



Document Downloaded: Thursday June 18, 2015

Luther Presentation Thursday Morning June 2015

Author: James Luther

Published Date: 06/10/2015

Grant Closeout, NIH Subaccounting and Payment Management System

Uncertainties, pitfalls and opportunities

Jim Luther, Duke University

June 4, 2015

COGR

Agenda

- ▶ **Grant Closeout Reporting and Liquidation**
 - ▶ Financial
 - ▶ Programmatic

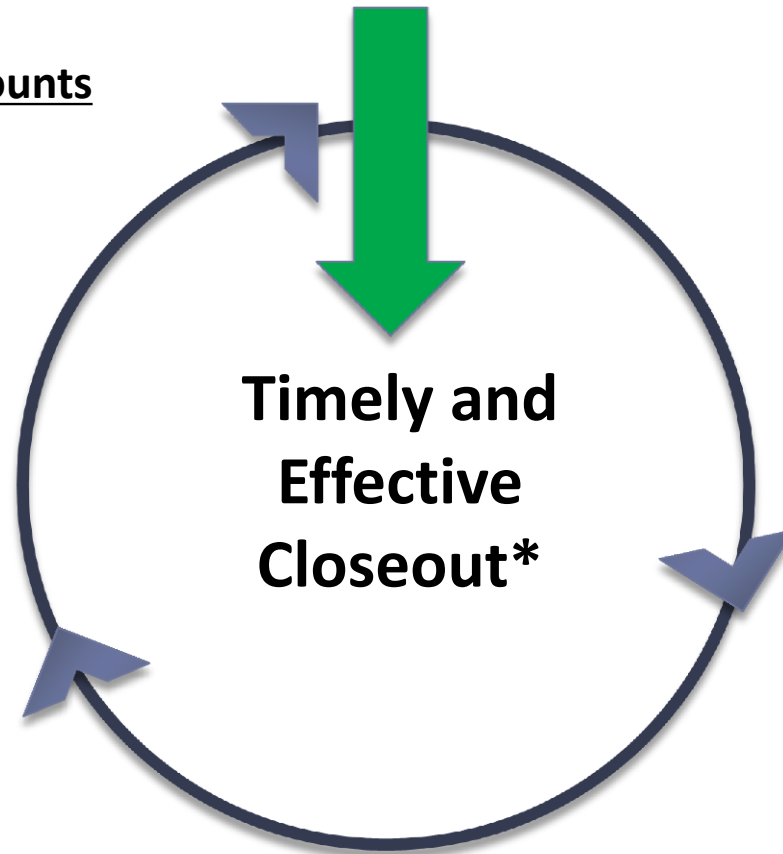
- ▶ **NIH SubAccount Transition and Steady-State**
 - ▶ Readiness Discussion
 - ▶ COGR – Next Steps

- ▶ **Payment Management System**
 - ▶ Operationalizing the SubAcct Process, Grant Closeout (90/120 Days), and the Cash-Draw Process

Closeout, Final Reporting, Cash Draw Process & SubAcct Integration

The Catalyst GAO Report

Sub Accounts



Agency & Payment Management Groups are/planning to enforce limitations on drawdowns 90/120 days after end-date.

Regulatory Guidance

UG: Reports Due at 90 Days / Agencies have one year after receipt to complete closeout or will proceed to Unilateral Close (includes financial & programmatic)

*Timely and Effective Closeout & Report Submission:

- *Safeguard sponsor and institutional funds*
- *Accurate & compliant close-out that does not require revisions*

Closeout Reporting

Grant Closeout & Liquidation

- ▶ The Regulations
- ▶ Challenges
- ▶ Outstanding Issues

Uniform Guidance Reporting Requirements

▶ Uniform Guidance

- ▶ “(a) The non-Federal entity **must submit, no later than 90 calendar days after the end date of the period of performance, all financial, performance, and other reports** as required by, or the terms and conditions of the federal award. The Federal awarding agency or passthrough entity may approve extensions when requested by the non-Federal entity.”
- ▶ “(b) Unless the Federal awarding agency of pass-through entity authorizes an extension, a non-Federal **entity must liquidate all obligation incurred under the Federal award not later than 90 calendar days** after the end date of the period of performance as specified in the terms and conditions of the Federal award.”

Agency and Sponsor Implementation

▶ **HHS §75.381 Closeout**

- ▶ (g) The HHS awarding agency or pass-through entity should complete all closeout actions for Federal awards no later than 180 calendar days after receipt and acceptance of all required final reports...*a.k.a. Unilateral Closeout by Day 270*

▶ **NIH GPS - 8.6 Closeout**

- ▶ Recipients must submit a final FFR, final progress report, and Final Invention Statement and Certification within 120 calendar days
- ▶ Retro back to all projects ending on/after 10/1/14
- ▶ ...requests for additional extensions will not be considered...

▶ **NSF PAPPG (open for comments until July 20th)**

- ▶ ...*annual project reports should be submitted... no later than 90 days...*
- ▶ *Grantees must liquidate all obligations incurred under their awards not later than 120 calendar days after the award end date.*
- ▶ *NSF will financially close awards 120 days after the award end date and the award will be removed from the ACM\$ payment screen for active awards.*

▶ **DoD**

- ▶ Anticipate 120 days for financial and 90 for programmatic

▶ **Other - ?**

Potential Challenges to 90/120 Day Enforcement

- ▶ **Considerations:**

- ▶ Lead time for changes (business process & IT), breadth and depth of stakeholder impact, Risk (financial & compliance), Faculty Irritation, and Departmental disruption

- ▶ **Areas to Consider:**

- ▶ Barriers to Timely Closeout (dept & central)
- ▶ Analysis of current late postings
 - ▶ Internal billing, Peer invoicing timeliness, FFR policy (approval routing and revisions), Procurement Terms and Conditions, NCE Management, Closeout Process, Improved LOC Draw process, Role of Parent on Closeout, Tracking of Programmatic and Administrative Reports

Outstanding Issues

- ▶ Agency Implementation and operationalization
- ▶ Current environment: some at 90 and some at 120...
- ▶ Anticipate higher level of enforcement of programmatic reports
- ▶ Extensions and Revisions
- ▶ **COGR:**
 - ▶ Harmonize 120 days in the UG?
 - ▶ Coordinate with PMS, etc. to operationalize.

▶ Questions

NIH SubAccount Transition and Steady-State

Operational Implications and Readiness

- Significant workload increase for departments and central offices **during transition**
- IT and Business Process investment required for **future steady state**

NIH SubAccount - Advocacy and Communication

- ▶ COGR Advocacy and Previous Discussions
- ▶ NIH Notices
 - ▶ 13-112: SubAcct Transition Notification
 - ▶ 13-120: Delayed to 10/1/14
 - ▶ 14-084: HHS Directs NIH to Unilateral Close at 180 Days
 - ▶ 14-103: Transitional FFR and Delay to 10/1/15
 - ▶ 15-105 released May 28, 2015
 - ▶ Reiterate timeline and **no more delays and no exceptions**
 - ▶ **“Grantees with inadequate systems in place** to appropriately manage this transition by October 1, 2015, **may be unable to appropriately access PMS accounts and risk losing their ability to draw down** funding...”

SubAcct Reporting – What Are the Operational Implications?

Transition

- I. Significant workload increase for departments and central offices during transition
 1. FFR Volume
 2. Management of Carryforward if >25%
 3. Management of Unliquidated Obligations
 4. SubAward Management (*depending on model selected*)
 5. Set up of new master data and project codes (*depending on model selected*)
 6. Transition to new codes & Guidance on booking charges during transition

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**

List of Issues/Topics for Consideration and Discussion

Transition

- I. **New Project Code**: Does an institution need to create a new project code to facilitate the transition to subacct?
 - I. Considerations
 1. Departmental impact
 2. Sub-agreements

SubAcct Reporting – What Are the Operational Implications?

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

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 (*HHS 180 Day Unilateral Closeout*).

COGR Assistance & Advocacy?

- ▶ Transitional FFR
 - ▶ Definition
 - ▶ Acceptance and Processing
- ▶ Clarification related to Carry-forward processing
 - ▶ Timeliness
 - ▶ >25%
- ▶ Other agencies
- ▶ Others?

Are we ready?

Questions

NOT-OD-15-105 released May 28, 2015

“Grantees with inadequate systems in place to appropriately manage this transition by October 1, 2015, may be unable to appropriately access PMS accounts and risk losing their ability to draw down funding...”

Payment Management System

Operationalizing Closeout and Liquidation in a SubAcct Environment

Agencies currently serviced by the PMS

- ▶ HHS agencies (partial list):
 - ▶ NIH, CDC, HRSA, AHRQ, ACF, CMS, FDA, SAMHSA
- ▶ Non-HHS agencies and departments include (partial list):
 - ▶ USDA, DOL, VA, NASA, USAID, SBA

Agenda

- ▶ PMS role in Closeout Enforcement
- ▶ Recent COGR Discussion
 - ▶ “Expired Grants Functionality”
- ▶ Issues

COGR / PMS Discussion

- ▶ PMS provides its customers (e.g. NIH) a service and enforces in accordance with appropriations law
- ▶ Customers need to request an extension (e.g. 120 days) for liquidation, as desired
- ▶ After 120 days:
 - ▶ A PMS edit will be activated - “expired grant”
 - ▶ Draws on an “expired grant” will require sponsor approval before PMS can release
 - ▶ The standard timeframe is 3 days
- ▶ Non-submission of the FCTR will stop draw...

COGR Advocacy

- ▶ Operationalizing the process and coordination of communication
- ▶ Potential issues exist because of the 120 day deadline, the FCTR deadline, and HHS' requirement that NIH initiate a unilateral close at 180 days
- ▶ Coordination with other Non-NIH supported entities
- ▶ Role of the FCTR

Questions