

**Department of Health and Human Services (HHS)  
FY16 Award Transition to  
Payment Management System (PMS) Subaccounts**

November 2015

OSR – ASRSP – Cost Studies

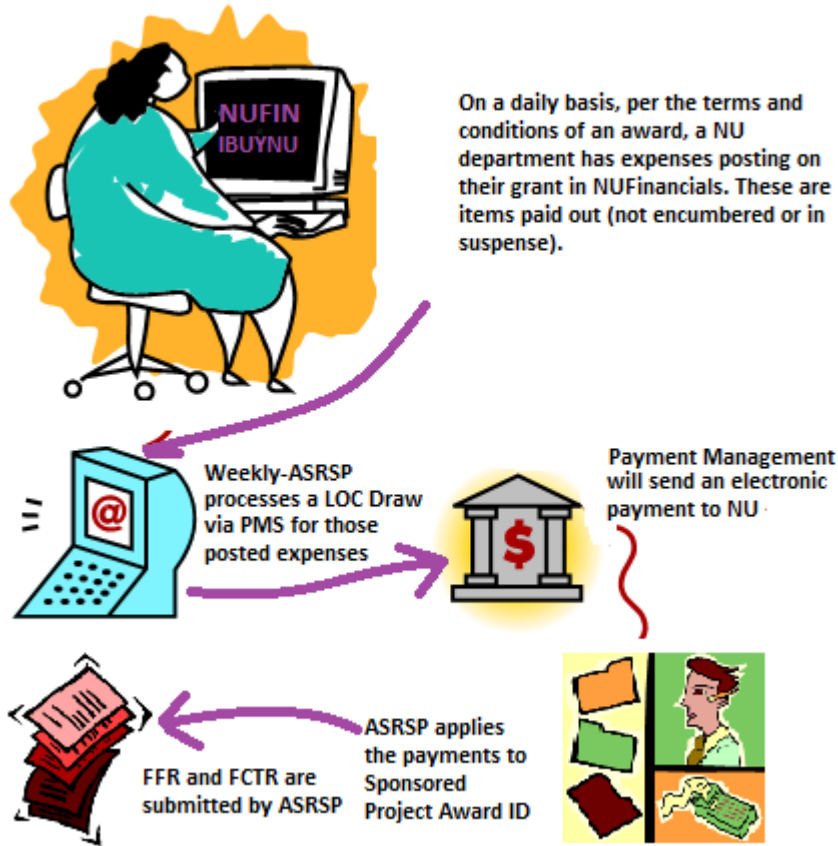
Presenter: Kathy Mustea, ASRSP GCFA

**Northwestern**

# Today's Objectives

- HHS Directive
- Highlight of updates as of June 2015
- Discuss Transition
- Discuss close out of “G” pooled awards including carryover guide
- Opening of Subaccount awards “P”
  - Pre-spending set-up

# Background: How Northwestern is Currently Paid



- HHS grants are paid using the Payment Management System (PMS)
- Grant projects incur costs on sponsored chart string
- NU draws down funds electronically through a letter of credit (LOC) for 610 funds
- NU requests reimbursement via weekly draw for multiple grants, or a “pooled” dollar amount
- ASRSP sends **3 financial reports** to NIH

# HHS Directive

- The Department of Health and Human Services (HHS) has issued a directive to Agencies intended to **enhance financial data integrity and financial closeout** for all awards
- Active NU Letter of Credit (LOC) awards are affected:
  - National Institutes of Health (NIH)
  - Agency for Healthcare Research & Quality (AHRQ)
  - Health Resources & Services Administration (HRSA)
  - Centers for Disease Control & Prevention (CDC)
  - Substance Abuse & Mental Health Services Administration (SAMHSA)
  - Office of the National Coordinator for Health Information Technology (ONC)
  - Administration for Children and Families (ACF)
- The HHS non-NIH agencies transitioned EARLY
- NIH is transitioning non-competitive awards October 1, 2015-Sept 30, 2016

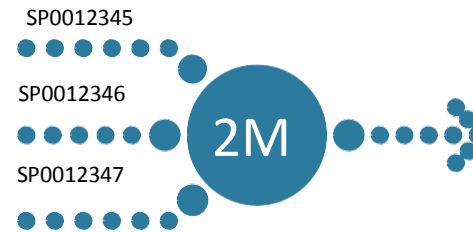
# What is Changing?

## How NU draws down the reimbursement of funds

- Old method: “**pooled**”, meaning there is a single dollar amount requested for all awards with expenses

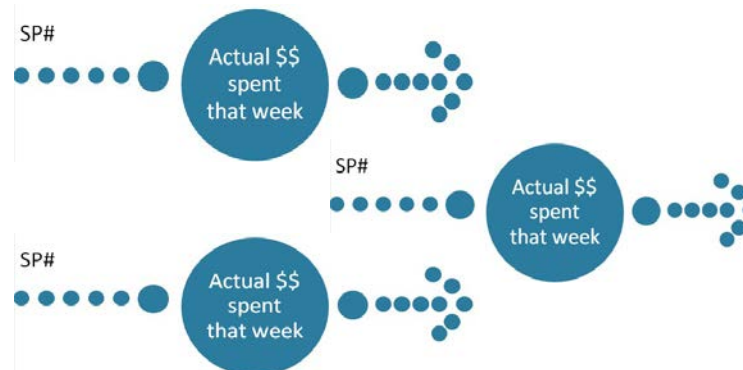
- Ex: of a weekly draw:

- Labeled “G” awards on the Notice of Awards (NoA)



- New method: “**subaccounts**”, meaning each award will be drawn *individually*

- Labeled “P” awards on NoA







# Highlight of Updates from June to October 2015

- Project webpage <http://www.northwestern.edu/asrsp/federal-initiatives/hhs-pms-subaccounts.html>
- ASRSP Website under → Federal Initiatives → HHS PMS Subaccounts

## HHS PMS SUBACCOUNTS

In pursuit of strengthened fiscal oversight, all Department of Health and Human Services (HHS) operating divisions including the National Institutes of Health (NIH) are requiring changes in the method that all universities use to draw funds for sponsored research. As a result of these changes, a set of Northwestern awards will be terminated earlier than anticipated and transition to new awards for the remaining years.

- **Awards and Subcontracts Expected to Transition**  (As of 11/09/2015)
- **PMS Transition Only Award Closeout Checklist, version 1.1** 
- **OSR/ASRSP/Cost Studies Staff Brownbag Presentation, November 2015** (To Be Posted)
- **PMS Transition System Indicators Guide** 
- **NUFin Pooled to Subaccount crosswalk**  (As of 11/09/2015)

# Project Webpage Tools

- 1 **Awards and Subcontracts Expected to Transition** (As of 11/09/2015)
  - **FINAL** file to be posted by 11/30/15. Non-NIH agency awards that transitioned EARLY, are not listed on this file.
  - “associated subks **April 2015**” worksheet data is DATED! List is prototype of GM092 Subcontract Monitoring Report, will update when report available in Cognos PROD.
  - **NOTE:** Current Pooled Awards that are ending prior to Oct 1, 2016, will not undergo the FY16 PMS Transition of **breaking** awards. They will transition “naturally” if a competing segment is awarded.
- 2 **PMS Transition Only Award Closeout Checklist, version 1.1**
  - **IMPORTANT** for OSR, Dept., and ASRSP to follow timeline.
- 3 **PMS Transition System Indicators Guide**
  - Useful tool for OSR and ASRSP users
- 4 **Pooled to Subaccount crosswalk** (As of 11/09/2015)
  - Crosswalk will be updated on a bi-weekly basis at minimum.
  - Dept. will notified by OSR GO via email when PRESPEND Subaccount NUFIn SP# has been created.

# PMS Subaccount Transition

- ✓ Effective Oct 1, 2013, all new HHS grants with new document numbers (Type 1, 2, 4, 6, 7, and 9) **have been issued a Subaccount** in PMS.
  
- All **other non-competing continuation** domestic awards (Type 5 and 8) will be issued Subaccounts in PMS on or after Oct 1, 2015.
  - To accomplish this, NIH will **split the single competitive segment into two shorter segments on a “rolling” basis.**  
NIH will issue a **new Notice of Award (NoA)** with a **new Document Number** for the second segment
  
  - Awards that are **not scheduled to close WILL BE CLOSING**



# How to Identify which awards affected

- Look at your latest Notice of Award (NoA) and you should see it clearly marked.

**SECTION I – AWARD DATA – 1R01GM103580-01**

Award Calculation (U.S. Dollars)

Federal Direct Costs	\$100
Approved Budget	\$100
Federal Share	\$100
<b>TOTAL FEDERAL AWARD AMOUNT</b>	<b>\$100</b>
<b>AMOUNT OF THIS ACTION (FEDERAL SHARE)</b>	<b>\$100</b>

SUMMARY TOTALS FOR ALL YEARS		
YR	THIS AWARD	CUMULATIVE TOTALS
1	\$100	
2	\$120	
3	\$140	
4	\$160	
5	\$180	

Recommended future year total cost support, subject to the availability of funding and progress of the project

Fiscal Information:  
 CFDA Number: 93.859  
 EIN: XXXXXXXXXXXXX  
 Document Number: RGM103580A  
PMS Account Type: P (Subaccount)  
 Fiscal Year: 2013

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**EIN:** XXXXXXXXXXXXX  
**Document Number:** RGM103580A  
**PMS Account Type:** P (Subaccount)  
**Fiscal Year:** 2013

IC	CAN	2013	2014	2015	2016	2017
GM	XXXXXXX	\$100	\$120	\$140	\$160	\$180

# PMS Subaccount Transition: Example of split award

SNAP Award					
Award Record	Budget Period	Project Period End Date	NU Award ID	Reporting deadline	Closing??
1R01AI123456-01	12/1/12-11/30/13	11/30/2017	SP0012345		no
5R01AI123456-02	12/1/13-11/30/14	11/30/2017	SP0012345		no
5R01AI123456-03	12/1/14-11/30/15	11/30/2015	SP0012345	2/28/2016	Closeout
4R01AI123456-04	12/1/15-11/30/16	11/30/2017	SP0078910		no
5R01AI123456-05	12/1/16-11/30/17	11/30/2017	SP0078910	2/28/2018	Closeout
Non-SNAP AWARD					
Award Record	Budget Period	Project Period End Date	NU Award ID	Reporting Deadline	Closing??
1U01AI123456-01	12/1/12-11/30/13	11/30/2017	SP0012345	2/28/2014	no
1U01AI123456-02	12/1/13-11/30/14	11/30/2017	SP0012345	2/28/2015	no
1U01AI123456-03	12/1/14-11/30/15	11/30/2015	SP0012345	2/28/2016	Closeout
4U01AI123456-04	12/1/15-11/30/16	11/30/2017	SP0078910	2/28/2017	no
1U01AI123456-05	12/1/16-11/30/17	11/30/2017	SP0078910	2/28/2018	Closeout

PMS "G"  
Pooled

PMS "P"  
subaccount

PMS "G"  
Pooled

PMS "P"  
subaccount

Subaccount Transition FFR Due 2/28/16 for first 3 years. New Award ID and chart string is assigned to final 2 years. (No Final invention report required) Regular progress report is due. IRB/CCM approvals carry over too

Full Closeout out of segment due within 90 days. Final report and final invention report due at this time. If continuing on a new segment, new award ID, Chart string, IRB/ CCM protocols required

Once awards are billed on "P" subaccount the sponsoring federal agency will start receiving specific expenditure data on your award

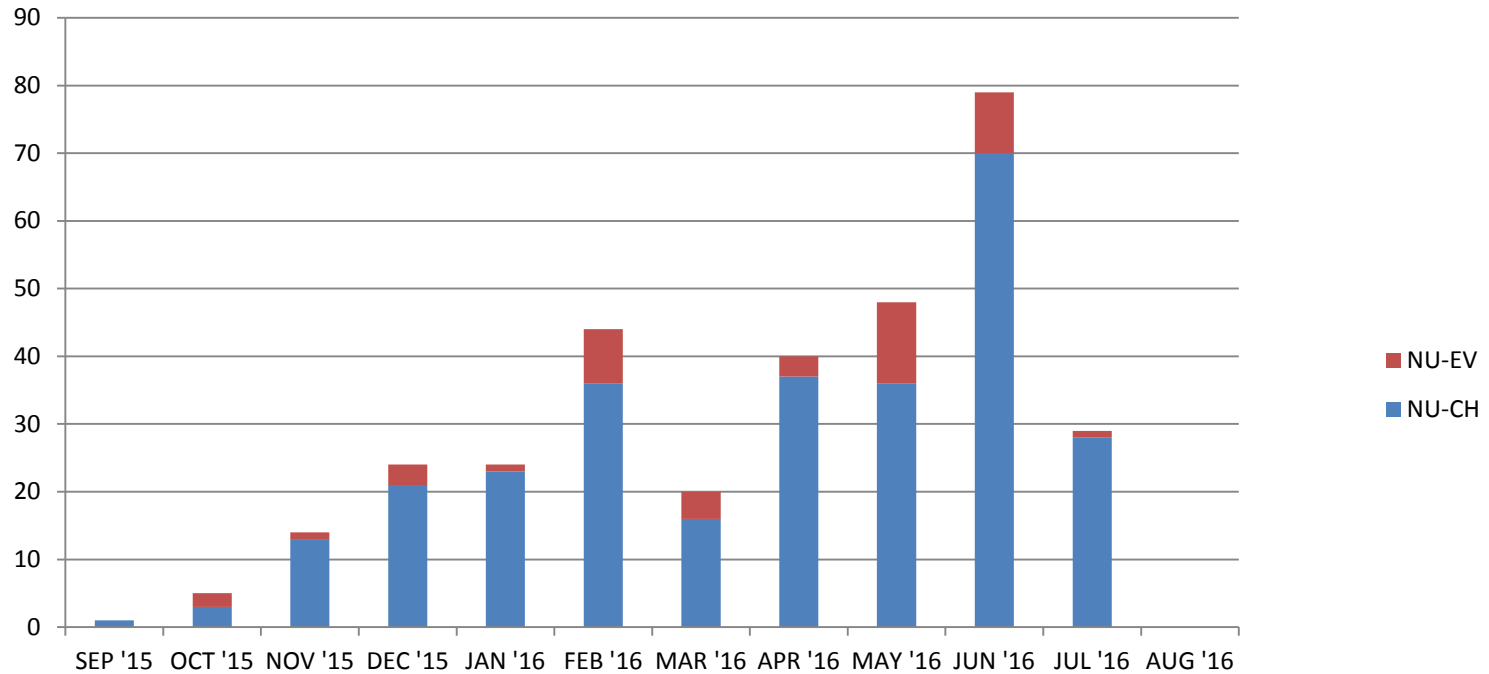
Annual FFR due, NU close out of "G" Award is required , new "P" subaccount begins

OSR will assign a new Award ID and chart string on pre-spend basis prior to start of grant so departments can manage transition

# OSR FY 15 – 16 Prespend Setup Timeline

projects affected, both direct and flow-through

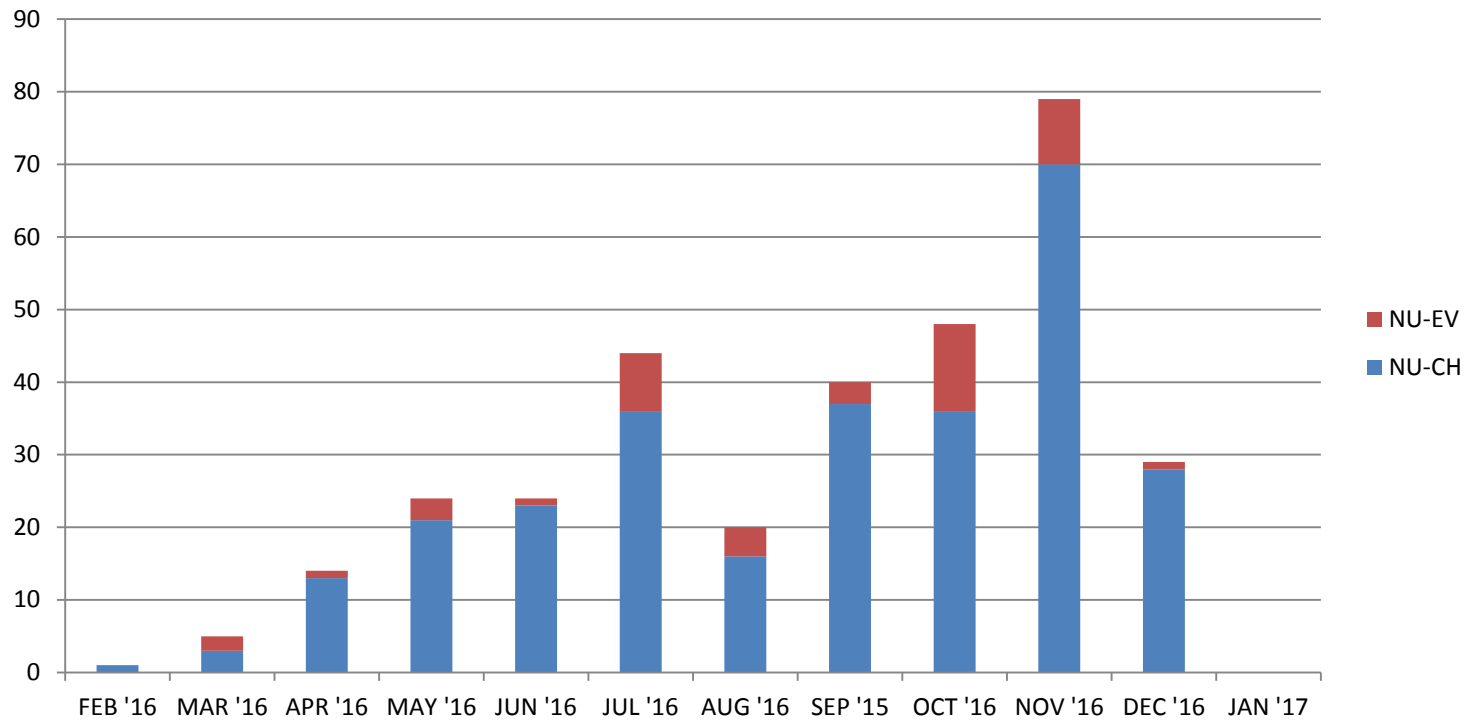
CH total = **284** projects , EV total = **44** projects, as of **Nov 2015**



# ASRSP FY 16 – 17 FFR Due Date Timeline

projects affected, both direct and flow-through

CH total = **284** projects , EV total = **44** projects, as of **Nov 2015**



# PMS Subaccount Transition: Pre-spend Set-up



OSR will set up Pre-spend NUFin chart strings for the “Split” second segment of the transition when the RPPR is submitted

- **Proactive Action:** Progress Reports are due 60 or 45 days before the end date. OSR will work on pre-spends after submission, if you don’t hear from OSR by 25<sup>th</sup> (that is 35 days before your grant ends) send an email to your GO to make sure your transitioned “Split” award is being created

# PMS Subaccount Transition: Info by Fund

**610 funds:** Progress Report submission Infoed SP# will be used to set up a new NUFIN Award ID (SP#)

- New NUFIN award ID and chart string will be distributed to departments affected.
- Multi-project awards- OSR will verify all projects should be re-opened

**620 funds:** ESPR will be required for EV campus only. CH campus does not require ESPR.

- OSR will work off the Master list
- Some 620s have progress reports so procedure would be the same as mentioned on prior slide
- If the 620 has no progress report OSR will start the InfoEd record and make the pre-spend.

# PMS Subaccount Transition: Carryover Guidelines for G Pooled to P Subaccount

- Awards with ***automatic carryover*** will be granted auto carryforward to the new “P” segment
  - **Modular** awards will have balance transferred to 72800 on “P” award by ASRSP
  - For **non-modular** awards, after finalizing the “G” FFR, ASRSP GCFA will move balance to budget code 78830 (NU restricted) on the “P” chart string.
    - Dept. should submit an ESPR to OSR to move expense to proper budget codes for non-modular automatic carryover awards.
- Awards with ***carryover approval required*** will have to request it formally through the standard OSR procedure
  - Funds are restricted & placed in “P” awards 78811 by ASRSP at reporting
  - If carryover is approved by NIH, an ESPR doc is needed for those dollars Depts. must complete the ESPR- *Budget Carry-forward of an unobligated balance 78811*
  - Large balances on all awards **will be scrutinized**

# PMS Subaccount Transition: Practical Impact at NU

## NIH LOC grants

- ASRSP will close old “G” NUFIn chartstrings
- OSR will open new “P” Subaccount chart strings in pre-spending status
- NU dept. must finalize expenses on the old chartstring
- NU dept. must direct new expenses to new chartstring
- Deficits cannot be automatically carried forward dept. would have to process a timely cost transfer for transition award corrections
- Pre-spending chart strings will be established
- NU **outgoing subcontracts** to other institutions will **close early** and be **reissued** as a new amendment.
  - **Timely processing of FINAL subcontract invoices** for the old chart string is critical.
  - ESPR request will need to be routed to begin the process
- Existing IRB/ACUC protocols approvals or COI Determinations carry forward automatically to the new segment



# PMS Subaccount Transition: Closeout of “G” award

- Deficit
  - Cost overruns are the responsibility of department
  - A non-sponsored chart string is required to cover cost overruns
    - Found an error please submit a timely cost transfer
  - Review portfolios using the GM044 report
  - If expenses are on the wrong chart string department must process correction journal
- Pre-spending (before a grant period starts).
  - Use pre-spending chartstring to manage award when possible
- Trailing expenses must be on grant **30-45 days** after the end date
- Corrections or cost transfers must post **30-45 days** from the end date
- Evanston Departments should set threshold of risk when requesting pre-spending account for a 620 fund. How much can dept. afford if sponsor reduces award?
- FY16 PMS Transition Only closeout checklist

# PMS Subaccount Transition: Effort Reporting Closeout of a G or a P award

- Finalize any outstanding effort reports and reconcile with payroll/salary plan at least **60 days prior** to close of the G award:
  - Has commitment (paid & cost shared effort) been met?  
*\*Special attention to K award commitment*
  - Has payroll been charged appropriately according to the certified
    - effort and planned commitment?
  - Has salary-over-the-cap commitment difference been accounted for and funded by NU funds (e.g. Fund 192 or 110/171)?
- If payroll journals are needed, ensure journals are processed timely. *DO NOT wait until the award is closed.*

# PMS Subaccount Transition: Effort Reporting Closeout of G or a P award

- **Certify Effort based on actual work performed**
- **If Sponsor is overcharged (per Effort Reporting period), payroll must be adjusted to reconcile the difference**

Example: A "G" award is closed on Jan 31, 2016:

The last available effort report would be 1Q2016( 9/1/15 to 11/30/15)

Review all effort reports against payroll charges & commitments

Use the ERS Report to monitor payroll against certified effort in ERS

***CERT -> Reporting -> Cost Sharing Details by Selected Query:***

Typically, the *Cost Share To Amount* must be positive on any sponsored projects (Fund 610 to 650)

No effort report is available for Payroll from 12/1/15 to 1/31/16: Reconcile with the planned effort and funding

# PMS Subaccount Transition: Recharge

## Recharge Centers (including Core Facilities and CCM)

- Bill customers **Monthly**
- Late billing to a sponsored award (e.g., over one month late) may cause rejection due to closeout of the chart string

## Users of Recharge Centers

- Ensure valid chartstrings are provided
  - Example: Have post-docs and graduate students been informed with valid chartstrings and timing?

# What is Not Going to Transition

- If the last year of a competitive segment ends on or before 09/30/2016, then it will not transition to P subaccounts
- No changes are expected to the current NIH Standard Terms of Award provision allowing grantees to initiate a one-time, **no-cost extension** in the last year of the award.
  - A NCE noted above will extend the “G” segment award end date. This is only for awards not transitioning.
  - Remember you have to be able to afford the effort committed during the NCE.
    - Please discuss with OSR if reducing effort

# PMS Subaccount Transition: Department Actions

- Set up payroll funding on new chartstring in FASIS in advance
- Set up tuition funding on new chartstring in SES in advance
- Review encumbrances and process change orders to new chartstring if necessary
- Give lab staff and students new chartstring with start and end dates
- Give cores, research centers, and animal care new chartstring
- Review outgoing subcontracts invoices. **Is the subk recipient billing the correct agreement?**
- RECONCILE MONTHLY- **Mandatory by Internal Controls**
  - If Dept. doesn't, there will be **Potential Loss of Funding**
  - Dept. chartstring may be covering unallowable costs and other findings found at close out. There will be no time for corrections when a report is due.
  - Watch out for reoccurring invalid trailing expenses, typically from recharge centers. Unallowable items must come off the grant fast!

# PMS Subaccount Transition: Fed Flow-through awards, fund 620 “incoming subs”

- OSR-CH will set up *prespend NUFin chart string* for the new interim funding period that falls within FY2016 *regardless if the Prime Recipient* changes the award number of the subcontract. *An ESPR is NOT required*
- OSR-EV will set up *prespend NUFin chart string* for the new interim funding period that falls within FY2016 *regardless if the Prime Recipient* changes the award number of the subcontract. ESPR will be required.
  - Threshold of risk would be specified within the ESPR routed
- Dept. needs to verify all expenses are posting correctly on the new chart string and RECONCILE the finances monthly at a minimum.
  - Fund 620 deadline: ~30 days from the end date.
  - Note: **Less time** than fund 610’s reporting deadlines.

# Outgoing Subcontracts

- OSR will not issue new subk amendments to subcontractors **until** NU has received the NOA for the 2<sup>nd</sup> segment of the transitioning award.
- Once the NOA is issued and received by NU, department may submit ESPR for subk additional time and money.
- Outgoing subcontracts on the awards to be transitioned are listed on the [NU FY16 PMS Transition Awards plus associated subks](#) worksheet “associated subks”

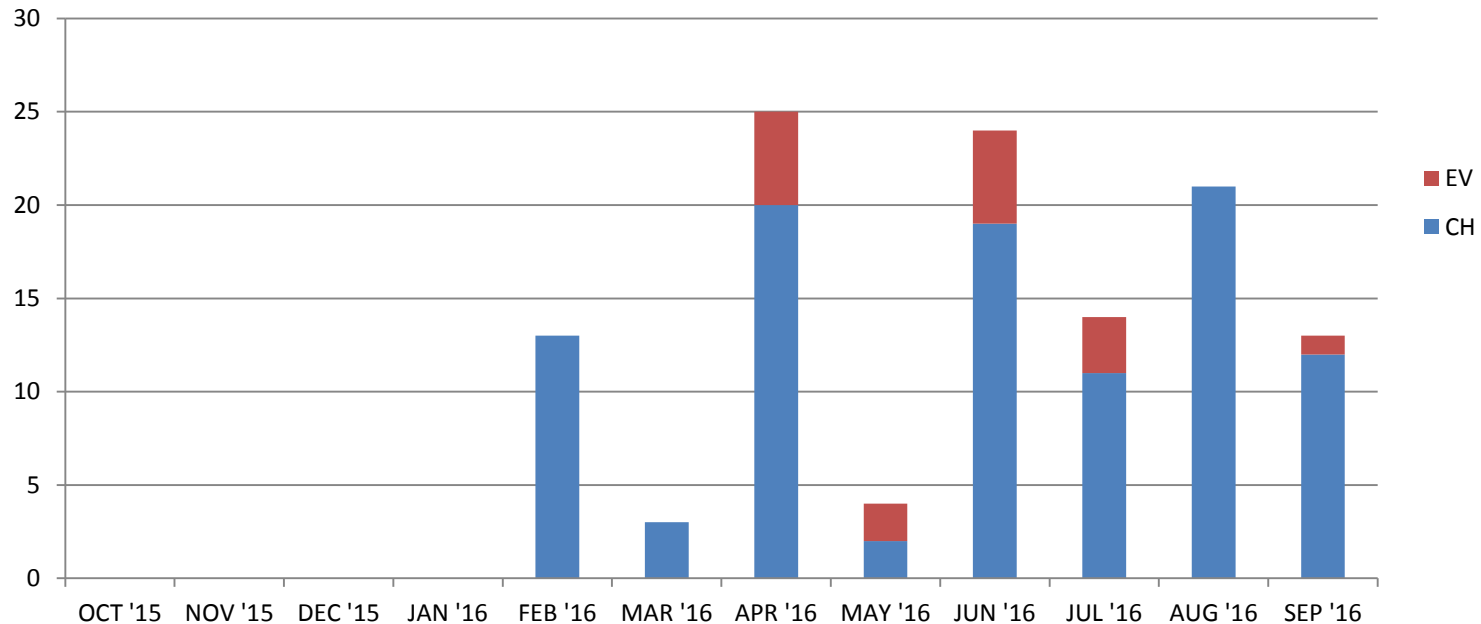


# New Amendments for Outgoing Subcontracts

Outgoing subks that will close and be reissued under 2<sup>nd</sup> segment  
CH total = **101** outgoing subks, EV total = **16** outgoing subks, as of Nov 2015

## OSR - ASRSP Outgoing Subks on PMS Transition Awards

# subks vs start month of second segment



# PMS Subaccount Transition

## Why is the HHS requiring this Transition?

- More **exposure** to what PIs and departments are doing financially.
  - **Transparency:** The Sponsoring Agency will monitor expenditure rate. NU expects **low** and **high** expenditure rates to be scrutinized. The Sponsoring Agency may request back-up for large number of charges posting all at once. Keep adequate records in dept. Attach back up to requisition and vouchers whenever possible. Especially for Unlike Circumstances.
  - **120** days after the end date of the HHS award, Authorized funds move from an Unexpired status to an Expired status. In addition, funds also move from an Unexpired status to an Expired status based on **budget** period end dates.
  - Departments will have minimal time for valid expenses to post **after** the end date.  
**Potential Loss of Funding**
  - Avoid late transactions, in order to closeout timely.



# PMS Subaccount Transition Wrap Up

- Updates regarding this project will be posted to <http://www.northwestern.edu/asrsp/federal-initiatives/hhs-pms-subaccounts.html>
- Future items to look for ...
  - Today's PPT presentation
  - Links to new NIH notices regarding the Subaccount transition
- Send Questions on PMS Subaccount Transition to [subaccount@northwestern.edu](mailto:subaccount@northwestern.edu)

# Thank You!



# FFR = “last” FCTR?

IF the Award End Date MONTH is ....	NU Dept has # days to post all expenses	FOR Award Enddate MONTH example	Dept needs to post ALL expenses by	so that the FFR due in	matches the "last" quarterly FCTR submitted by	If the expenses are not posted within the required timeframe, the FFR can be uploaded # days late so that the "last" FCTR is the "next" FCTR and the FFR = "last" FCTR requirement is met	Late FFR submission month	Unilateral closeout starts 180 days after award enddate in the month of ...
1 Jan, Apr, Jul, & Oct	<b>60</b>	Jan	Mar	<b>May</b>	April 30th (w expenses of acctg date through March 30th)	<b>60</b>	<b>July</b>	<b>July</b>
2 Feb, May, Aug, & Nov	<b>30</b>	Feb	Mar	<b>June</b>	April 30th (w expenses of acctg date through March 30th)	<b>30</b>	<b>July</b>	<b>August</b>
3 Mar, Jun, Sep, & Dec	<b>90</b>	Mar	Jun	<b>July</b>	July 30th (w expenses of acctg date through June 30th)	<b>90</b>	<b>October</b>	<b>September</b>