



FEDERAL DEMONSTRATION PARTNERSHIP
Redefining the Government & University Research Partnership

NIH Sub Account Reporting

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Agenda

- Previous FDP Sessions, including NIH Notices
 - FDP Sessions
 - January 6, 2014 & May 12, 2014
 - NIH Notices:
 - NOT-OD-13-120, NOT-OD-13-112, NOT-OD-13-111, NOT-OD-13-079, NOT-OD-12-139, NOT-OD-14-103
- Transition Issues/Process
- Issues for consideration at Steady-state



Transition to Payment Management System (PMS) Subaccounts

Background

- SubAcct Reporting - Letter of Credit
 - By September 30, 2015, NIH will transition payment for all new and continuing domestic awards from PMS pooled accounts (G accounts) to PMS subaccounts (P subaccounts)
- Transitional FFR: Carryover Funds for Non-Competing Renewals
 - NIH will require a final “Transitional” FFR for the competitive segment before any carryover funds would be available for drawdown in the PMS.
- Processing of Fund Requests that are >90 days Beyond the Project Period End Date
 - To promote more timely financial closeout of awards, PMS will now hold payment requests for funds in subaccounts for awards that are 90 days or more beyond the project period end date. Fund requests for these awards will not be processed unless, and until, the awarding Agency has approved the payment request.

Under Discussion



The “Catalyst” and “Enforcement”

Background

- GAO Report on Closeouts (July 2012) - Improving the Timeliness of Grant Closeouts by Federal Agencies and Other Grants Management Challenges
 - <http://www.gao.gov/assets/600/592995.pdf>
 - GAO identified more than \$794 million in funding remaining in expired grant accounts



- HHS-PMS Grant Expiration Frequently Asked Questions (90 Day Closeout) – 2/15/2013
 - http://www.dpm.psc.gov/awarding_agency/pms_grant_expiration_faq/pms_grant_expiration_faq.aspx?explorer.event=true
 - PMS will hold payment request until agency authorizes for draws after 90 days
- NIH Domestic Awards to Transition to Payment Management System Subaccounts in FY 2014 (9/3/13) - NIH Notice NOT-OD-13-112
 - <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-13-112.html>
 - NIH would transition to SubAcct reporting starting on 10/1/13 (*this was subsequently delayed to 10/1/14 by Notice 13-120 and then again to 10-1-15*)
 - Final reports are due 90 days after end-date
 - PMS “will now hold payment requests for funds in subaccounts for awards that are 90 days or more beyond the project period end date”

Under Discussion



The “Catalyst” and “Enforcement” (continued)

Background

- NIH Domestic Awards to Transition to Payment Management System Subaccounts in FY 2014 and FY 2015 (September 26, 2013)
 - <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-13-120.html>
 - Transition to SubAcct reporting (initially conveyed via 13-112) would be delayed until 10/1/14
 - Frequently Asked Questions – <http://grants.nih.gov/grants/payment/faqs.htm#3781>
- NIH Updating Grant Closeout Policies and Procedures to Align with New HHS Requirements (April 24, 2014)
 - <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-14-084.html>
 - All reports must be submitted no later than 90 days after the project end
 - Clarifies when Agency can proceed to a unilateral closeout
 - Includes FAQ's: http://grants.nih.gov/grants/closeout/faq_grants_closeout.htm
- Administrative Changes to NIH Domestic Awards Transition to Payment Management System Subaccounts (May 16, 2014)
- Revised Timeline for Administrative Changes to NIH Domestic Awards to Transition to Payment Management System Subaccounts (July 11, 2014)
 - <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-14-103.html>
 - Delay the transition of domestic, non-competing continuation awards to PMS subaccounts for an additional year; e.g., now beginning October 1, 2015
 - Transitional FFR allowed...



SubAcct Reporting – What Does This Mean?

1. Significant workload increase for departments and central offices during transition
2. IT and Business Process investment required for future steady state



SubAcct Reporting – What Does This Mean?

Transition

1. Significant workload increase for departments and central offices during transition
 - **FFR Volume:**
 - 50 – 60% increase in annual FFR volume (impacts central office & dept)
 - FFRs require “Closeout” process which may include checklists, commitment schedules, etc.; many require PI involvement
 - Carryforward >25% may require additional justification before release
 - **SubAward Management:**
 - Possible requirement to terminate and reissue all incoming and outgoing subaward agreements to support interim “final” invoice
 - Possible requirement to amend all subs
 - **Set up of new master data and project codes**
 - Transition to new codes & Guidance on booking charges during transition
 - Will require changing funding sources, Including Purchasing documents, Payroll, Standing Orders, P-card, Travel, etc.



SubAcct Reporting – What Does This Mean?

Transition
Background

- Other aspects to consider

- Work is not evenly distributed and can conflict with other operational requirements. Universities are staffed to manage steady-state / “normal operational load” and not to peak-load; “Peak” issues can occur:
 - Between pre and post; pre-award proposal deadlines can conflict with post-award responsibilities
 - At common project end dates when numerous FFRs may be due, this creates competing priorities in both departments and central offices
 - Conflict with other academic deadlines including summer schedules, class schedules, clinical schedules, etc.
- This will generate significant confusion in the department and with subs as they would not expect the above processes to happen in the middle of a five-year award.



List of Issues/Topics for Consideration and Discussion

Transition

1. New Project Code: Does an institution need to create a new project code to facilitate the transition to subacct?
2. Transitional FFR: How is the “transitional FFR” different **from** a traditional FFR? What are the implications on the process.
3. Carry-forward: Are there any issues with carryfwd? Will there be issues if the transitional FFR has a carryfwd >25%?
4. Retro Changes: If there are changes to the expenditures that would impact the transitional FFR, does it need to be refiled or do all transactions posted after the end date (regardless of what year they relate to), post in the subacct?
5. SubAwards: Does an institution have to amend all subawards to change any critical data on the award?
6. Potential Reconciliation items



SubAcct Reporting – What Does This Mean?

Future

2. IT and Business Process investment required for future steady state

- New business process in central offices and IT resources needed to support code-by-code draw (and pooled draw during transition) and associated reconciliation of revenue posting
- Central Office will likely need to increase frequency of draw (potentially to daily to support 90 Day Issue)
- May need new master data fields in IT system
- May need new departmental and management reports to support all of the above
- May need special process to reconcile FFR, SubAcct Draw, and FCTR (*180 Day Unilateral Closeout*).



Bottom-Line

- Additional short term and ongoing resources likely required
- Reallocation of IT resources likely required immediately (or will require manual processing)
- Operational disruption likely in departments and in central offices
- And....institutions are still dealing with the Uniform Guidance...



Preparatory Steps

- General

- Conduct “Readiness” analysis of upcoming end-dates (big months: March, April, June, May?)
- Determine if internal business process and policies need to be revised.
- Determine if reprioritization of other initiatives is required.
- Evaluate impact on training & education (faculty and staff)

- Transition

- Develop Guidance to PI’s and depts on how to spend during transition
- Consider SWAT Team to assist with Transition Process (central office and depts (FFR, SubAwards, Transaction “Switch”))

- Post-transition

- Work with IT to ensure that LOC draw process will support SubAcct requirements & potential need for daily draw (& potential link to FCOI)



Potential Challenges to 90 Day Enforcement

- In preparation for this enforcement institutions may want to evaluate various institutional policies & business processes.
- Considerations:
 - Lead time for changes, breadth and depth of stakeholder impact, risk, PI Irritation, Departmental disruption
- Areas to Consider:
 - Analysis of current late postings
 - Internal billing (shared resources, clinical systems, student systems, etc.)
 - Peer invoicing timeliness
 - FFR policy (approval routing and revisions)



Potential Challenges to 90 Day Enforcement

- Preparation... continued
 - Cost Transfer policy
 - Procurement Terms and Conditions (OSA, etc.)
 - NCE Management
 - Closeout Process
 - Sponsored Programs Billing & Reporting
 - Improved LOC Draw process
 - Role of Parent on Closeout
 - Tracking of Programmatic and Administrative Reports
 - Management Reporting



Questions