each group.

**(Insert Table 1 here)**

Politically, Warner’s subcommittee constitutes part of the roadmap to freedom in a democratic society. Freedom does not equal license. Too often people interpret, approach, and think of the principles as being obstructive. This was a critical period because with more decision-making handed over to research administrators they had to become more professional in their work with both sponsors and researchers. Research administration practices were formed by these dedicated professionals and federal officials and their cooperation and understanding.

## **The Subcommittee’s Arguments**

The subcommittee’s philosophy was minted on behalf of research administrators to make “uniform standards make sense to the institutions affected.” Its goal was for “one set of requirements in lieu of a multiplicity of sometimes very different rules . . .” The standards had to “1) advance the public interest,” and 2) be acceptable to the institutions to which the rules applied. Moreover, they must be “reasonable and able to be implemented and complied without major disruption or cost.” With this view, Joseph Warner and his colleagues counseled the government that the time had arrived to remove outdated administrative principles and to “refine, clarify or streamline those which are necessary but cumbersome, . . . and to simplify and consolidate whenever possible.” To ensure uniform standards, Warner’s subcommittee wanted to ensure that universities would not have to separately negotiate provisions that were satisfactory to them Warner, 1975, March 10).

Yale University’s comments on the proposed A-110 reflected the goal of standardization and streamlining. Yale’s comments typified the subcommittee’s concerns. Mr. Warner was concerned about the definition of “subrecipient” and “substantive work.” His comments questioned why separate bank accounts had to be used to reduce administrative burdens and costs. The comments questioned why nonexpendable property records, which were not being maintained for items acquired under grants, had to be maintained because of the cost. Why was there “such a long retention requirement for property records,” and what is meant by “three years after its [a piece of property] final disposition” while the cut-off for other records was three years? Yale’s comments held that “The rights granted the government are too broad” concerning subrecipients. They should not be vendors or suppliers but only public or private institutions receiving federal funds through a recipient as payment for a cooperative project. Moreover, access to books, documents, papers and records was too broad and should focus on material per

specific program. Also, Mr. Warner questioned why technical and financial reports had to be sent together. His argument was that the financials were prepared and certified by university financial affairs staff while the technical reports were written by the principal investigators and read by program officers rather than program financial staff, who were uninterested in the technical reports. If needed, he continued, program officers could obtain financial data from counterparts (Warner, 1975, March 10).

The exchange on this point continued until on November 12, 1976, John J. Lordan, Chief, Financial Management Branch, Budget Review Division, OMB, wrote to Warner about the reporting requirements for closeout in A-110. The issue Lordan detected was that campuses did not always use the same offices to send out the program and financial reports as paragraph 4 of A-110 specified. The subcommittee wanted this changed. Lordan clarified that the interagency study team did not intend to have the award recipient submit both reports at the same time. This decision was helpful. Sponsored programs offices often were responsible only for the final project report; and grants and contracts accounting offices were responsible for the final financial reports. Neither office should have been expected to synchronize their efforts. Especially in larger research universities, such coordination was difficult. The subcommittee believed that the best solution was to remove the simultaneous reporting principle in A-110 (Warner, 1976, March 8).

By the end of 1976, Joseph Warner's Subcommittee worked on other "serious wrinkles" in A-110 (Warner, 1976, November 8). Attachment N (Property Management Standards) aimed at helping research administrators be compliant. Mr. Warner noted that the numbered paragraphs dealing with different kinds of property were not "segregated and identified clearly enough." To alleviate this problem he took the advice of his colleagues on the subcommittee that major headings be centered and capitalized; and that the "most troublesome portion of the Attachment was non-expendable personal property," which needed clearer language. He stated that property purchased under a federal grant remained with the grantee. (Here is the origin of our present day policy of keeping the equipment on the campus to foster research after the funded project is completed.) If the campus no longer needed the equipment or it was outdated the campus could dispose of it without the approval of the Federal agency if the property had a unit cost of under \$5,000, although he agreed with the OMB that Federal agency approval was still needed to dispose of property of over \$5,000. He also suggested that A-110 be changed to read that any "residual inventory" from grants could be used without reimbursing the government. To reduce paperwork, the Warner Subcommittee recommended that the definition of non-expendable personal property be raised from \$300 to \$500 and a useful life of two years instead of \$300 and one year. OMB approved the subcommittee's recommendations, and A-110 was amended. This action was the beginning of the movement to the present definition of equipment, which is \$5,000. The subcommittee's work underlined today's principle that Federally funded equipment vests with grant recipients (OMB, 1999).

## **COGR, the NSF and the Human Factor**

In December 1976, Reagan Scurlock, Executive Director of COGR, sent a memo to the subcommittee about the NSF Grants Policy Manual (GPM), which was then about to be published. The subcommittee's task was to isolate deviations from A-110 prior to the GPM's publication in the Federal Register. Mr. Warner noted that some of the subcommittee's recommendations had not been entered into the draft GPM. Specifically the recommendations

concerned use of consultants and on- and off-campus indirect cost rates policy. The NSF assured Mr. Warner about the inclusion of these amendments in the final draft. Other subcommittee comments concerned preventing commingling personal and grant funds. Moreover, the NSF's cash transactions report needed more justification in lieu of the SF 269 and 272 being the standard set by A-110. The timing of performance reports and fiscal reports was thought by the subcommittee to need more justification before the A-110 requirement that they be submitted simultaneously could be waived. The subcommittee supported the three-year records retention provision of the NSF. The NSF adopted the subcommittee's recommendations as can be recognized by the use of SF 269 and 272 today. This action was compromise between COGR and OMB because A-110 continues to instruct Federal agencies that they may use the "Remarks" section of SF 269 if they deem that more information is needed (OMB, 1999, Subpart .52 (1)(iv) and .52(b)(1)).

These subcommittee and COGR successes demonstrated that there was mutual understanding that the university leaders should write the revisions of A-110 in simple and clear language for research administrators. Work on the revision of A-110, which had been issued on 30 July 1976, began with a closed meeting of Joseph Warner's subcommittee and Palmer Marcantonio of OMB on 21 October 1976 to discuss the final version of A-110 of 30 July 1976 about which research administrators had already raised issue to COGR. In the spirit of cooperation and producing acceptable outcomes evidenced with the NSF GPM, Mr. Marcantonio said that any further revisions would be first referred to COGR before exceptions were granted. Since "unit cost" provisions of A-110 were burdensome, OMB wanted the subcommittee to suggest revisions. The subcommittee lost no time in explaining to Mr. Marcantonio that it needed to revisit the section (5.b of Attachment G) that allowed OMB to approve additional financial reporting forms from that sent beyond A-110's standard. Mr. Marcantonio said that COGR would be contacted about exceptions and advance comments sought from that body. He further stated that OMB did not intend that technical and financial reports be submitted together. Mr. Marcantonio thereby clarified the NSF Important Notice No. 62 that required these reports be transmitted together as of 1 October 1976. Furthermore, the subcommittee objected to the government trying to standardize the definition of property acquired under grants and contracts because the provision was difficult for research administrators to administer. Mr. Marcantonio asked that the subcommittee's suggestions to improve A-110 be sent to OMB for incorporation in future revisions (Warner, 1976, October 21-22).

Joseph Warner contacted the subcommittee to write the revisions. He explained to his colleague at Georgetown, Sam Kimble, that "Recognizing the futility of assigning this task to a federal employee," Palmer Marcantonio, at OMB had suggested that COGR write the first draft of "a re-write" for subcommittee consideration. Mr. Warner supplied direction to Kimble by asking that vague words like "exempt" and non-exempt" property be removed "in favor of words which have meaning." Furthermore, the draft should be concerned only with government property instead of all property purchased with federal funds under a grant or contract to remove some of the burden from universities for property accountability. The definition of a piece of property, Mr. Warner advised, should be increased from the threshold of \$300 to \$500 to further reduce work and expense. He believed that the property threshold was "the most troublesome of all the standards, . . ." Thinking of the coming holidays, Mr. Warner gave Mr. Kimble a deadline with "If possible, I'd like to enclose our suggestion in a Christmas card to Palmer [Marcantonio at OMB]" (Warner, 1976, November 3).

Mr. Warner's assignment to Kimble stimulated the work of others on the subcommittee. In early March 1977, Mr. G. A. Frick, Director of the Office of Contract and Grant Business Affairs at Purdue, sent his review of the proposed implementing instructions for A-110 that the NSF that published in the Federal Register in January. Frick's comments were part of a subcommittee report for Reagan Scurlock at COGR. Several of his points stand out. First, he was concerned with the use of the phrase "Federal financial assistance for the performance of research or other science projects," which he thought might give the impression that Federal agencies were making gifts to universities for research projects. Second, Mr. Frick noticed that Federal agencies "used different terms to identify the same thing." The NSF used "grantee, awardee, and performing organization," and "standard and continuing grant"; the Energy, Research and Development Administration (ERDA) used "grantee" and "discrete and continuing grants"; A-110 used "recipient" of funds. A-110 did not require standard terminology but Frick recommended standard terms. Third, the NSF wanted to approve use of grant funds for consultants, which exceeded A-110 and A-21 requirements. Fourth, Frick commented that sponsor budget approval that contained consultants was enough approval. Fifth, he noted that A-110 did not require equipment certification for nonexpendable property such as the NSF required. Sixth, Mr. Frick believed sponsor approval on revised budgets was too high at the \$10,000 or 10 percent marks. He wanted a revision to 10 percent or \$3,000 whichever was higher. He also wanted a revision to allow for allowable post-award costs obligated prior to the ninety-day post-award technical report deadline. Seventh, Mr. Frick pointed out the discrepancy that A-110 required financial reports quarterly but that the NSF required the reports within fifteen days after the recipient received the Federal Cash Transaction Report. He suggested that the reconciliation be the NSF deadline of fifteen days. Eighth, he recommended that equipment with a useful life of over a year be defined as being \$500 or more per unit per Cost Accounting Standards Board guidelines. For the university researcher, Mr. Frick also made the point that researchers should be able to purchase items according to new needs discovered during a project to better accomplish objectives (Warner Papers, Frick, 1977, March 4).

Sam Kimble's report about A-110 property management was sent to Mr. Warner on 18 January 1977 with his remark that: "I may have been too cautious in the proposed revision to suit some subcommittee members. What I tried to do, however, was suggest some things that [Palmer] Marcantonio might be able to accept and sell within OMB and to Federal Agencies." His comments on Attachment N, Property Management Standards, to A-110 called for segregating and identifying clearly by centering headings such as Definitions, Real Property, Non-Expendable Property, Expendable Personal Property and Intangible Property. He found Non-Expendable Property the most onerous; and he suggested that this property type be identified as property "furnished" to the recipient by the government rather than being paid for by the recipient and title remained with the government. He wanted to delete the term "Exempt Property," which was acquired at least partly with federal money to enable recipients of federal funds to keep this property as long as it was useful. At that point, the property could be used for other research or instruction. His revisions aimed at reducing costs for maintaining inventories when research universities had hundreds of federal grants active. Moreover, Mr. Kimble noted the difficulty in defining the amount of residual inventory of expendable personal property at closeout. He recommended that unless a federal audit showed that the recipient stockpiled this property, that any residual property could be used free of government controls or reimbursements. Finally, he continued the subcommittee's position to reduce burdens that the definition of non-expendable property be revised at the threshold of \$500 instead of \$300 and a

useful life of two years instead of one year. This change conformed to CASB standards “which are widely applicable to such a variety of organizations” that research administrators could safely use (Warner Papers, Kimble, 1977, January 18).

In addition to the concerns of Kimble and others about Attachment N on property management, another area that concerned the subcommittee was Attachment O on procurement standards. Mr. Warner wrote to Mr. Neil Markee, Executive Vice-President of the National Association of Educational Buyers (NAEB) to comment on the attachment. Mr. Warner identified this as an area that was still “troublesome” since the initial issuance of A-110 in July 1976 because some “university people (not procurement types)” found parts of the attachment “objectionable, while others have no trouble at all.” Mr. Warner explained to Mr. Markee that his “goal was to remove as many of the difficult areas as possible.” He requested that Mr. Markee poll the procurement community on behalf of the subcommittee, where issues had been raised. Specifically, Mr. Warner identified areas for comments. First, university fund raising “should not be precluded.” Second, there needed to be clearer language about whether preparers of procurements were excluded. Third, he asked about the feasibility of requiring price or cost analysis for procurement. He explained that once NAEB’s comments were received, they would be sent to OMB. Mr. Warner sent this same request to Mr. Eric Bergmann at the National Association of Purchasing Management for comments. Mr. Warner justified these requests even though A-110 was published in final form because Palmer Marcantonio of OMB had agreed to consider changes from the university community. Mr. Markee’s request for comments from his organization went out immediately on 17 February. He stated: “we may have one more chance to get changes, . . . according to Joseph Warner”; and he requested that the NAEB’s membership comment directly to Mr. Warner (Warner Papers, Warner, 1977, February 14; Markee, 1977, February 17).

W. E. Donaldson, Director of Purchasing at Texas A & M, received Mr. Markee’s request for comments and responded four days later to Mr. Warner. He believed that Section 3 of A-110 was trying to establish “an ethical standard” for grantees to prevent institutions from using “economic leverage provided by purchases from federal grants to extort contributions from suppliers.” Mr. Donaldson believed that this objective could be accomplished without federal interference with “legitimate university fund raising activities.” He suggested that the language be modified to state that grantees should not “solicit or accept gratuities, favors or anything of monetary value from contractors . . . for . . . personal use . . .” Second, Mr. Donaldson requested the deletion of Section 3b and substituting the mechanism of a conference call between purchaser and potential contractors to review specifications that might restrict competition. Third, he believed that granting agencies could require justifications for procurements for sole source equipment, which was already being done at many institutions. Fourth, since A-110’s requirement for cost analysis took expertise and consumed time, only equipment over \$10,000 should require this scrutiny especially since the competitive bidding system satisfied the price analysis requirement in A-110. Fifth, Mr. Donaldson pointed out that the regulation was impractical in that it was difficult and time consuming to demonstrate that traditional research items such as centrifuges be fully used before additional items could be purchased from a grant. Donaldson’s points were reinforced in a letter to Mr. Warner from Robert S. Mullen, Director of Purchases and Insurance, at Harvard. Mr. Mullen explicitly stated today’s procedure that under no circumstances should contractors be allowed to write their own contract for bid in lieu of purchasing departments (Warner Papers, Donaldson, 1977, February 21; Mullen, 1977, February 28)).



Purchasing directors at several other research institutions also argued for flexibility in the bidding process. They objected to prior federal approval for sole source contracts with an aggregate expected expenditure in excess of \$5,000; and they objected to procurement records for purchases in excess of \$10,000 being required to document the basis for contractor selection, justification for the lack of competition, and the basis for the price or award from the contractor. The directors of purchasing made a further point about favoritism. Their approach was not the motivation for communicating with contractors prior to purchase. Many times, as equipment specifications became more technical, institutions needed to obtain specifications from contractors to help write a cogent bid. This action, the purchasing agents argued, did not mean favoritism (Warner Papers, Morrell, 1977, February 25).

Several changes to the NSF's approval procedures were suggested about a month later by Mr. F. H. Taylor, the Deputy Controller at the California Institute of Technology. He noted to the NSF Division of Grants and Contracts with copies to Mr. Warner and Mr. Scurlock that the new NSF GPG of 31 January 1977 needed revisions in areas of "various approval requirements" that were not in A-110. First, consultants should not have to be reported until the post-award stage. Second, since A-110 did not have the principle for Federal agencies to keep detailed records for exempt property, the NSF should not do so either; and CASB standards should be used by awardees to "avoid a double set of books." Third, Mr. Taylor requested further scrutiny on a number of provisions in the GPG to alleviate the creation of "internal papermills which will serve no useful purpose in the practical purpose (Warner Papers, Taylor, 1977, March 11)."

Mr. William A Stolfus, Assistant Vice President for Finance at Colorado State University, at the same time reminded the NSF that flexibility in exercising basic research grants was essential. In that regard, the NSF plan to have financial reports at each time period should be deleted in favor of only a final project financial report. He reminded that basic research was an estimated endeavor and that the original approved expenditures might change based on changes that principal investigators frequently had to make to the research plan because of discoveries of how to improve the original scope of the project. Thus, the principal investigator could overspend or underspend during the time periods, but a balance would be struck in the budget by the end of the project. "If one aspect of the research proved non-productive he/she could stop pursuing it and use the balance of these funds to pursue further an aspect that was proving productive." Mr. Stolfus reiterated the concerns of his counterparts at other institutions that requiring fifteen days to complete and return reports was unreasonable. He was more conservative than others in requesting not more days but fifteen days after receipt of the notice for a report. Not as conservative was his comment on overbudgeted expenditures. He objected to the planned NSF requirement to give early warning about expected underexpenditures as "self-defeating from the standpoint of the government." He believed that this requirement "will encourage search for expenses to use up funds" to avoid having to give this notice. Moreover, Mr. Stolfus asked that the NSF rethink its cost sharing line on its financial report to allow for an "institutional or aggregate cost sharing arrangement." He noted that other federal agencies agreed. Nor should institutional cost sharing reports require a paperwork burden, which also could overburden the NSF. In sum, the NSF should not require a ratio of cost sharing to project amount in proposal documents, the award document, the university grant administration documents, and the final financial report of projects. "Multiply this by hundreds of NSF projects and the cost is astounding as compared to the benefits." Finally, Mr. Stolfus wondered whether institutions could refuse to turn over records to a granting agency. If this were done, who would pay for assembling and transferring these records (Warner Papers, Stolfus, 1977, March 8)?

As these comments show, there was close cooperation between the NSF and Joseph Warner's subcommittee after A-110 was implemented in regard to the GPG. COGR's position had been to oppose deviations from A-110 principles. The NSF cooperated in approving COGR's changes to the GPG to conform to the A-110 principle that Federal agencies could not require financial report more often than quarterly or less frequently than annually, with a final report at the end of the project (OMB A-110, 1999). Then the NSF asked to deviate from A-110 to obtain projected financial data from awardees. Subcommittee members believed that the NSF was not requesting a deviation since Attachment G permitted such a request; the subcommittee believed that the data could be reported without a burden; and OMB was informed. In this matter, one subcommittee member, Allen J. Sinisgalli at Princeton, explained his view that the NSF was trying to keep things simple. "What a relief" he wrote. We should sometimes help our friends." Warner Papers, Frick, 1977, December 12; Scurlock, 1977, December 12; Sinisgalli, 1977, December 12).

### **United States Department of Agriculture (USDA) Issues**

In comparison, proceedings were not so smooth with the USDA. It threatened not to use A-110 for some of its agencies. Subcommittee member G. A. Frick at Purdue pointed out to Mr. Scurlock that USDA had requested that its State Extension Service programs be excepted from the fiscal reporting requirements of A-110. This was an issue that could spread to other divisions in the USDA that funded grants and cooperative agreements. Mr. Frick informed Mr. Scurlock that the good news was that the Agriculture Research Service (ARS) and the Cooperative Science and Research Services (CSRS) within USDA had agreed to comply with A-110 because these two divisions had "always attempted to operate within their own guidelines and to ignore standard University practices and procedures . . . for the administration of grant and contract programs." Frick remarked that if the exception was only for State Extension Services it could be made, but an exception should not be made for the other USDA divisions because "an approved deviation for formula type funds [to the state governments] should not provide the wedge that opens the door for additional deviations throughout the USDA, particularly for CSRS and ARS contracts, grants, and cooperative agreements (Warner Papers, Frick, 1977, March 10)."

While these matters remained unresolved, in 1978, the USDA was granted a deviation from the cost sharing and matching requirements of A-110. This deviation meant that it was not required to use the indirect cost provisions of A-21, which continues today (Warner Papers, Lordan, 1977, March 13).

### **Issues with Department of Health Education and Welfare (DHEW)**

At the same time the deviation issue arose with the Department of Health Education and Welfare and other federal agencies issuing individual regulations drawn from A-110. COGR's view was that there should be one standard set of principles because federal agencies could not supersede A-110 without its consideration and that of the grant community. This recommendation was important because the university community seemed happy with A-110 after nearly a year of implementation. Thus DHEW's desire to issue its own regulations kit based on A-110 brought a cooperative response from the subcommittee. Margery Hoppin of the University of Iowa, for example, wrote Scurlock in response to questions raised by Sam Kimble and Cedric Chernick that "I think we could live with the document as it is now without raising

too much fuss about those clarifications that still have not been written in.” Ms. Hoppin referred to several issues. First were records subject to audit. For example, A-110 was “silent,” she wrote, on human subjects records and the Buckley Amendment of 1974 to protect students’ privacy. She did not believe that such records would be called for; and certainly, if they were, human subjects of research personal medical records could not be released without subject consent. On equipment, she thought that the government position of replacing equipment with “needed” equipment as research unfolded was “rigid” but “in certain circumstances was understandable to prevent flagrant abuses.” Nor did she think that the A-110 principle that DHEW was allowed to transfer equipment to another institution within 120 days after a project closed was worth revision because over the “long haul” these matters between universities balanced each other out, and “it is quite essential that researchers going to new institutions have the right to take the equipment that they need to continue their research (Warner Papers, Hoppin, 1977, November 30).”

Writing from Georgetown, Sam Kimble was warier than Ms. Hoppin. He was “disappointed” about DHEW’s desire to revise A-110. He wrote Mr. Scurlock that he “despaired” that DHEW had not made the principles mandatory for all of the federal departments whose “operating agencies” and “individual granting programs” could “issue their own regulations, manuals, and policy interpretations”; and, he observed, these could vary from DHEW in significant respects. (The DHEW contained the NIH and other agencies, and it was the largest grantor of federal dollars.) Kimble commented, “We are right back almost where we started with non-uniform requirements even within a single [federal] department.” Moreover, he pointed out that the operating requirement by individual DHEW units such as the NIH and the Office of Education would not be subject to public comment prior to implementation. He worried that research administrators and researchers might be in for surprises. To climb out of this morass, Kimble suggested that some regulations from unit to unit might be indicated because of “legal requirements; and the DHEW should create a system to incorporate the variations as addenda to A-110 to maintain one set of regulations in one document. This incorporation, by law, would enable public comments; and COGR should “make strong efforts to get this problem resolved.” In addition, Mr. Kimble pointed out that the DHEW had not dealt with disposal of program income from grants. Steps had to be taken to streamline this issue to prevent a negotiation each time the DHEW awarded a grant. The DHEW was also unique, he observed, in being the only federal agency to require grantees to submit audit reports at closeout; and he suggested that COGR should urge deletion of this requirement. Joseph Warner, Cedric Chernick and Margery Hoppin also were copied on this analysis, and read that Kimble found it objectionable under 74.164(g) that allowed granting agencies to require universities to obtain prior federal agency approval for all sole source and single bidder contracts of over \$5,000. This rule threatened to delay awards and paper work for no good reason Warner Papers, Kimble, 1977, November 30).

MIT’s Vice-President for Financial Operations, Stuart H. Cowen, embellished Mr. Kimble’s outlook. He wrote Joseph Warner that OMB had not approved NASA’s deviation from A-110 by continuing to require monthly financial forecasts, which would be “quite burdensome.” Mr. Cowen referred to a circular to all NASA grant recipients of 2 December 1977 that recipients had to put a “detailed listing” of “estimated cash requirements by grant or contract for each of the four months” in the remarks section of the SF 272 to keep monthly records of cash accruals to ensure the issuance of checks through the Treasury. Mr. Warner noted in the margin that he was contacting George Northway to draft a COGR letter on this issue (Warner Papers, Cowen, 1977, December 21; O’Brien, 1977, December 2).

With the NASA issue unsettled, Margery E. Hoppin, acting on behalf of the subcommittee, wrote to Reagan Scurlock at COGR, a summary memorandum about the DHEW's proposed revisions to A-110, particularly in the area of property purchased by grantees. While she believed that DHEW should be "complimented for the thoroughness of the proposed regulations, for exercising liberal options, and for its position on the replacement of property," which helped clarify the circular, she evinced reservations about the wording on property. First, DHEW officials could decide on deviations, but that should not be done without OMB's final approval and public comment through the Federal Register. As a research administrator, Ms. Hoppin saw the difficulties in the property subpart of A-110 as the DHEW had stated the requirement. She remarked: "There are hundreds of individuals [research administrators] in colleges and universities who initiate, approve, or review transactions of this kind that should know what the rules are, but who cannot possibly be adequately informed or trained for that purpose. There is something wrong with a Federal policy relating to property that requires almost three and a half pages of fine print to prescribe!" She continued with the contradictions in the subpart: agencies "tightly control" property purchases from grant funds; universities use this property for the public good rather than "private gain"; and the federal agencies rarely ask for property to be returned. These contradictions heightened concern. She further commented that the DHEW revision contained regulations that went beyond A-110: patients' medical records should not be made available without their consent; potential expenditures from program income should not be negotiated between the grantor and the grantee and the three-year rule of charging program income to grants should be deleted; federal collection of unit cost data from grantees served no useful purpose and required institutions to erect elaborate systems to keep these records by function rather than expense class; audit reports sent to the federal granting agency at the close of each grant served no purpose and should be maintained in the institution's grant files with, Joseph Warner penned in the margin, a copy to the audit agency. Moreover, Ms. Hoppin pointed out that institutions should be able to have flexibility to trade property for a needed item. What she meant is that when one company makes infrared spectrometers and mass-spectrometers, and will value the old item in trade toward the cost of the new model, that transaction should be allowed. Nor did she believe that the DHEW revision to put a "blanket reservation" over the authority to recover or transfer equipment was in line with the intent of A-110. Ms. Hoppin recommended simplification of property standards by the DHEW revising its proposal to "prescribe that this option will not be exercised by any granting agency except with the concurrence of the grantee, and permit a deviation from this policy only on a case by case basis" after OMB approval (Warner Papers, Hoppin, 1977, March 3; Scurlock, 1977, November 16).

The issue between the government and the university research administrators was one of mutual understanding. That was a challenge because the latter group wanted streamlining and a reduced work burden because external awards were growing and it was difficult and more expensive in human and material resources to monitor all of the awards (Warner Papers, Hoppin, 1976, December 28).

Mr. Warner summarized the criticisms of DHEW in a letter to the agency. First, he urged deletion of the requirement in DHEW's attempt to amend A-110 that program income be spent in three years from the end of the grant. Second, he wrote that it was "inappropriate" for DHEW to require copies of internal audit reports because this action went beyond A-110 requirements. "Such reports are for internal management purposes," Mr. Warner wrote. He not only mounted the criticism, but he suggested a remedy, which is today's practice. That is, he anticipated the

paperwork reduction act (GPRA) when he suggested federal agencies could request audit reports if the need arose. Mr. Warner urged that the fifteen-day turnaround time for the report of Federal Cash Transactions needed to be increased to thirty days. Moreover, the Yale research administration director requested of DHEW that federal agencies should be very specific in their reasons for requiring such data with the increased workload this measure put on institutional accounting. More thought needed to be given to the benefits and weighed against the costs. Concerning the disposition of property after a grant, Mr. Warner wrote: "Subpart N [of DHEW's planned amendments] outlining property standards is virtually incomprehensible, a fault inherited from the A-110 attachment after which it is fashioned." COGR, Mr. Warner continued, "strongly" supported the provision of A-110 making it possible to trade old equipment for replacement items. He also raised the question about whether the public interest was best served by requiring grantees to repay the government for depreciated value of property. Under this amendment, institutions could end up paying back more than the original price of the property, especially when it came to equipment. He reminded that institutions were non-profits in most cases without the money to pay the government for the continued use of the equipment for the public good. If DHEW agreed, Mr. Warner requested that the agency inform OMB and delete its requirement of charging the Federal share for maintaining property records. He further said it was normal for institutions to solicit and accept gifts from contractors as part of fund-raising; and the DHEW proposed regulation should allow the activity. Mr. Warner applied the same reasoning to institutions being able to acquire specifications from potential contractors to inform bid writing by institutional purchasing agents. With precise logic he wrote: "It may be impossible to attract essential contractors to contribute their expertise during developmental stages [of a bid] if they know that such work will rule them out for follow-on work." Finally, many equipment items were ordered from catalogs or off the shelf and did not require negotiation with vendors. This clause needed to be clarified to that effect (Warner Papers, Warner, 1977, March 7; Ryan, 1977, March 9).

The work of Warner's subcommittee succeeded in the procurement arena. DHEW was granted a deviation from the procurement attachment in A-110 to approve requests from grantees to permit contractors who helped development specification for institutional bids to compete for the contracts (Warner Papers, Lordan, 1978, March 13). Moreover, DHEW's request for a deviation from financial reporting in A-110 was denied. Grantees did not have to report expenditures by object class. In sum, the OMB granted the only DHEW deviation to the Office of Education (then known as OE) on a matter that COGR had argued was outside the realm of research administration, as it is today. The OE was permitted to use a new combined fiscal operations/application form for its College Work Study and Supplemental Educational Opportunity grants (Warner Papers, Lordan, 1978, October 17).

### **Joe Warner's "Touch" and the Successes of His Subcommittee**

As disclosed, by the fall of 1978, property standards required in A-110 were the remaining point of contention between COGR and OMB. The issues discussed earlier in this article had been taken care of in favor of COGR and much frustration (and paperwork) had been reduced for research administrators. The property accountability difference had to do with A-110's continuing to hold grantees responsible for accountability for equipment after grants end and the equipment became outdated and was being used, for instance, for instruction. The subcommittee recommended a further revision of A-110 to delete such reporting, which was a

burden on grantee accounting practices. Once a grant was over, grantees should have no responsibility for reporting on where equipment purchased under a grant was located or what it was being used for. Mr. Warner prompted Reagan Scurlock to contact John Lordan at OMB with this suggestion. In obliging Mr. Warner, Mr. Scurlock wrote: “The central point we wish to make now is that as agencies implement these standards universities have to decide what to do. One is to ignore the requirements and hope that no questions are asked. The other is to spend the money needed to come close to compliance, and watch the overhead rate climb as the faculty’s faith in rational judgment declines yet further.” Thus, Mr. Scurlock recommended that A-110 be revised Warner Papers, Warner, 1978, September 22; Scurlock, 1978, September n.d.).

On October 5, 1978, Mr. Scurlock’s letter from COGR was sent to Mr. Lordan at OMB with several requests for revision. The COGR leader remarked that: “I would observe that A-110 is a helpful and beneficial tool which has simplified and standardized many aspects of the government-university relationship. Also, it is slowly reducing the variety of agency solutions to the same problem.” He complimented George Northway for coordinating the waiver requests because waiver approvals had been limited to “two instances where unique and compelling situation were shown to exist.” The differences that remained, according to Mr. Scurlock, had to do first with property. He requested revision of A-110’s Attachment N “Property Management Standards” to delete \$300 as the minimum cost of the definition of property and an increase of that definition to \$1,000. Moreover, he wanted simplification of the subsequent use of real property purchased under federal grants in 3b and 3c. On this issue, Mr. Scurlock remarked that COGR had been “strongly opposed from the start” to the concept of university payback to the government for equipment purchased with federal money. He continued that after the equipment was outdated for cutting edge research it is often used for instruction. There was no sense in paying the government for a “continuing public purpose,” and he recommended that this item be eliminated. Finally, Mr. Scurlock pointed out that property records were difficult to split between federal and non-federal funds invested in an overall institutional program; the burden of adjusting records when the grant expires served no use.

In 1977 and 1978, Joseph Warner continued to press Milton Goldberg, the Assistant Executive Director of GOCR, to obtain revision of a requirement on which A-110 was silent. This requirement concerned federal agencies taking advantage of the silent provision in Subpart H that the DHEW requirement for internal audit reports exceeded the requirements of A-110. Ms. Hoppin of Iowa had prepared an unsuccessful revision for COGR in March 1977 that requested deletion of the provision; and currently “HEW does not interpret the circulars as prohibiting this requirement; OMB agrees.” Mr. Warner comments agencies should not introduce requirements about which A-110 is silent. The public debate on this issue should continue. Mr. Warner illustrated his point: “Using DHEW’s reasoning, the fact that A-110 does not prohibit the provision of free coffee and sauna privileges for federal auditors on our campuses can be cited as justification for requiring us to provide them. I cite this analogy simply to illustrate the lack of substance to the argument.” Mr. Warner suggested that internal audit reports should not be automatically posted unless the DHEW got a waiver from OMB (Warner, 1978, November 29). Today’s A-110 reflects Mr. Warner’s resolution. Internal audit reports are only submitted to a federal agency upon request (OMB, A-110).

As regarding research administration, Joseph Warner’s philosophy was that the federal government and the funding recipients should have the same basic goal – the judicious use of public funds to prevent fraud and misuse. With this philosophy, Mr. Warner and his colleagues worked with the federal government to structure regulations that attained this goal in a

reasonable, common sense and uncomplicated manner. He agreed with Raymond J. Woodrow (1978) that “Research Administration should be the management *for* research, not *of* research” and that not only research administrators need to be mindful of this premise but federal regulations should be structured keeping this basic premise in mind.

Joseph Warner had a reputation of holding a “firm” line against regulatory encroachments. Because of his tough attitude, Yale was known as a place that would draw clear lines. Much of this crept into COGR positions prepared during the public comment period for new principles because, as chair of the Grant and Contract Provisions Committee, he drafted the COGR letters. Although the wording changed a bit during the internal review process, readers could generally recognize Mr. Warner’s prose regardless of the signatures that ended up on the letters.

## **Consequences of the A-110 Transformation**

In reading the correspondence about A-110, one is impressed by the depth of thought and insight. Mr. Warner’s subcommittee worked hard to develop a timeless document to guide research administration. Often research administrators complain that regulations like A-110 are vague and do not provide specific guidance on topics such as effort reporting. However, the committee worked to structure guidelines, not instruction manuals, which were flexible enough to provide guidance to all types of institutions but encompassing enough to provide a compliance framework that would be broad enough to encompass change.

Like professionals in many careers, research administrators have demonstrated the ability to live between the eternity of change and the daily duties of approximation. Like the subcommittee, they realize that they must be mindful of the future while they deal with daily functions. They must tend to both dimensions of these time sensitive activities (Smith, 2003).

Dealing with this dichotomy was the key learning experience that the subcommittee realized over the years of its coordination with the federal government. Mr. Warner’s evidence discloses that research administrators have been empowered to live with change as a positive ingredient. A-110 is an early symbol of the transformation. Almost from its official inception in July 1976, A-110 began undergoing revisions because research administrators refused to live with vague and poorly presented language concerning property, procurement, and financial reports. The subcommittee succeeded in creating a national network to inject flexibility and facility for usability. The work of the subcommittee advanced from experiences not to accept the permanency of federal standards. The members were a lively group. Each believed that revisions were necessary and that they had to be implemented if it meant changing a primary standard that had just been published.

The respect that the research administrators responsible for helping pen the circulars had for each other is evident from the correspondence that passed between them. They valued each other’s ideas, opinions and knowledge. Their understanding of the issues that were and would become relevant to research administration showed great insight and forethought. As research administrators, we must look to and follow the leadership of our predecessors not only in their approach to research administration but to the teamwork they displayed in laying the groundwork that governs us to this day. As research administrators we owe them our thanks and gratitude.

Federal officials at OMB and the agencies should also be commended for their open mindedness and cooperation. They appeared unembarrassed that their primary principles could

be revised soon after publication. They agreed with the subcommittee that research administration was a human endeavor and principles had to be humanized. With the subcommittee, these leaders recognized that principles are living documents; and that subparts will stand and other subparts can be stated more clearly and functionally. There was a “spiritual sense” in this work but not of the type that was dogmatic. The spirit at work was one of transformation to a more professional interworking between all parties, and a growth of understanding of professional needs from both the Federal Government and the research universities. This merger evolves as experience and technology move the profession to best serve the public good.

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Table 1

*Members of the COGR Grant and Contract Provisions Subcommittee*

Mr. Joseph S. Warner, Chairman, Director of Grant and Contract Administration, Yale University

Mr. Reagan Scurlock, Executive Director, COGR

Mr. Cedric L. Chernick, Associate Vice President and Director, Office of Sponsored Programs, The University of Chicago

Mr. G. A. Frick, Director, Office of Contract and Grant Business Affairs, Purdue University

Dr. G. R. Holcomb, University of North Carolina

Mrs. Margery E. Hoppin, Director, Division of Sponsored Programs, University of Iowa

S. A. Kimble, Administrator of Sponsored Programs, Georgetown University