FEDERAL DEMONSTRATION PARTNERSHIP
Redefining the Government & University Research Partnership

Finance, Audit, & Costing Policy Update

Co-Chairs:
Michelle Bulls, NIH Office of Policy for Extramural Research Administration
Jim Luther, Duke University

September 23, 2020

Session Format

- Presentation and Discussion
  - Via Chat-Box and Un-Muted Discussion

- Polling Question(s)

- Please feel free to ask questions
  - Use the Chat Box
  - If there are unanswered questions, we will followup via email

Agenda

- Welcome and introductions

- Opening Comments by Michelle and Jim

- ThoughtExchange Discussion

- Primary Topics for Discussion (based on TE)

Today's Objective

- Provide an update on the FAC Committee and gather input into current and future areas/opportunities of focus.

- Collect Names of Interested Members for regular committee meetings!!

Committee Goals

- To reduce administrative burden for faculty, staff and federal partners while implementing new and existing federal regulations
  - In the areas of finance, audit, costing policies, procurement and documentation of personnel expenses
  - Without compromising accountability
- Explore federal initiatives to identify potential administrative burden and financial impacts
- Harmonization of requirements across federal agencies, reduction of redundancies and identifying good practices

ThoughtExchange

- "For this session, what are the Post-award topics that we should address to partner more effectively with federal colleagues & reduce burden & more effectively support the research mission? This could include financial reporting/LOC, costing implications of policies, COVID audit issues, etc."

Response Summary

Responses

108 Participants

92 Thoughts

1,870 Ratings

54 Participants shared thoughts

83 Participants rated thoughts

77 Participants explored thoughts

50%

77%

71%

Type of Institution

%	👤		
50%	(54)	■	Public Research Institution
38%	(41)	■	Private Research Institution
7%	(7)	■	Federal Agency
5%	(5)	■	Other

Role at Institution

%	👤		
4%	(4)	■	Faculty
90%	(97)	■	Administrator
3%	(3)	■	Faculty Administrator
3%	(3)	■	Technical

Thought Exchange

Summary of "Thoughts"

- FFR/FCTR/SubAcct/LOC
- Harmonization
- Miscellaneous
  - Credits and Pennies
  - Data Storage Costs
  - Effort Reporting
  - Standardize NOA
  - Treasury offset
  - UG Changes and clarifications
  - Uniform usage of SF425
- COVID

- Subacct implementation was a big deal that gives feds detailed access by award into expenditures. Why is FFR and FCTR still required?

- Streamline reporting. We should only complete FFRs when the inputs needed are different than the FCTR. Its duplicative work that takes valuable time.

- Eliminate financial reporting Cash drawn for the work is effective for NSF, why don't other federal agencies do the same.

- LOC Reporting (FCTR); PMS should drop FCTR similar to NSF and Dept of Education; lengthy process; Can reduce admin burden for non-federal awards -increase awareness"

Thoughts – "Harmonize"

- <u>Harmonize pending and active support across federal agencies</u> Uniform protocol for reporting how engaged will streamline PI and university record-keeping and reporting.

- What can FDP do to speed up agency harmonization of requirements across agencies <u>avoid duplicative and unnecessary effort</u> by all partners

- A major concern is harmonization between <u>federal sponsor requirements, forms and formats</u>. Time and energy spent learning and complying with multiple formats detracts from focus on the intended goal of advancement of science.

- <u>Consistency in financial reporting frequency and format requirements</u> across agencies more systematic and efficient tracking and reporting can be completed

- "Consistency amongst Fed Agencies would be nice. We develop uniform practices & one or two agencies decide it is not enough because THEY are special. As we reduce burden it seems the rules get more prescriptive & having to manage agency by agency is an opp for error & is stressful for admin & Faculty"

Thoughts – "Miscellaneous"

- Credits and Pennies
  - Issues are created when adjustments (credits) are posted to a closed award 10 months after grant closure. This requires significant burden to address For small $'s, often requires opening grant, posting credit, revising report/LOC, & then work by agency...all for very little value.
  - Federal Report - Accounting for pennies and small credits issued back to Grantees after the award is over. I would like to see a dollar threshold of at least $25 and preferably up to $100 for small credits received we can send 1 check to Treasury annually

- Data Storage Costs
  - Will feds allow charging of data storage for after-end-date when the grant and OSTP requires data to be stored and made available for long periods. This can cost institutions thousands or millions of data (imaging data is very expensive) and is forced cost-sharing
  - Clarity on research computing costs on fed awards storage requirement beyond award end dates, cloud cost v. depreciation in F&A, service center costs at award level

- Effort Reporting
  - Effort reporting consistency Impossible to easily track
  - Any updates on the Finance Community's opinion of Project Confirmation as a replacement for Effort Reporting? With limited institutional resources, it is difficult to overhaul the system, but we will invest in it to get away from Effort Reporting.

Thoughts – "Miscellaneous"

- Standardize NOA
  - Consumable standard NOA across all federal agencies Reduce award set up turnaround time if digitally consumed, reduce errors, could be leveraged for other needs like reporting

- Treasury offset
  - Treasury Offsets: How can this be better, it is time consuming to figure out where the offset is coming from and takes a significant amount of time to figure it out
  - Treasury Offset Program The Treasury offsets payments to awardees yet they cannot tell us for what invoices and agencies reporting unpaid invoices do not provide info either.

- UG Changes and clarifications

- Uniform usage of SF425: If grantees could submit the SF425 via PMS for all federal agencies, we could use a webservice to submit the reports.

Thoughts – "COVID"

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- Financial Reporting COVID related items such as audit/reporting/documentation required

- Tracking COVID Expenses
  - How can we identify awards funded under COVID appropriations? The recent compliance supplement requires us to track these expenses but it is unclear how to identify these awards from the award notice.
  - COVID 19 funding appropriation Agencies aren't always listing the funding appropriation which is critical to reporting expenses on SEFA
  - COVID audit funds released that may not have included separate CFDA numbers for reporting

- Audit Prep
  - Covid audit Preparation I am very concerned about how our Annual Auditors will interpret the Compliance supplement on Covid Funding, Salary Continuation and Documentation
  - COVID Audit Issues For eventual OIG or other audits- documentation   expected for flexibilities used outside of disclosures by PI's in progress reports
  - COVID audit concerns Potential for audit findings when decisions needed to be made given pandemic conditions and not much preparation or planning for how to manage process
  - COVID audit issues: Lack of guidance from agencies / COVID audit issues impact of updated OMB Guidance

- Timing of financial and technical reports during the COVID-19 pandemic

- All things COVID-19 related such as repurchasing donated supplies

- Confusion about PPE allowability

Survey Poll

- What should be the Number 1 Priority of this committee?
    1) Reducing financial reporting burden (FFR/FCTR/LOC)
    2) COVID Audit Issues/Prep
    3) Harmonization
    4) Direct Charge issues (PPE, Data Storage, etc.)
    5) Improving Cash Management Practices (LOC harmonization/modernization; Treasury Offset transparency; de minimis refunds post-closeout, etc.)
    6) Faculty Workload Survey – Analyzing & addressing burden in Post-award areas
    7) Other

Discussion and Q&A

End