UNIVERSITY OF ILLINOIS
AT URBANA-CHAMPAIGN

2013 BUSINESS LEADERSHIP CONFERENCE

Current Issues in Sponsored Projects Administration

March 11
10:30-11:45
3:15 – 4:30

Destination Success
Workshop Presenters

• Name: Linda Learned  
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Please ...

• Turn off cell phones.
• Avoid side conversations.
• Please hold questions until the end.
• Sign the attendance roster.
• Complete the evaluation at the end of the workshop.
Workshop Objectives

To provide:

• an overview of national topics of interest related to sponsored project administration, and

• updates at UIUC
Topics - National

• Office of Management and Budget (OMB)
  – Proposed Grant Reform

• Federal Agency Updates
  – National Science Foundation (NSF)
    • New Payment System – Award Cash Management $ervice (ACM$)
    • Updates to Proposal and Award Policies and Procedures Guide (PAPPG)
    • Research.gov Progress Reports
  – Public Health Service (PHS)
    • Financial Conflict of Interest (FCOI) – 1 year later
  – National Institute of Health (NIH)
    • Reporting

• Sequestration/Continuing Resolution
OMB Grant Reform

2006

Federal Funding Transparency & Accountability Act (FFTAA)
OMB Grant Reform

2011

Executive Order 13563, Improving Regulation & Regulatory Review
OMB Grant Reform

2011

OMB Memorandum M-12-01

Creation of COFAR

(Council of Financial Assistance Reform)
COFAR Priorities: Strong Controls Yield Better Outcomes

How do we ensure that Federal grant dollars are being used efficiently?

1. Guidance Targets Risk & Minimizes Burden
2. Standardized Business Processes & Data Elements
3. Validated Public Financial Data: Spending Transparency
4. Qualified Personnel: Well Trained Workforce
5. Strong Program Oversight: Audit Resolution

Alignment with CIO Community (Systems)
Alignment with Procurement Community (Spending Transparency)
Alignment with GATB (Spending Transparency)
# Major Reforms: Reduce Risk and Administrative Burden to Improve Outcomes

<table>
<thead>
<tr>
<th>Type of Reform</th>
<th>Policy Change</th>
<th>Intended Impact of Reform</th>
</tr>
</thead>
<tbody>
<tr>
<td>Streamline Guidance</td>
<td>Integrate and Streamline Eight Overlapping OMB Circulars into One Set of Guidance in Title 2 CFR</td>
<td>• Easier to read, more user-friendly streamlined guidance with key distinctions by type of entity</td>
</tr>
<tr>
<td>Admin (A-110, A-102, A-89)</td>
<td>Require Pre-Award Consideration of Merit/Risk</td>
<td>• Ensures all grants are subject to merit review</td>
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<td></td>
<td>• Strengthens agency due-diligence on risk of waste, fraud, or abuse posed by recipients</td>
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<tr>
<td></td>
<td>Streamline and Clarify Guidance on Subrecipient Monitoring</td>
<td>• Drives more consistent and robust oversight of subrecipients to prevent non-compliance, waste, fraud, and abuse.</td>
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</tbody>
</table>
  • Requirement for agency-head approval for deviations from negotiated rates with notification to OMB, transparent documentation of decision process, and inclusion in pre-NOFA outreach as appropriate  
  • Allows for one-time 4-year extension of IDC  
  • Requires pass-through entities to provide a rate to subrecipients  
  • Creates a minimum rate for all recipients | • Improved consistency and transparency of cost allocation across awards, with agency flexibility where essential to program success  
  • Provides an indirect cost rate to many recipients who did not previously have one                                                                                                                                                  |
| Simplify Reporting Requirements for Time and Effort | Simplify Reporting Requirements for Time and Effort  
  • Eliminates examples from A-21                                                                                                                                                                                                 | • Reduced burden on recipients reporting time per award for entities with multiple grants  
  • Removes discussion of specific examples or pilots in order to allow entities maximum flexibility in complying with key standards of accountability.                                                                                   |
# Major Reforms Continued: Reduce Risk and Administrative Burden to Improve Outcomes

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<td>Direct Charge Allocable Administrative Costs:</td>
<td>• Clarify that administrative costs may be direct costs if they are allocable directly to one award and included in the budget. Indirect costs are those not easily allocated between awards.</td>
<td>• Ensure that guidance remains consistent with long established definitions of direct and indirect costs.</td>
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<tr>
<td>Direct Charge Computing Devices as Supplies:</td>
<td>• Clarify that computing devices may be directly charged as supplies as long as they fit beneath the $5,000 threshold.</td>
<td>• Recognizes that as technology evolves, computing devices are often an essential tool for implementing grants, and should be treated similarly with other supplies that fall in the appropriate cost bracket. Entities are still responsible for information security.</td>
</tr>
<tr>
<td>Utility Cost Rate:</td>
<td>• Replace 1.3% adjustment for select schools with universal ability to meter at sub-building level and apply “effective square footage” calculation to utility use.</td>
<td>• Provides a fair and consistent mechanism for reimbursing actual measurable utility costs without introducing a burdensome application and approval process.</td>
</tr>
</tbody>
</table>
| Audit (A-133 & A-50) | **Target Audit Resources Based on Risk:**  
  • Raise Threshold From $500k to $750k  
  • Revise Definition of “Major Programs” to Focus Audits on Material Issues  
  • Reduce from 14 to 7 the types of compliance requirements audited  
  • Strengthen Audit Follow-up  
  • Make audit reports and management decisions public, allow pass-through entities to rely on cognizant entity decisions where applicable. | • Removes audit requirement for about 5,000 entities  
  • Retains audit oversight of 99.7% of funds  
  • Focuses audits on programs and compliance requirements most likely to have improper payments or risk of waste, fraud, or abuse  
  • Recipients’ financial weaknesses are corrected  
  • Eliminates duplication between pass-through and Federal entities while retaining pass-through responsibility for management of subawards. |
Highlights of Proposed Reforms
Streamline Guidance by Integrating Eight OMB Circulars into One Set of Guidance

• Cost Principles
  A-21, A-87, A-122

• Administration
  A-89, A-102, A-110

• Audit
  A-50 and A-133
Highlights of Proposed Reforms
Administration (A-89, A-102, A-110)

• Pre-Award Consideration of Merit/Risk
  – All proposals are subject to review based on merit and voluntary committed cost share will not be considered in the evaluation
  – Due-diligence of Agency in area of financial risk to prevent non-compliance, waste, fraud and abuse
Highlights of Proposed Reforms
Administration (A-89, A-102, A-110)

- Clarification of Subrecipient Guidance
  - Subrecipient and Contractor definitions reinforce distinction between procurement action and subawardee (scope of work)
  - Every subrecipient must have a federally approved F&A rate, a rate negotiated between the prime and the subrecipient, or a de minimus rate of 10%MTDC
Highlights of Proposed Reforms
Administration (A-89, A-102, A-110)

• Clarification of Subrecipient Guidance (cont’d)
  – Prime is required to:
    • Analyze financial and programmatic reports,
    • Ensure subrecipients take timely and appropriate actions to address all deficiencies detected through audits, and
    • Issue a management decision for all audit findings
Highlights of Proposed Reforms
Administration (A-89, A-102, A-110)

• Clarification of Subrecipient Guidance (cont’d)
  – Additional Actions are dependent on results of required review and analysis performed by prime:
    • On-site review of subrecipient,
    • Conduct training and provide technical assistance to subrecipient, and
    • Arrange for agreed-upon procedure engagements for the selected items of costs (formerly Section J of A-21)
Highlights of Proposed Reforms


Negotiated Indirect Cost Rates

• Improve consistency and transparency of cost allocation across awards
• Allows Agency flexibility when determining need for deviations from approved negotiated rates
• Provides indirect cost rate to recipients who did not previously have one
Highlights of Proposed Reforms


Time and Effort Reporting

• Eliminates specific examples in Circular or pilots with the expected result of allowing entities the maximum flexibility in compliance with key standards of accountability

• Reduces burden for those recipients reporting time per award
Highlights of Proposed Reforms

Direct Charge Allocable Administrative Costs

• ‘explicitly included in the budget’

Direct Charge Computing Devices as Supplies

• Direct charge non-capital computers if allocable; does not need to be solely dedicated

• Recipients are still responsible to ensure information security
Highlights of Proposed Reforms

Audit(A-50, A-133)

Target Audit Resources Based on Risk

• Removes audit requirement for ~5,000
  – Threshold Increases from $500k to $750k
  – Major program determination changes
  – Reduced audit resolution on pass-through entities
  – Audit Reports and management decision letters available through clearinghouse
  – Reliance on cross-cutting MDL to finalize audit resolution
Federal Agency Updates

• National Science Foundation (NSF)

• Public Health Service (PHS)

• National Institute of Health (NIH)
NSF
Award Cash Management Service (ACM$)

• New approach to award payments and post-award financial reporting process
  – No more ‘pooled payment’ reimbursement requests
  – Reimbursements will be drawn on a grant-by-grant basis
  – Quarterly Federal Financial Report (FFR) eliminated
NSF Award Cash Management Service (ACM$) cont’d.

• Developed to help NSF comply with new transparency standards

• UIUC was an early adopter and successfully conclude a pilot phase

• The system will go-live for all users after completion of the 3/31/2013 FFR
NSF Award Cash Management Service (ACM$) cont’d.

Impact to PI’s and Departmental Business Staff

• Strict 90-day deadline to final report
  – NSF closes award in ACM$ and considers costs recorded at that time to be final cost claim
  – NSF removes award from ‘active award’ status
  – NSF will consider return to ‘active award’ status only in special circumstances in and Late Submission/Posting of Expenses will not be accepted as a justification to reimburse after the 90 day
NSF PAPPG Revisions

• Proposal and Award Policies and Procedures Guide
  – October 4, 2012 release date
  – January 14, 2013 implementation

• Changes List
  – Merit Review Criteria
  – Biographical Sketch requirements
  – “Proposals not Accepted”
  – Increased clarity on required sections of proposal
NSF PAPPG- Merit Review Changes

• Project Summary requires text boxes in Fastlane not exceed 4600 characters and will include
  – Overview, Statements on Intellectual Merit and Broader Impacts

• Proposals with special characters may upload Summary as a PDF document

• Text boxes must be filled out or project summary uploaded, or Fastlane will not accept proposal
NSF PAPPG – Merit Review Changes (cont’d.)

• Project Description
  – Must have a separate section with discussion of broader impacts
  – Results from prior support (if any) must address intellectual merit and broader impacts

• New certification regarding Organizational Support

• NSF Merit Review Website

• Resources for the Proposer Community
NSF PAPPG – Biographical Sketch

• The “Publications” section of the Biosketch has been renamed “Products”
  – May include publications, data sets, software, patents, copyrights
NSF PPAPG – Proposals Not Accepted

• Formally recognizes a new category of non-award decisions and transactions

• Is defined as “Fastlane will not permit submission of the proposal

• Applies to:
  – Data Management Plans
  – Post-doc Mentoring Plans
  – Project Summaries
NSF - Cost Sharing Update

• Removal of PI from Budget
  – If no person months are requested for senior personnel, they should be removed from the budget.
  – Their names will remain on the coversheet
  – Role should be described in the Facilities, Equipment and Other Resources section of the proposal.
Facilities, Equipment & Other Resources

- New format will assist proposers in complying with NSF cost sharing policy and is a required component of the proposal.
- Provides an aggregated description of the internal and external resources (both physical and personnel) that the organization and its collaborators will provide to the project.
- No reference to cost, date of acquisition, and whether the resources are currently available or would be provided upon receipt of award.
- If there are no resources to describe, a statement to that effect should be included in this section of the proposal and uploaded into FastLane.
NSF Project Reporting – Research.gov

Final Target Launch Date: March 18, 2013
   – All NSF awards and organizations
   – NSF-wide FastLane freeze 2/1-3/15

Summary of the changes:
• Principal Investigators (PIs) will use Research.gov to view reporting requirements and create/submit annual, final, and interim project reports to NSF.
• PIs who attempt to access project reports from FastLane will be redirected to Research.gov.
• PIs will now see Project Outcomes Reports in their Project Report Dashboard on Research.gov along with annual, final, and interim project reports.
• NSF has extended the due and overdue dates on project reports originally due during this timeframe to help with the transition. You can double check all of your reporting deadlines in Research.gov.
Improvements to Project Reporting Capability

• Already implemented:
  – Fixed copy and paste errors that were preventing reports from properly saving
  – Fixed save errors occurring for publications added from Thomson
  – Added validation of email format for significant participants

• Planned for implementation before full rollout:
  – Add time out warning
  – Add ability to edit products
  – Improve handling of special characters (e.g. copyright symbol)

• For more information about this transition, please go to the Project Report Informational Page on Research.gov. Additionally, attached are a quick start guide and a fact sheet about Research.gov.
PHS – FCOI (one year later)

• Plan ahead
  – If you know of a potential conflict of interest, begin the paperwork now—even before JIT or award

• Certifications
  – Should not be submitted to OVCR until all investigators have completed training and disclosure forms

• Training Update
  – Will be consolidated through OVCR site
    • Retiring CITI training, Compass 2G, and use of NIH tutorial
NIH Updates

• Progress reports for a SNAP grant or a fellowship award with a start date on or after July 1, 2013 all be required to use the eRA Research Performance Progress Report (RPPR) Commons module.
  – expanded functionality of the Progress Report Additional Materials (PRAM) feature for RPPRs to allow the grantee to electronically enter, review, and submit information in response to specific requests from NIH for additional or clarifying materials following the progress report submission.
  – Read NIH Guide Notice NOT-OD-13-035 for more information on this new requirement, and access RPPR-related resources such as instruction guides, points of contact and background information on grants.nih.gov.
Sequestration and Continuing Resolution
Topics - Local

• Staffing Changes
  – OSPRA
  – Grants & Contracts Office
OSPRA Staffing Changes

• Dave Richardson hired as Associate Vice Chancellor and Director of Sponsored Programs
  – Beginning March 18

Vacant:
2 positions

Under recruitment:
4 award coordinators
Grants & Contracts Staffing Changes

• Retirement
  – Recognition
• Restructure
  – Recent staffing changes
• Recruiting
  – 5 Entry Level Coordinator Vacancies
  – Asst. Director Education
Workshop Summary

- OMB Proposed Grant Reform

- Federal Agency Updates
  - NSF
  - PHS FCOI
  - NIH

- Sequestration/Continuing Resolution

- Staffing Changes
Questions / Concerns?