Council on Government Relations

NIH Subaccount Transition
At
Washington University in St. Louis

October 2013
Subaccount

Tsunami
NIH Subaccounts

• NIH Notice – 7/3/2013
  – Initial notice of transition to grantees

• NIH Notice – 9/3/13
  – Anticipated Implementation guidance to grantees

• NIH Notice – 9/26/13 & FAQs
  – Change in implementation timeline
WU NIH Portfolio

- DHHS Payment Management System
  - 1,070 active projects
  - Draw cash three times per month
  - Approximately $25 million per month

- WU General Ledger - NIH (FY 13)
  - Awards = $348 million
  - Expenses = $368 million
  - Active Accounts = 2,600
Circle the Wagons

- NIH, COGR, FDP & Peer Institutions
- VC Finance, VC Research, Med School
- OSRS and IS&T
- Research Management Council
- Research Administrator Forums
- Research News (broadcast email)
The National Institutes of Health (NIH) has issued new guidance related to NIH’s transition to the Payment Management System (PMS) Subaccounts method of reimbursement. In response to feedback from the grantee community, NIH has delayed the implementation for non-competing continuation awards to 10/1/2014. The October 1, 2013 transition will be limited to new awards with new document numbers (Types 1, 2, 4, 6, 7, and 9). Continuation awards (Types 5 and 8) will be transitioned beginning October 1, 2014.

The new implementation timeline and formal guidance may be found here:  

NIH has published useful FAQ information on their website:  
http://grants.nih.gov/grants/payment/faqs.htm

OSRS will utilize a new fund range for awards affected by this change. This will help OSRS and SPA clearly identify accounts that will utilize the new subaccount reimbursement method.

Please contact us if you have any comments or concerns. Thank you.

Joseph M. Gindhart  
Assistant Vice Chancellor for Finance  
Director, Sponsored Projects Accounting
Technology Issues

- New LOC for “P” (subaccounts)
- Calculate “real time” F&A
- Improve LOC performance
- New fund range for subaccount awards
- Add LOC code in selection criteria
Tech Solutions

- Solution 1 (late July)
  - 71.5 days, apply ARRA model

- Solution 2 (9/3/13)
  - All awards on/after 10/1
    - 35.5 days

- Solution 3 (late Sept)
  - New awards 10/1, then Type 4 @ 10/14
    - 27.5 days
Challenges

• Timing and Volume (FY 14 thru 16)
  – Two LOCs and Quarterly Reports
  – Approximately 600 NIH type 5’s
  – Approximately 210 subawards
  – New account set-up
  – Segment cut-off & close-out
  – Submit FFRs (on time)
  – Carryover review & approval
  – Cash draw limitations after 90 days
Challenges, cont.

- Staffing and accuracy (WU & NIH)
- Potential audit findings
- Revision to OMB Circulars
- Federal shutdown impact
- Balance with other WU initiatives
Testimony

GRANTS MANAGEMENT

Improving the Timeliness of Grant Closeouts by Federal Agencies and Other Grants Management Challenges

Statement of Stanley J. Czerwinski, Director, Strategic Issues
GAO Testimony

- Senate Subcommittee, July 2012
  - Improvement since 2008
  - $794 million undisbursed in 10,458 expired grant accounts (9/30/11)
  - >28k expired grant accounts with no undisbursed balances that were not closed out (9/30/11)
“...we found that systematic, agency wide information on undisbursed balances in grant accounts eligible for closeout was largely lacking.” (GAO-12-7047)
Deobligating Undisbursed Balances in Expired Grant Accounts
(U.S. Government Accountability Office)

Award expiration date: The grant reaches the end date determined by authorizing legislation or terms of the grant agreement established by the agency.

Grant Closed out: Awarding agency ensures the grantee has completed all work and administrative requirements: grantee liquidates all obligations properly incurred before the grant end date and submits all final financial, performance, and other reports.

Grant not closed out: Undisbursed balances remain in grant accounts after the grant end dates.

Agency’s funds are still available for new obligations.
- Funds are deobligated and Agency utilizes for new grants or other authorized purposes.

Agency’s funds are no longer available for new obligations.
- Unspent funds are temporarily retained by Agency for making adjustments to existing obligations.

- Unspent funds are returned to the U.S. Treasury
“As our review of past grant work suggests, there are numerous other issues where congressional attention could also likely pay dividends.” (GAO-12-7047)
Questions or Comments?
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