Uniform Guidance
The New Uniform Guidance

2 CFR 200

Barbara Cole
Charlene Blevens
Jill Tincher

Office of Research Administration
Uniform Guidance Goals

1. Eliminating Duplicative and Conflicting Guidance
2. Focusing on Performance over Compliance for Accountability
3. Encouraging Efficient Use of Information Technology and Shared Services
4. Providing For Consistent and Transparent Treatment of Costs
5. Limiting Allowable Costs to Make Best Use of Federal Resources
7. Encouraging Non-Federal Entities to Have Family-Friendly Policies
8. Strengthening Oversight
9. Targeting Audit Requirements on Risk of Waste, Fraud, and Abuse
KEEP CALM AND UNDERSTAND THE RULES
• 6 Subparts A through F
  – Subpart A, 200.XX – Acronyms & Definitions
  – Subpart C, 200.2XX – Pre Award - Federal
  – Subpart D, 200.3XX – Post Award – Non-Federal Entities
  – Subpart E, 200.4XX – Cost Principles
  – Subpart F, 200.5XX – Audit Requirements

• 11 Appendices - I Funding Opportunities, II Contract Provisions, III Indirect Costs (F&A)
Uniform Guidance Implementation

• Applies to new awards and incremental funding awarded on or after December 26, 2014
• Procurement Standards deferred for one year
• Subpart F Audit Requirements implementation date for UM is June 1, 2015

Happy Holidays!
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Dec. 26, 2013</td>
<td>UG published by OMB</td>
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<tr>
<td>Spring 2014</td>
<td>COGR and FDP presents issues to OMB</td>
</tr>
<tr>
<td>May 9, 2014</td>
<td>NSF publishes Draft Proposal and Award Policies and Procedures Guide (PAPPG)</td>
</tr>
<tr>
<td>June 26, 2014</td>
<td>Agencies propose exceptions to the UG and draft implementation guidelines due to OMB for review</td>
</tr>
<tr>
<td>Feb. 12 &amp; Aug. 29, 2014</td>
<td>COFAR publishes FAQs</td>
</tr>
<tr>
<td>Dec. 25, 2014</td>
<td>Research Terms and Conditions expire</td>
</tr>
<tr>
<td>Dec. 26, 2014</td>
<td>Agency Implementation Guidelines to be published</td>
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</tbody>
</table>
• Good information included, but there are still open items

• Introduction to FAQs

.... *Please note that in case of any discrepancy, the actual guidance at 2 CFR 200 governs. If there is a question pertaining to the application of the guidance to a particular Federal award, that question should be addressed to the Federal awarding agency or pass-through entity in the case of a subrecipient.*

• UG Portion of UM “users”

• [OMB FAQ Link](11/26/14)
Priorities

1. Develop and issue policies/guidance on proposing costs based on the Uniform Guidance
   - For projects expected to be awarded on or after December 26, 2014

2. Internal Controls: Examine current controls; strengthen and document if needed; implement policies and practices

3. Institutional management of multiple sets of policies & regulations at the same time

4. Create flag(s) to identify awards operating under the UG or A-21. Consider system modifications, blocking/removing blocking on certain costs

5. Cost Accounting Standards (CAS) Disclosure Statement revisions to be submitted after 12/26/14

6. Train faculty and staff on new policies/guidance (BOCD)
What do we not know?

- What will be included in the Federal agencies’ implementation regulations?
- How long will it take DHHS (Department of Health and Human Services) to review and respond to requests for changes? *(DS2)*
- Will Federal funding agencies allow institutions the authority to rebudget?

Still peeling the UG onion...
### Concepts that Changed

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**Subawards**

**A-21**

- Fixed Price Subawards allowed with little oversight

**Uniform Guidance**

- Fixed Price Subawards require prior approval and limit each subaward to $150,000
Subawards

• Minor changes to the subaward agreement templates to incorporate the following new prime award identification elements
  – Total amount of the Federal award
  – Federal award project description
  – Indirect cost rate of the federal award
  – FDP is finalizing

• Increased scrutiny of the subrecipient F&A rate at the time of proposal.
  – For entities with no federally negotiated F&A rate, subrecipients are allowed to request a de minimus indirect cost rate of 10% MTDC.
• Increased emphasis on risk analysis prior to issuing a subaward.
  − ORA will be conducting an analysis at both the entity and project levels, as required by the Federal government.

1. **Entity level**: ORA will have a matrix for review
   a. Previous audit results
   b. Entity--level controls, established systems, infrastructure
   c. Maturity, experience

2. **Project level**: ORA Risk Analysis tool when drafting individual subawards
   a. Scope of work
   b. Deliverables (e.g. report vs. tangible item)
   c. Amount of subaward and percentage of UM award subcontracted
Visa Costs

A-21
• Silent
• NIH considers visa costs allowable under recruiting costs.

Uniform Guidance
• Costs associated with visas when critical skills are needed for a specific award may be proposed and charged as a direct cost
• UM is considering allowing costs for J, F, and H visas.

UM Policy in Development
Visa Costs

Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost.

- Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award. For these costs to be directly charged to a Federal award, they must:

  1. Be critical and necessary for the conduct of the project;
  2. Be allowable under the applicable cost principles;
  3. Be consistent with the non-Federal entity’s cost accounting practices and non-Federal entity policy; and
  4. Meet the definition of “direct cost” as described in the applicable cost principles.
A-21
• Financial closeout within 90 days
• LOC changes can be made within 15 months

Uniform Guidance
• Financial reports within 90 days
• Possibly all final revisions within 120 days (pending agency implementation guidelines)
Closeout

• The non-Federal entity must submit, no later than 90 calendar days after award end date - all financial, performance, and other reports - as required by the terms and conditions of the Federal award.
  • The Federal awarding agency or pass-through entity may approve extensions when requested by the non-Federal entity.
• **Unless the Federal awarding agency or pass-through entity authorizes an extension,** a non-Federal entity must liquidate all obligations incurred under the Federal award no later than 90 (120) calendar days after the award end date, as specified in the terms and conditions of the Federal award.
The requirement that the cost is “integral” means the services are essential, vital, or fundamental to the project or activity.

**Question**

My PI’s current project is a *major project*. Will the same administrative salaries be considered *integral* when the continuation proposal is awarded?
Administrative Salaries

The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity;
   a. The requirement that the cost is “integral” means the services are essential, vital, or fundamental to the project or activity
2. Individuals involved can be specifically identified with the project or activity;
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency;
   a. A budget justification must be included in the proposal and,
4. The costs are not also recovered as indirect costs.
Administrative Salaries

Charging Administrative Costs to Sponsored Projects

- **Federal** awards received before December 26, 2014 must continue to follow the requirements in OMB A-21, while new awards will follow the UG requirements.

(Before)
Follow requirements in OMB A-21

(After)
Follow the UG requirements

December 26, 2014
• **Non-federally Sponsored Projects:** Direct charging of administrative or clerical salaries to a non-federally sponsored project is appropriate if the services are integral and benefit the sponsored project. Some non-federal sponsors may have specific requirements for direct charging of administrative costs. Such requirements need to be addressed in proposals.
The Procurement “Claws”
Procurement “Claw” (Sections 200.317-326)

1. Micro-Purchases
   - General Standards:
     A. Documented Policies
     B. Necessary
     C. Full & Open Competition
     D. Conflict of Interest
     E. Documentation
        i. Cost & Price Analysis
        ii. Vendor Selection

2. Small Purchases
3. Sealed Bids
4. Competitive Proposals
5. Sole Source
Procurement “Claw” (Section 200.320)

1. Micro Purchases
   - $3K
   - No quotations
   - Equitable distributions

2. Small Purchases
   - Up to $150K
   - Rate quotations
   - No cost or price analysis

3. Sealed Bids
   - > $150K
   - Construction projects
   - Price is a major factor

4. Competitive Proposals
   - > $150K
   - Fixed price or cost reimbursement
   - RFP with evaluation methods

5. Sole Source
   - Unique
   - Public emergency
   - Authorized by agency (or PTE)
   - No competition

Originally presented by OMB representatives FDP Meeting at Washington, DC.
Charging Computing Devices to Sponsored Projects

A-21

• Listed in A-21 F.6.b

• Specifically identified to a project
Uniform Guidance

• Now considered a “supply”
• Devices under the lesser of $5,000 (UM is $2,500)
• Essential and allocable, but not solely dedicated to the performance of a Federal award
• Must justify use if not solely dedicated
• Must allocate costs if not sole use
Charging Computing Devices to Sponsored Projects

- "Supplies means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or $5,000, regardless of the length of its useful life."

  (UM $2,500)

- Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or "peripherals") for printing, transmitting and receiving, or storing electronic information. **Examples: Desktops, laptops, iPads, tablets (not phones)**

- Materials and supplies used for the performance of a Federal award may be charged as direct costs. In the specific case of computing devices, charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award.
Non-federally Sponsored Projects: Direct charging of computing devices to a non-federally sponsored project is appropriate if the computing device benefits the sponsored project.

Some non-federal sponsors may have specific requirements for direct charging of computing devices. Such requirements need to be addressed in proposals.
**A-21**

Prior approval required for the absence by the approved project director or principal investigator for more than three months.

**Uniform Guidance**

New language added to reflect that project directors can be away from campus and remain engaged in the project at the proposed and awarded levels. Waiting for agency guidelines.

Disengaged?

PI/PD can be away from campus and still remain engaged.
For Federal awards, recipients must request prior approval from Federal awarding agencies for one or more of the following program or budget-related reasons:

(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(2) Change in a key person specified in the application or the Federal award.

(3) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

* Excludes construction
A-21

• Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), Federal Government contract airfare (where authorized and available), or the lowest commercial discount airfare are unallowable except....
  • Fly America

Uniform Guidance

1. Least expensive unrestricted accommodations

2. Provides, under specific and limited circumstances, a family friendly policy that should allow for individuals with dependent care responsibilities to better balance their responsibilities to both their families and the Federal award

(Not at UM yet)
Travel and Dependent Care Costs

• Travel
  – Most institutions do not know what they will do

• Dependent Care
  – A few institutions are calculating the potential cost of an institution-wide policy
  – A few said “no, we won’t be implementing an institution-wide policy allowing dependent care costs…”
  – Most institutions do not know what they will do
Charging Publication Costs to Sponsored Projects

**A-21**
- Allowable if the costs were incurred within the period of performance

**Uniform Guidance**
- We can **charge** publication costs that will occur within 90 days beyond the period of performance

Originally presented by OMB representatives FDP Meeting at Washington, DC.
Cost Sharing

A-21
• No prohibition on cost sharing included in merit review of proposals.
• NSF implemented guidance similar to the UG effective January 18, 2011
• January 5, 2001 clarification on Voluntary Uncommitted Cost Sharing (VUCS) effective and references in A-21

Uniform Guidance
• Cost sharing cannot be used during the merit review of proposals, unless specified in a notice of funding opportunity.
Cost Sharing

Under Federal research proposals, voluntary committed cost sharing is not expected.

- It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity.

- Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity.

- UM will have criteria for cost sharing
Record Retention

• “The Federal awarding agency and the non-Federal entity should, whenever practicable, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper.”

• “When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.”

UGE 200.333
UGE 200.355
• Departments and central offices must be prepared to do “periodic quality control reviews” and [provision] “of reasonable safeguards against alteration” (UG 200.335)
Treatment of Fringe Benefit Costs at Termination

• Vacation at termination

• Leave no longer charged as a direct cost
What Your Faculty Need to Know

ORA Highlights on Uniform Guidance (UG)

1. What is the UG?

On December 26, 2013, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles and Audit Requirements (Uniform Guidance or 2 CFR 200). The Uniform Guidance (UG) streamlines and supersedes guidance previously contained in eight separate OMB Circulars.

For Institutions of Higher Education, like the University of Miami, the UG supersedes OMB Circulars A-110, A-21 and A-133. Included in the new guidance are uniform administrative requirements (pre and post award), cost principles, audit requirements and definitions.

2. What is the effective date?

Applies to new awards and incremental funding awarded on or after December 26, 2014.

3. What do we not know?

What will be included in the Federal agencies’ implementation regulations?

4. What are some concepts that changed due to the UG?

- a. Subawards
- b. Closeouts
- c. Administrative Salaries
- d. Computing Devices
- e. PI/PD Disengagement
- f. Publication Costs
- g. Cost Sharing
- h. Treatment of Vacation at Termination Costs

Visit the ORA Website’s Uniform Guidance page for more information
Transition Period

Learn about the Uniform Guidance as it unfolds

- Check ORA Website often
- New policies will be announced
- Read and understand agency implementation by reviewing revised grants policy manuals

To do

- Propose administrative salaries based on the concept of *Integral* not *Major Project*
- Propose computing devices per new policy
- Invite us to your unit, group, department or school
Awards with OMB Circular – Others with UG Terms

OMB Circulars WILL Apply When

• Active Awards where all increments were received prior to 12/26/14
• Subawards issued after 12/26/14 where prime award increments were received prior to 12/26/14

UG Terms Apply When

• WILL APPLY
  – New, Supplemental and Competing Renewal issued on/after 12/26/14
• MAY APPLY
  – Non-Compete/Increment based upon modified terms & conditions
  – Uncommitted or unobligated funds from prior years ONCE an increment is awarded on/after 12/26/14
“New Rules”
(Changes in Procedures)
• All proposals must be submitted to ORA at least 2 business days prior to the sponsor deadline to allow for a thorough review, correction (if applicable) and approval prior to submission.

• If proposals are not received by this internal date, the PI/department assume the following risks:
  – Insufficient time for submission due to errors and/or system limitations
  – Proposal package may not meet sponsor and/or institutional criteria.
Pre-Award Admin Salary Emphasis

• Heightened review at proposal stage to ensure:
  – Administrative Salaries are only included within a budget when they are integral (essential, vital and fundamental to the project activity)
  – A significant level of effort is reflective of an individual who is integral to the project
  – Justification must demonstrate the above
Heightened review at proposal stage to ensure:

- Federal and federal flow through
  
  • Budget should expressly state the computing device and its full value if solely dedicated
  
  • If the computing device will not be solely dedicated, the cost must be reasonably allocated
  
  • Justification must demonstrate how computing device is essential to the performance of the award
  
  • If solely dedicated, justification must also address how/why it is solely dedicated
• Heightened review at proposal stage to ensure:
  – When no detailed budget is required (i.e., NIH Modular)
    • Budget justification should:
      – Expressly state how computing device is essential to the performance of the award
      – Identify whether it is solely dedicated or not
• Heightened review at proposal stage to ensure:
  – Non-Federally Sponsored Projects
    • Budget should expressly state the computing device and its full value, if solely dedicated
    • If computing device will not be solely dedicated, the cost must be reasonably allocated

  – Please note – if sponsor prohibits inclusion of a computing device, it cannot be included
• Heightened review at proposal stage to ensure:
  – When critical skills are needed to perform the scope of work, UM will consider including costs of J, F and H visas within the budget
    • Justification must include the above relevant information
  – Short term, travel visa costs must be included within the budget, where appropriate
    • Justification must include the above relevant information
Pre-Award Publication Emphasis

• No change from Pre Award Perspective

– Publication costs, if anticipated, must be included within the budget and budget justification
• Heightened review at proposal stage to ensure:
  – Substance of work determines if Subaward is warranted
  – Validation of Subawardees Federally Negotiated F&A Rate
  – Utilization of 10% de minimus rate, as appropriate
  – Fixed price awards are limited to $150,000
  – Fixed price awards receive prior agency approval
  – Increased risk analysis prior to issuing a subaward
    • Audits, controls, systems, maturity, etc.
Pre-Award Cost Sharing Emphasis

• Heightened review at proposal stage to ensure:
  – Mandated Cost Sharing will be included at the minimum amount required of the sponsor
    • Any amount above the minimum amount required will be strongly discouraged
  – Voluntary Committed Cost Sharing will be strongly discouraged
  – Consideration will be made when:
    • Sponsor has a cap on total project costs
• 3% Escalation Factor for Out-Years
  – Salaries, fringe benefits, etc.
  – Exception: where there is a prescribed escalation cap
• Include UM faculty/employees
  – Non-UM faculty/employees should only be included IF they are currently being recruited
  – All others should be TBAs or TBDs
• Proposals Received in ORA a minimum of 2 days prior to deadline to allow for sufficient review/correction
  • Notices regarding “No Review – PI/Dept Responsible”
Federal Fringe Rates for FY15 Approved

- Regular Faculty: 24.4%
- Clinical Faculty: 18.8%
- Other Staff: 39.5%
- Part-Time: 12%

Visit the ORA Website’s UM Rates & Information page for more information
F&A Rates

• F&A Rates extended at current rates for 2 years!

• New Base Year will be 2016

• Must prepare and plan for Allocations of Space and Salaries

• Reduce Cost Share

Visit the ORA Website’s UM Rates & Information page for more information
Pre-Award Practices

• New work (PCRF-L/PCRF-S, scope, budget, justification, funding announcement – as appropriate) sent to central mailboxes
  – Clinical Trials, Confidentiality, Material Transfer and Master Agreements -- cris@med.miami.edu
  – Proposals/Other Contracts and Subcontracts – mra@med.miami.edu

• Outbound Subawards – as soon as award is received, compile and submit subaward documents to tdelgado@med.miami.edu. DO NOT WAIT!
Review of Signature Routing Approval Process

- Pre-Award (Guarantee)
- Application with Chairs, Center or Institute Directors
- Limited Applications
- Mandatory Cost Share >$100K
- Voluntary Cost Share
- Familial Relationships
- F&A Waiver
- Internal Prior Approvals (IPAR)

Visit the ORA Website’s Preparing Proposal page to view this document
Pre-Award Updated Guarantee Form
Pre-Award PI/PD Disengagement Emphasis

• ORA Pre Award must be contacted prior to PI/PD absence explaining duration and proposed plan
• ORA will assess whether A21 or UG applies
• ORA will assess whether prior agency approval is required
  – A21 – greater than 90 consecutive days
  – UG – PI/PD will remain engaged vs. disengaged
• ORA will seek agency prior approval, as appropriate
• Provided administrative salaries were anticipated in the proposal and sufficiently justified/reviewed, these costs will be allowable as a direct charge.

• If costs were not, Principal Investigator will need to justify after the award is received, ORA will obtain prior agency approval before the costs will be allowable as a direct charge.
Questions on “How To” for Research Purchases:
SupplyResearch@Miami.edu
(305) 284-6021
Jason Benavides

Purchasing Matrix:
When to use PO, PCard, eCheck, eBerf/Travel Card
Visit the ORA website’s Managing Award page and click on Grant Management Tool Box to view this document

Purchase Requisitions ORA reviews:

- All Equipment
- Consulting
- Subcontracts
- Service by Outsiders
- Computers
- Requisition > $5K
• Provided computing device was anticipated in the proposal and sufficiently justified, it will be allowable as a direct charge.

• If costs were not anticipated and sufficiently justified within the proposal, Principal Investigator will need to justify after award received, ORA will obtain prior agency approval, and then costs will be allowable as a direct cost.
• Provided visa costs (J, F, H and short term) were anticipated in the proposal and sufficiently justified, they will be allowable as a direct charge.

• If costs were not anticipated and sufficiently justified within the proposal, Principal Investigator will need to justify after award received, ORA will obtain prior agency approval, and then costs will be allowable as a direct cost.
• Purchase Order necessary prior to award end date

• Anticipated expense must be included within reconciliation

• Expense must occur within 90 days of the award end date
Terminal leave and severance pay will not be allowed as a direct cost on sponsored accounts.
UM has created and will post soon the Allowable Cost Table (ACT) to serve as a resource to display whether costs are allowable to the following:

- Federally sponsored projects
- Non-Federally sponsored projects
- UM resources
# Allowable Cost Table (ACT)

## Allowability of Select Items of Direct Costs

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<th>Selected Cost Item</th>
<th>Conditions when Allowable</th>
<th>Conditions when Unallowable</th>
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<tr>
<td>421 Advertising and public relations</td>
<td>- Cost related to recruitment of personnel. - Required program outreach and other specific purposes necessary to meet the requirements of the award. - Public Relations costs specifically required or necessary to keep the public informed on matters of public concern.</td>
<td>- Costs related to other activities of the institution or to promote the institution. - Costs of promotional items and memorabilia, including models, gifts and souvenirs.</td>
</tr>
<tr>
<td>423 Alcoholic beverages</td>
<td>Unallowable</td>
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<tr>
<td>425 Audit services</td>
<td>A greed upon procedures to monitor subrecipients</td>
<td></td>
</tr>
<tr>
<td>429 Commencement</td>
<td>Unallowable</td>
<td></td>
</tr>
<tr>
<td>430 Compensation – Personal Services</td>
<td>- When consistent with that paid for similar work in other activities of UM. - Charges for work performed on Federal awards by faculty members during the academic year at the IBS rate.</td>
<td>- Charges to Federal awards, irrespective of the basis of computation, exceeding the proportionate share of the IBS for that period.</td>
</tr>
<tr>
<td>b3 Intra-Institutional Consulting - Faculty</td>
<td>- In unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty member is in addition to his or her regular responsibilities, - If specifically provided for in the award or approved in writing by the agency.</td>
<td>- Consulting by faculty is assumed to be undertaken as an IBS obligation requiring no compensation in addition to IBS.</td>
</tr>
<tr>
<td>b7 Statistical leave costs</td>
<td>- Leave for performance of graduate work, on study, travel or research provided a written uniform policy and allocated on an equitable basis</td>
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<tr>
<td>431 Fringe Benefits Leave</td>
<td>- Regular compensation paid during periods of authorized absence if provided under established written policy equitably allocated to all related activities. - Terminal leave unallowable as direct.</td>
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<td>Severance pay</td>
<td>Unallowable as Direct</td>
<td></td>
</tr>
<tr>
<td>432 Conferences</td>
<td>- Costs necessary and reasonable for successful performance of the award. - Costs paid as a conference sponsor or host such as rental of facilities, speakers’ fees, costs of meals and - Costs of identifying, but not providing,</td>
<td></td>
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Other Timelines Developed

**Account Overdrafts & Unallowable Charges**
- Transfer to a departmental account within 10 days of notification.

**Cost Transfers**
- Completed within 90 days. Requests for exceptions will be scrutinized closely and require ORA leadership approval.

**Computing Devices**
- Purchases in the last 6 months of the project require explanation of essential nature and reason for late purchase.

**Equipment**
- Purchases in last 6 months of the project must clearly document allowability and allocability.
PI and Support Personnel should meet monthly and discuss any changes in the project

- Distribute and/or redistribute salaries as soon as the account is opened.
- Ensure salaries are distributed correctly amongst the various projects.
- Review the accounts each month and promptly process cost transfers, if warranted.
The federal government considers cost transfers high risk and scrutinizes them closely.

- Types of cost transfers OIG usually reviews are:
  - Transfers that occur before the period of performance and at the end of the award.
  - Transfers processed greater than 90 days after discovery.
- Ensure documentation fully explains why the error occurred, why charge pertains to project to be charged, and how these discrepancies will be avoided in the future.
High Risk Cost Transfers

- Occurring after 90 days
- Occurring within the close out period
- Insufficient Documentation
Due to the stricter federal guidelines on timely close-outs, reporting and the inability to draw down funds 90 days after the project period end date, Post Award has created a timeline and guidance on what deadlines are critical to successfully meet the new guidelines.
Closeout Timeline

Federal agencies are adhering to a stricter 90 day close-out.

Access to the funds is removed on the 91st day.

Dept. must follow deadlines to avoid risk of losing funds.

Dept. at risk for any unrecoverable funds for reimbursement based awards.
Critical Deadlines for 90 day Close-Out*

*Exceptions need justification of essential nature and ORA approval

1. No Requisitions issued 15 days before end of the project period
2. No Requisitions for equipment issued 6 months before end of project period
3. Journals submitted within 45 days of close-out
4. Sponsored accounts frozen at day 60
5. Cost Transfers need approval prior to adding to reconciliation
6. PO's paid/released 60 days after the account ends
Best Practice for Timely Close-Out 30 to 90 days prior to Termination

- If appropriate, request a no cost extension
- Conduct final review of award expenditures for unallowables
- Receive Final Invoice from Subawardees and remit payment
- Notify internal billing units that the project will end in 30 days i.e. phone and service centers
- Close standing PO’s
- Close or transfer encumbrances
NIH Transition of Domestic Awards from Pooled Accounts to Subaccounts

- DHHS Directive

- Transfer payment for grant awards in Payment Management System (PMS) from pooled basis to actual expenses incurred on an award-by-award basis

- Awards that will have the greatest impact - awards under Expanded Authority and Streamlined Noncompeting Award Procedures (SNAP) (e.g., R01, career and fellowship awards).
NIH Transition Phases

• **FFY 2015 (10/01/2014 to 09/30/15)**
  – New Awards (Application Types 1, 2, 4, 6, 7, 9)

• **FFY 2016 (10/01/2015 to 09/30/2016)**
  – As a technical solution, Notice of Awards (NOA) will be issued as a Type 4 for non-competing continuations (normally type 5s)
  – This will break the single competitive segment into two shorter “competitive segments.”
  – The project period end date will be changed for the “old” pooled method.
    • NIH will not issue a revised NOA for the FY2016 award; change will be reflected in the eRA commons.
NIH Transition Phases

– The project period end date will remain the same for the “new” subaccount method.

– For the type 4 awards, the document number will increase by one letter.

  • Document # RCA123456A will become RCA123456B
A complete closeout will occur in the middle of the non-competing project period

- A Federal Financial Report (via eRA Commons) will be required at the end of the “old” pooled method.
  - FFRs will be required for all transitioned awards, regardless of SNAP or non-SNAP awards.
    - The FFR must not report unliquidated obligations.

- Failure to submit FFR expenditure data on time and for this administrative segment may affect future funding.
– The FFR is necessary for grantees to report unobligated balances from previous fiscal years (pooled accounts) in order for the funds to be re-obligated to the new subaccount in PMS for the award.

• The FFR balance will be re-obligated in PMS regardless of the carryover authority for the award.

• If the award was not issued with automatic carryover authority, you cannot draw down or obligate the funds without prior approval and a revised NOA.
When the FY16 year award is issued, the project period end date is changed to match budget period end date. This makes the FFR expenditure data for this year the final FFR expenditure data and allows NIH to close the accounting record in the old system. Final Invention Statement and Final Progress Report not required at this time.

Note: Fellowships do not require FFR expenditure data reporting.

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### Accommodating Transition of Domestic Awards to PMS Subaccounts: Changes to Continuing Awards in FY16

<table>
<thead>
<tr>
<th>FY</th>
<th>Award Number</th>
<th>Document Number</th>
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<th>Project Period End Date</th>
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<td>7/31/2019</td>
<td>7/31/2019</td>
</tr>
</tbody>
</table>

when paid via PMS “G” (pooled) accounts.

when paid through PMS using “P” subaccount, which requires cash quarterly report.

Closeout of original competitive segment (years 1-5) within 90 days after end of the last budget period.

Progress report submitted and reviewed as a type 5. At time of release of the FY16 award, system converts the type 5 to a type 4 and increases document number.
Contact Information

ORA Administration - Barbara Cole (305-284-3965) bacole@med.miami.edu

Pre-Award Administration - Jill Frazier Tincher (305-284-3952) jtincher@med.miami.edu
  • Proposals/Applications - Elisa Rangel (305-284-3902) ERangel@med.miami.edu
  • Non-Federal Clinical Trials, CDAs, MTAs, and Master Agreements - Stewart MacIntyre (305-284-3875) DMACIntyre@med.miami.edu
  • Other Contracts/Subcontracts - Karen Hurdle (305-284-3892) K.hurdle@miami.edu
  • Budgets/Medicare Coverage Analysis - Tatyana Vikhlyantseva (305-284-3942) TVikhlyantseva@med.miami.edu

Post-Award Administration - Charlene Blevens (305-284-1243) CBlevens@med.miami.edu
  • Award Management - Maria Garcia - (305-284-4022) MGarcia4@med.miami.edu
  • Reporting and Billing - Marietta Alonso - (305-284-4039) MAlonso3@med.miami.edu
  • Budget Distribution - Christine Rice - (305-284-4084) CRice2@med.miami.edu

Systems, Reporting, Education and Training - Allen Mora - (305-284-3906) allen.mora@med.miami.edu
Questions