Change in NIH & NSF Reporting Requirements/Requesting payment of funds

Why???

This is in response to a U.S. Department of Health and Human Services (HHS) directive to Agencies intended to enhance financial data integrity and financial closeout for all awards.

The U.S. Department of Health and Human Services (HHS) has directed its Operating Divisions to set up subaccounts within the Payment Management System (PMS) for all new awards and any FY14 funding being added to existing awards beginning October 1, 2013.

The goal of this policy is to better align HHS with transparency directives while strengthening the accountability for grant-related financial transactions.

See Notice Number: NOT-OD-13-120 for more information

What?? are subaccounts?

Currently we drawdown funds from a “pooled” account 0000G, this means that we drawdown cash using one account number for a lump sum payment, say 7 million dollars.  We are moving to a “subaccount” system, account 0000P, this means that we will now drawdown cash for every G award that is spending that 7 million dollars, yes this is hundreds of accounts.

When??

NIH will transition payment for all domestic awards from PMS pooled accounts (G accounts) to PMS subaccounts (P subaccounts) between October 1, 2013 and September 30, 2015.

NIH will transition payment for all new and continuing Federal awards to PMS subaccounts between October 1, 2013 and September 30, 2014.  See NOT-OD-13-111 for more information

For continuing awards that have not yet transitioned to subaccounts, grants issued prior to October 1, 2014, will use the G account until the FY15 award is issued.  Once the FY15 awards is issued, those FY15 awards will use the P subaccount and the grantee will submit an FFR for the FY14 award. Some examples of awards that will remain in the pooled accounts, multi-year funded awards made prior to October 1, 2013 (e.g., DP3, C06) and awards in a no-cost extension made prior to October 1, 2014.

For continuing domestic awards issued in FY15 (awards issued after October 1, 2014) the competitive segment will become two mini “competitive segments”:

- first segment begins at the budget period start date of the current competitive segment and ends at budget period end date of the FY14 award and
- second segment begins with the budget period start date of the FY15 award and ends with the project period end date on that award.
For continuing awards that have not yet transitioned to subaccounts, grants issued prior to October 1, 2014, will use the G account until the FY15 award is issued. Once the FY15 awards is issued, those FY15 awards will use the P subaccount and the grantee will submit an FFR for the FY14 award.

NIH is using a Type 4 award -- For the subaccount transition, NIH is using type 4s as a technical solution to separately track obligations and payments for awards that are transitioning to PMS subaccounts during FY13, FY14, and FY15. The document number for the type 4 will increase by one letter (e.g., once the type 4 is issued, a document number of RCA123456A would become RCA123456B). The change in type and the change in document number do not affect the due date or submission process of the progress report.

UVA OSP will issue a new GB prefix award and a new project(s) hooked to that award

If award was **issued under SNAP…**

And the FY14 award is a **new award** to the institution

- Type 1=New;
- Type 2=Renewal;
- Type 4=Extension;
- Type 6=Change of Organization Status (Successor-In-Interest);
- Type 7=Change of Grantee or Training Institution;
- Type 9=Change of Institute or Division (Type 2 transfer to another NIH IC),

then only one **FFR** will be submitted for the award at the end of the competitive segment.

If award issued as a **non-competing continuation award in FY15** for awards that have not yet transitioned to subaccounts

Then the grantee will submit **two FFRs**:

1. first covering the period from the start of the competitive segment until the start of the Type 4—a final FFR award from FY14 and earlier (i.e. awards issued prior to October 1, 2014).

2. second covering the funding period from the start of the Type 4 award through the end of the competitive segment. If there was an unobligated balance from the previous award, it must be entered in the field entitled “Unexpended Balance From Prior Project Period” at the top of the FFR. --- After FY15, when the awards have transitioned to subaccounts the FFR reporting requirements will return to the standard process, which is generally as follows: for domestic awards under SNAP, an FFR is required only at the end of a competitive segment rather than annually. The FFR must be submitted within 90 days after the end of the competitive segment and must report on the cumulative support awarded for the entire segment (NIH Grants Policy Statement, Section 8.4.1.2.3 Modified Financial Reporting Requirements). Unobligated balances for awards issued in FY15 and beyond will be reflected in the PMS subaccount.
When the FY15 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.
For continuing domestic awards issued in FY14 (awards issued after October 1, 2013) the competitive segment will become two mini “competitive segments”:

- the first segment begins at the budget period start date of the current competitive segment and ends at budget period end date of the FY13 award and
- the second segment begins with the budget period start date of the FY14 award and ends with the project period end date on that award.
For continuing domestic awards issued in FY13 (awards issued after October 1, 2012) the competitive segment will become two mini “competitive segments”:

- first segment begins at the budget period start date of the current competitive segment and ends at budget period end date of the FY12 award and
- second segment begins with the budget period start date of the FY13 award and ends with the project period end date on that award.
MORE IMPORTANT THINGS TO NOTE:

1. PMS will hold payment requests for funds in subaccounts for awards that are 90 days or more beyond the project period end date – MEANING WE MAY NOT GET PAID 😞

   Also means…

   - Sponsor Closeouts now must be done timely and are critical
   - Recons must be done accurately and on time EACH month
   - OSP will be tightening the close date down on awards
   - **Brave new world -- when a project end date expires the grant is dead!**

2. There will be no change to the due dates, submission, or review of progress reports for domestic awards for FY 2015.

3. Please see below for procedural changes in carryover of funds for non-competing continuation awards issued in FY 2015. **Change in Process to Carryover Funds and Federal Financial Reports for Domestic Non-Competing Continuation Awards during FY 2015 (October 1, 2014 – September 30, 2015).**

   Non-competing continuation progress reports (Type 5s), or in rare instances Type 8s, that were converted to Type 4s to accommodate the change in method of payment from the pooled accounting to subaccounts, require a final FFR for the prior year(s) of the competitive segment before any carryover funds would be available for drawdown in the PMS. However, this requirement does not change the carryover authority listed in Section III of the NoA. If the award was issued with automatic carryover authority, OFM will automatically authorize the carryover in the PMS P subaccount equal to the amount of unobligated balance reported on the FFR.* If the award was issued without carryover authority, OFM will automatically transfer the unobligated balance reported on the FFR to the PMS P subaccount; however, the grantee will still be required to submit a prior approval request to use carryover funds as detailed in the NIH Grants Policy Statement, Section 8.1.1.1. If the request is approved, a revised NoA reflecting the approved carryover amount will be issued and the authorized amount will be reflected in PMS. Failure to submit FFR expenditure data in a timely manner may affect future funding. *In accordance with existing policy, the GMO will review unobligated balances in excess of 25 percent of the total authorized amount for the budget period and may request additional information from the grantee. If the GMO determines that some or all of the unobligated funds are not necessary to complete the project, the GMO may restrict the grantee’s authority to automatically carry over unobligated balances in the future, use the balance to reduce or offset NIH funding for a subsequent budget period, or use a combination of these actions. The GMO’s decision about the disposition of the reported unobligated balance will be reflected in the terms and conditions of the NoA.