

# UNIFORM GUIDANCE IMPLEMENTATION UPDATE

June 2015



**FRED HUTCH™**  
CURES START HERE

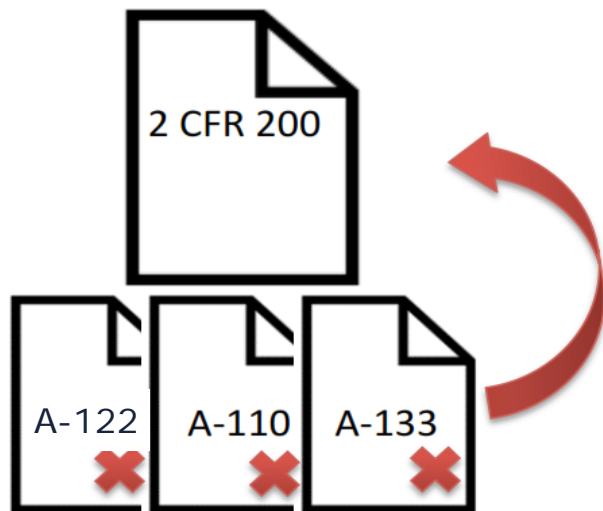
# Today's Agenda

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- Federal Demonstration Partnership Update
- UG Hutch Update
- The Why's of Compliance
- UG PI Quick Guide Overview
- Attachment A Changes
- Subrecipient Determination Form
- Subaward Invoice Payment

# Uniform Guidance – Quick Reminder: Key Things to Know

Replaces existing circulars:



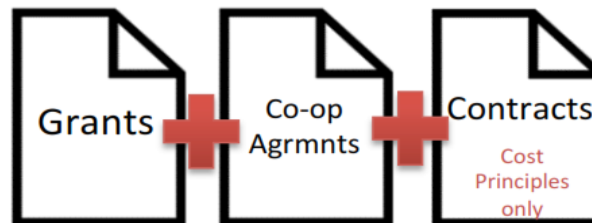
Applies to:  
"Non-federal Entities"

- Institutions of Higher Education (IHE)
- States
- Non-Profits
- Tribal Nations

Effective Date:



Guidance for Federal and Non-Federal Entities that applies to:



Federal contracts follow the FAR, plus UG for cost principles only

# Federal Demonstration Partnership (FDP) Update

## May 2015 Meeting

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### What we know...

- 3/31/15: New NIH Grants Policy Statement (GPS) issued
  - Effective for budget periods beginning on or after 12/26/2014 and awards that received *supplemental funding on or after 12/26/2014*.
- 5/19/15: New Draft NSF Proposal and Award Policies and Procedures Guide (PAPPG) posted
  - 60 day public comment period, to be effective 1/2016
- FDP and COGR continue to work with OMB
  - Subrecipient monitoring, procurement, audit
- OMB's current priorities:
  - UG Technical Corrections
  - New FAQ's
  - Some FAQ clarifications will be incorporated into UG Technical Corrections



# Federal Demonstration Partnership (FDP) Update

## May 2015 Meeting

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### What remains unclear...





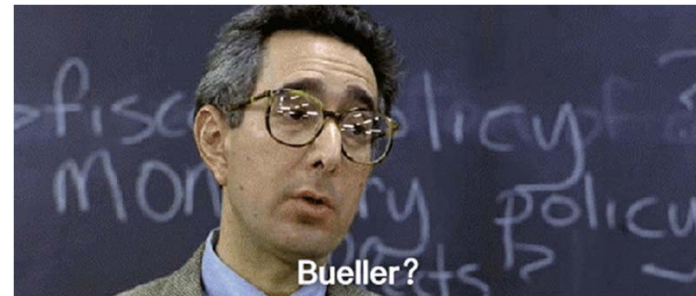
# Federal Demonstration Partnership (FDP) Update

## May 2015 Meeting

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### What remains unclear...

- Research Terms and Conditions (RTC's)
  - Still expired
  - New RTC's expected in ???
    - Highlights: Largely consistent with current NIH/NSF implementation;
    - Expect Agency-specific RTC's
  - Let's put **Uniform** back in Uniform Guidance!
- Compliance Supplement
  - June?
- Audit expectations
  - Internal control
  - Will leniency be provided given delays in OMB and agency implementations?

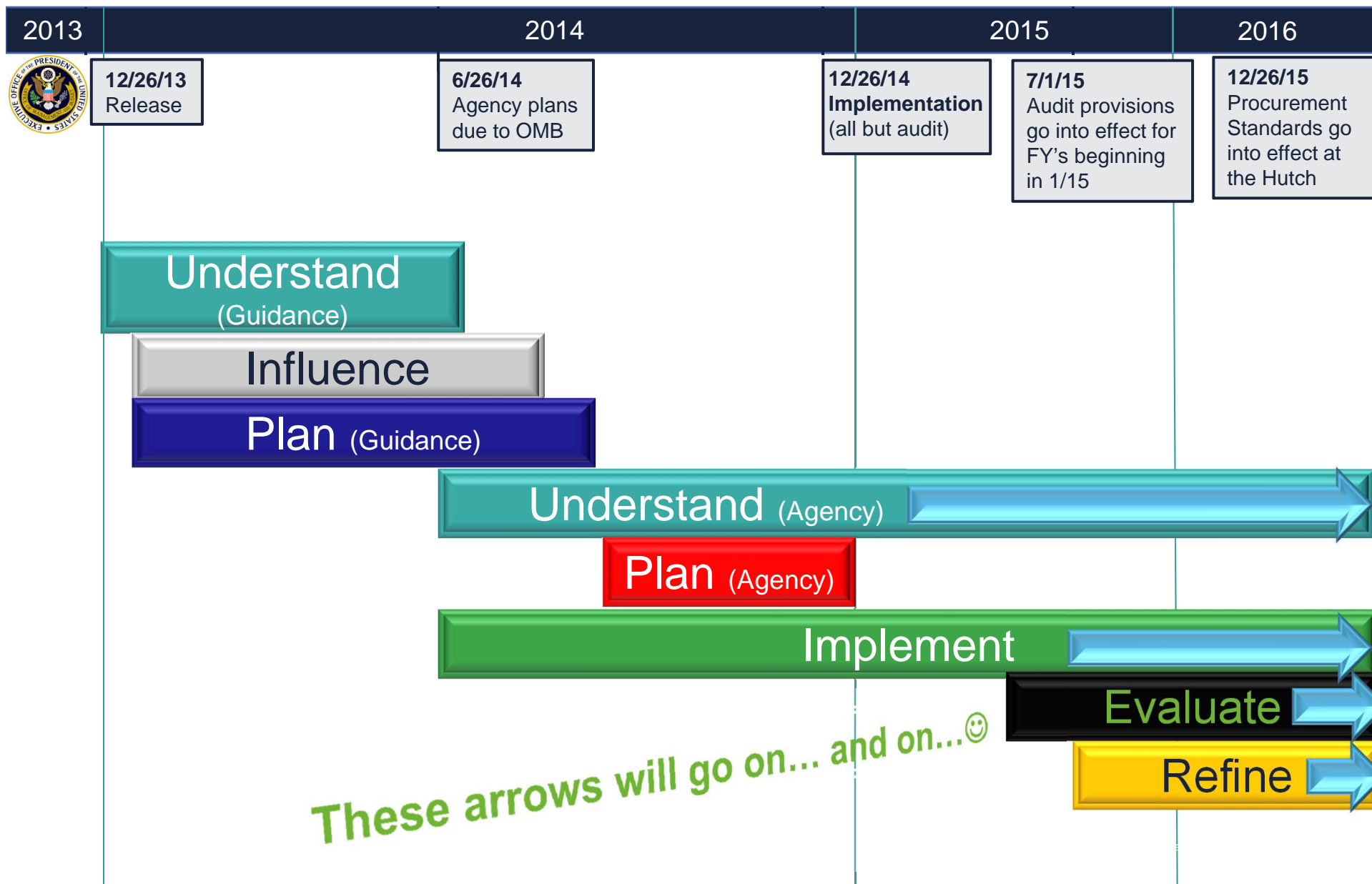


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# Uniform Guidance Implementation Overview





# What's been happening at the Hutch?

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## UG Working Groups Rock!



### UG Steering Committee (UGSC)

- OSR – Mark Boyer, Shannon Lysen
- Accounting – Chris Bundesmann, Herb Bone, JoAnn Staheli
- Materiel Management – Mark Burch
- FPA – Lisa Nichols
- Internal Audit – John Hernandez, Dinesh Weerasooriya
- Consultant to OSR – Sara Judd

### UGWG's

- Costing
- Effort Reporting/HR
- Equipment
- Post-Award
- Pre-Award
- Procurement/COI
- Subawards/Subrecipient Monitoring



# What's been happening at the Hutch?

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## UG Project Accomplishments:

- New UG Website launched
  - <http://www.fredhutch.org/en/labs/uniform-guidance.html>

- UG Quick Guides and UG FAQ's published

- New PI UG Quick Guide

- Research Administration Training (RAT)

- Updated materials (ongoing)
- New UG-specific classes being developed

- Updated Sabbatical policy

- Documented F&A rate negotiation process

- New Subrecipient Monitoring Processes and tools, tools, tools!

- Ongoing Hutch-wide process development/updates



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# But WHY??????



## Welcome to the age of Transparency...



## And Accountability...



# What has changed to bring about this regulatory shift?

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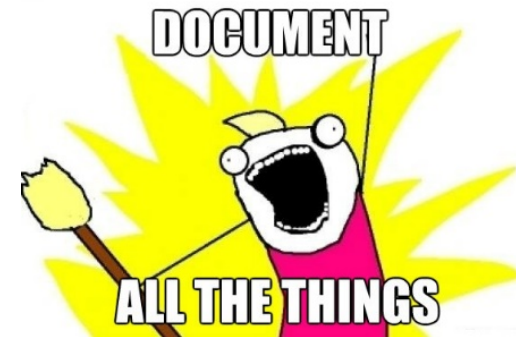
- Largest Federal research budgets in history
- Current administration committed to transparency and accountability
- Increased public demand for accountability
- Increasing use of qui tam provisions of False Claims Act
- Increasing level of unfunded mandates putting pressure on institutions to do more with less

**Public Demand  
for  
Improved Control**

# Why all the current emphasis on compliance?

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- Compliance is part of the “bargain” when we accept funds from external sponsors
- When we accept sponsored funding, we accept
  - ❑ Statutes
  - ❑ Regulations
  - ❑ Sponsor policies
  - ❑ Award terms and conditions





## So what's the big deal??



- And why should I care....after all, audits are just something that happen in an office far, far away...



# Consequences of Non-Compliance

## Significant audit Fines, Penalties and Repayments to Federal Government

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- **University of Minnesota** - \$32 million fine and loss of FDP expanded authority
- **Florida International University** - \$27 million for effort reporting violations and unallowable charges
- **NYU Medical Center** - \$15 million for inflated research grant costs
- **Thomas Jefferson University** - \$12 million for unallowable charges
- **Yale** - \$7.6 million for costing and accounting issues
- **Mayo Foundation** - \$6.5 million for mischarging Federal grants
- **Northwestern** - \$2.93 million – false claims on NIH grants and cooperative agreements & \$5.5 million for effort reporting violations
- **Cornell** - \$4.4 million settlement on allegations primarily relating to effort reporting
- **University of South Florida** - \$4 million for charging clerical costs without justification, purchase of equipment after project had ended, etc.

## Other impacts of non-compliance

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- Loss of grant funding
- Vulnerability to audit/suit
- Large settlements/fines and corrective actions
- Administrative sanctions
- Debarment or suspension
- Adverse publicity – damage to reputation
- Loss of public confidence
- Loss of donor confidence

## What happened at these “other” places?

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- Nothing that couldn't happen anywhere else, to anyone else...



- Lack of documentation to support actions.

# Hutch focusing efforts on those UG Impacts with the highest risk exposure

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## UG's "New" or "Renewed" focus on Requirements regarding:

- Subawards
  - obligation to pay "proper" subaward invoices within 30 calendar days of receipt
- Subrecipient Monitoring
  - documenting Subrecipient determinations
  - mandatory review and retention of programmatic reports required on subawards
- Institutional Internal Controls/Overall Award Management
- Conceptually these requirements are not "new," but more stringent requirements to document is new

# What's the rush?

## Why certain changes have implementation target date of July 1, 2015:

- FY16 is first year institutions will be audited against UG (FY17 for Procurement)
- Need to be able to demonstrate good-faith efforts toward compliance
- Current Hutch status helped determine focus of risk exposure areas
- Changes in Policy, processes and documentation may vary including:
  - Institutional level changes
  - Departmental level changes



## Important to know:

- UG Working groups focused on developing streamlined processes and helpful tools
- We are working with a moving target....
  - Your ongoing feedback will be vital!!!





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- **UG PI Quick Guide Overview**
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# New PI UG Quick Guide

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- High level overview of important UG changes that may:
  - Have an immediate or significant impact on award management
  - Result in a change in current Hutch business processes
- Of particular importance, new requirements regarding:
  - Subawards
  - Subrecipient monitoring
  - Institutional Internal Controls
  - More to come on new associated processes at the Hutch
- Email Distribution to PI's
- Available on Hutch UG Website
  - [http://www.fredhutch.org/content/dam/public/labs-projects/uniform-guidance/PI Uniform Guidance Quick Guide dated 3-27-15.pdf](http://www.fredhutch.org/content/dam/public/labs-projects/uniform-guidance/PI%20Uniform%20Guidance%20Quick%20Guide%20dated%203-27-15.pdf)

# New PI UG Quick Guide

## What Principal Investigators Need to Know

### AWARD REQUIREMENTS CHANGED OR EMPHASIZED IN UNIFORM GUIDANCE

Uniform Guidance (UG) went into effect on December 26, 2014 and represents a change from previous Federal regulations applicable to Federal awards contained in OMB Circulars A-122, A-110 and A-133. The following information highlights the noteworthy changes for a select group of items that may impact research at Fred Hutch. For questions please contact the Office of Sponsored Research: P | 667-4868 E | [gmail@fredhutch.org](mailto:gmail@fredhutch.org)

#### General

##### Applicability and Agency Implementation 200.101

- All new and renewal awards received on or after December 26, 2014 are subject to UG. UG implementation for other award actions and circumstances may vary among funding agencies. Awards may be subject to UG in their entirety, or subject to both old and new rules within the same award. Award terms and conditions will specify applicability.

##### Electronic Record Retention 200.335

- Use of electronic records is acknowledged as today's acceptable standard business practice and is encouraged to replace use of paper records. Periodic quality control reviews are required.

##### Performance Measurement 200.301, 200.327-328

- Awards may contain more detailed requirements regarding the frequency, content and certification of technical/scientific progress reports and related financial reports.

#### Pre-Award

##### Admin and Clerical Staff 200.413 (c)

- Administrative and Clerical salaries may be allowable as direct costs if four requirements are met. If not included and justified in the proposal budget, such salaries cannot be charged to the sponsored program until sponsor prior approval is received.

##### Computing Devices <\$5,000 200.453(c)

- Computing devices under \$5,000/unit may be direct charged to the project or activity if they are essential and allocable to the project, even if they are not solely dedicated to the performance of a Federal Award.

# New PI UG Quick Guide (cont'd)

<p><b>Pre-Award Costs</b> 200.458</p>	<ul style="list-style-type: none"> <li>•Pre-award costs may require agency prior approval. Pre-award costs are those costs incurred prior to the effective date of the award that are necessary for efficient and timely performance of the award, and allowable in accordance with award terms and conditions.</li> </ul>
<p><b>Prior Approvals</b> 200.407, 200.308</p>	<ul style="list-style-type: none"> <li>•Prior written approval from the agency may be required or advisable for certain special/unusual costs. Requirements vary among awarding agencies.</li> </ul>
<p><b>Short Term Visa Costs</b> 200.463 (d)</p>	<ul style="list-style-type: none"> <li>•Short term visa costs are allowable if they are critical and necessary to the project and not prohibited by the agency. Long term (immigration) visa costs are unallowable.</li> </ul>

## Post Award

<p><b>PI Absence from Project</b> 200.308</p>	<ul style="list-style-type: none"> <li>•PI can be absent from campus while still remaining engaged in the project. Prior approval from federal sponsor is required if there is (a) a change in scope/objective; (b) a change in key person specified in NOA; or (c) disengagement for more than 3 months or a 25% reduction in time by approved Project Director/PI.</li> </ul>
<p><b>Procurement</b> 200.110(a)</p>	<ul style="list-style-type: none"> <li>•Fred Hutch will exercise the option to defer the changes to the procurement standards until December 26, 2015. Until then, Fred Hutch will continue to comply with the procurement standards contained in OMB Circular No. A-122.</li> </ul>
<p><b>Printing/Publication Costs</b> 200.461(3)</p>	<ul style="list-style-type: none"> <li>•If costs for publication or sharing of research results are not incurred during the award period, such costs may now be charged anytime within the 90 day closeout period of the award end date.</li> </ul>
<p><b>Subrecipient Determinations</b> 200.330</p>	<ul style="list-style-type: none"> <li>•Fred Hutch must document its determination that an entity's role meets the criteria for a subrecipient vs. a personal services/vendor relationship.</li> </ul>
<p><b>Subrecipient F&amp;A</b> 200.331(4)</p>	<ul style="list-style-type: none"> <li>•A Subrecipient's federally negotiated F&amp;A rate must be used unless the Federal award restricts the F&amp;A rate. A 10% F&amp;A rate must be used when the subrecipient does not have a federally negotiated rate. *NIH will continue to utilize the statutory 8% rate that is currently reflected in the Grants Policy Statement (GPS) for foreign subawards.</li> </ul>

# New PI UG Quick Guide (cont'd)

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## Subrecipient Invoicing 200.305(b)(3)

- Subrecipient invoices must be reviewed, approved and paid within 30 days of Fred Hutch's receipt of a proper invoice.

## Subrecipient Monitoring and Management 200.331

- UG requires more stringent due diligence and monitoring of subrecipients, including documentation of Fred Hutch's review of subrecipient's technical performance and financial management throughout the award.

## Travel 200.474

- Documentation is required to demonstrate that an individual's travel is necessary to the Federal award.

## Value Added Tax (VAT) 200.470 (c)

- Foreign taxes charged for the purchase of goods or services that is legally required to be paid in the foreign country is allowable, provided the goods or services are an allowable expense, and subject to certain UG criteria.

### Close-out

## Close-out: 90 Day Deadline 200.343

- Fred Hutch will continue to require that all Final progress, financial and other reports are due no later than 90 calendar days after the end date of the period of performance.

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# Attachment A Changes: Administrative and Clerical Salaries



- Updated to meet new UG requirements

Admin and Clerical Staff  
200.413 (c)

•Administrative and Clerical salaries may be allowable as direct costs if four requirements are met. If not included and justified in the proposal budget, such salaries cannot be charged to the sponsored program until sponsor prior approval is received.

- New Form Section:

## ADMINISTRATIVE AND CLERICAL SALARIES

Yes No

Administrative/Clerical Salaries are included in this project. Indicating “yes” certifies that prior approval will be requested in the budget justification or has previously been obtained from the sponsor. All administrative/clerical salaries must be clearly justified in the budget justification as applicable. If no budget justification is required, supporting documentation must be made available upon request. See sample justification language: <http://www.fredhutch.org/en/labs/uniform-guidance/concepts-changes.html>

# Attachment A Changes: Administrative and Clerical Salaries (Cont'd)



- New Instructions:

## Section 7: Administrative and Clerical Salaries

Field Name	Instructions and Notes
<p><b>Administrative and Clerical Salaries</b></p>	<p>Check “yes” if this project budget includes Administrative or Clerical Salaries.</p> <p>New/Renewal Proposals:</p> <ul style="list-style-type: none"> <li>• If it is determined that administrative and clerical services are essential, vital, or fundamental to the project or activity*, PI’s/departments must explicitly list in proposal budget justifications administrative and clerical costs that meet the direct charging definitions, and explain why these costs are integral to the project.</li> <li>• If no budget justification is required by the sponsor, be prepared to provide supporting documentation as necessary.</li> </ul> <p>Noncompeting Proposals:</p> <ul style="list-style-type: none"> <li>• If the level of administrative or clerical support required has not changed since the New/Renewal submission, no additional justification is required.</li> <li>• If new or additional administrative or clerical support is needed, administrative and clerical costs must be justified as required above.             <ul style="list-style-type: none"> <li>○ If no budget justification is required by the sponsor, agency prior approval may be required. Contact your OSR Specialist for assistance.</li> </ul> </li> </ul> <p>Check “no” if this project budget does not include Administrative or Clerical Salaries.</p> <p><b>Note:</b> Some agencies including NIH have waived this prior approval requirement provided the criteria in the Administrative and Clerical Salaries section of Attachment A are met.</p> <p>*For more information regarding special circumstances and sample budget justifications, see <a href="http://www.fredhutch.org/en/labs/uniform-guidance/concepts-changes.html">http://www.fredhutch.org/en/labs/uniform-guidance/concepts-changes.html</a>.</p>

# Attachment A Changes: Subrecipient Determination



- Updated to meet new UG requirements

**Subrecipient Determinations**  
200.330

•Fred Hutch must document its determination that an entity's role meets the criteria for a subrecipient vs. a personal services/vendor relationship.

- Revised** Form Section:

SUBAGREEMENTS AND STAFF ASSIGNMENTS					
Yes	No	University of Washington (UW)			
<input type="checkbox"/>	<input type="checkbox"/>	UW faculty are participating in this project. UW funded by <input type="checkbox"/> Subaward <input type="checkbox"/> Staff Assignment <input type="checkbox"/> Other			
<input type="checkbox"/>	<input type="checkbox"/>	UW Faculty will devote effort to the study but no costs are included in the proposal for their participation. <b>REQUIREMENT:</b> Letter of intent from UW noting their willingness to cost share salary.			
<input type="checkbox"/>	<input type="checkbox"/>	University of Washington space will be used for this project. % of work that will be performed at UW <input type="text"/> %			
List all institutions (including UW) receiving a Sub, Purchased Service/Consultant or Staff Assignment. (SA include room/name)					
Institution/Entity	Subrecipient	Prch Svc/Consult	Staff Assignment	Room	Name
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>	<hr/>
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>	<hr/>
<hr/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<hr/>	<hr/>

If Yes to Subrecipient (subaward/subcontract), Purchased Service or Paid Consultant: **New/Renewal applications**, enclose completed and signed Subrecipient Determination Form (SDF). **Existing Awards** (Non-competing, Supplements), only enclose SDF for new and/or changed relationships.

# Attachment A Changes: Subrecipient Determination (cont'd)



- New Instructions:

Additional language added to <u>Subagreements</u> and <u>Staff Assignments</u> Section	
Field Name	Instructions and Notes
<u>Subagreements</u> and <u>Staff Assignments</u>	<p><b><u>For Subagreements and Purchased Services/Consultants:</u></b>  <i>If either the <u>Subrecipient</u> or <u>Purchased Services/Consultant</u> box is marked in this section of the Attachment A, a <u>Subrecipient Determination Form (SDF)</u> serves as documentation to support the appropriate determination of the relationship with the entity/individual.</i></p> <p><b><u>New/Renewal Proposals</u></b>            If proposal includes a <u>Subrecipient</u> (<u>Subaward</u>/subcontract), a Purchased Service, and/or a Consultant please complete and attach a signed SDF with Attachment A.</p> <p><b><u>Non-Competing/ Supplement Proposals</u></b>            If proposal includes a new and/or changed relationship with an Institution/ Entity, please complete and attach a signed SDF form with Attachment A. A new SDF is not required for relationships that have existed and remain unchanged from the previous year(s) of this competing Award cycle.</p> <p><b><i>On the Attachment A:</i></b>            Use the Institution/Entity determination information from the SDF to complete this section of the Attachment A.</p> <p><b><i>Institution/Entity:</i></b> List the name of the Institution/ Entity and mark either the <u>Subaward</u> or <u>Purchased Service/Consultant</u> box based on the information provided in the SDF.</p> <p>*For more information see the <u>Subrecipient Determination Form</u> and Instructions at: <a href="#">ENTER WEBSITE LOCATION HERE.</a></p>





# Questions so far?

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# UG §§: 200.330

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- The Requirement:

**Subrecipient Determinations**  
**200.330**

- Fred Hutch must document its determination that an entity's role meets the criteria for a subrecipient vs. a personal services/vendor relationship.

- Why: To ensure the appropriate relationship is established based on the entity
- How: New Subrecipient Certification Form
- When: It depends...
- Let's take a look!



# Hutch Subrecipient Determination Form



## Office of Sponsored Research Subrecipient Determination Form (SDF)

### Purpose

In accordance with Uniform Guidance (UG) §200.330, Fred Hutch must make case-by-case determinations whether an entity or individual to whom Fred Hutch will disburse Federal Program funds meets the definition of a Subrecipient or a Contractor as defined by UG. This determination should be based on the nature of the activities to be performed by the entity. This form should be used to facilitate and document the analysis supporting appropriate entity determinations in accordance with UG §200.330 for the disbursement of funds.

### Definitions

**§200.74: Pass-through Entity (PTE)** is a non-Federal entity that provides a subaward to a subrecipient to carry out part of a federally funded project. In these instances, Fred Hutch = the PTE.

**§200.93: Subrecipient** is a non-Federal entity that receives a subaward from a PTE to carry out part of a Federal award. Subawards and Subcontracts are examples of agreements associated with Subrecipient relationships.

**§200.23: Contractor** is an entity from which a PTE purchases property or services needed to carry out the project or award under a Federal award, by means of a legal instrument. Examples of Contractor relationships and associated agreements include but are not limited to Purchased Services and Paid Consultants/Independent Contractors. Characteristics which support the classification of a procurement relationship between the PTE and Contractor are when non-Federal entity/individual, or the goods or services provided by the non-Federal entity/individual receiving funds from the PTE meet any of the following:

- Goods and/or services are provided within normal business operations.
- Entity normally operates in a competitive environment.
- Is not subject to compliance requirements of the Federal award as a result of the agreement, though similar requirements may apply for other reasons.
- Similar goods or services are provided to many different purchasers.
- Goods/services provided are ancillary to the operation of the Federal award.

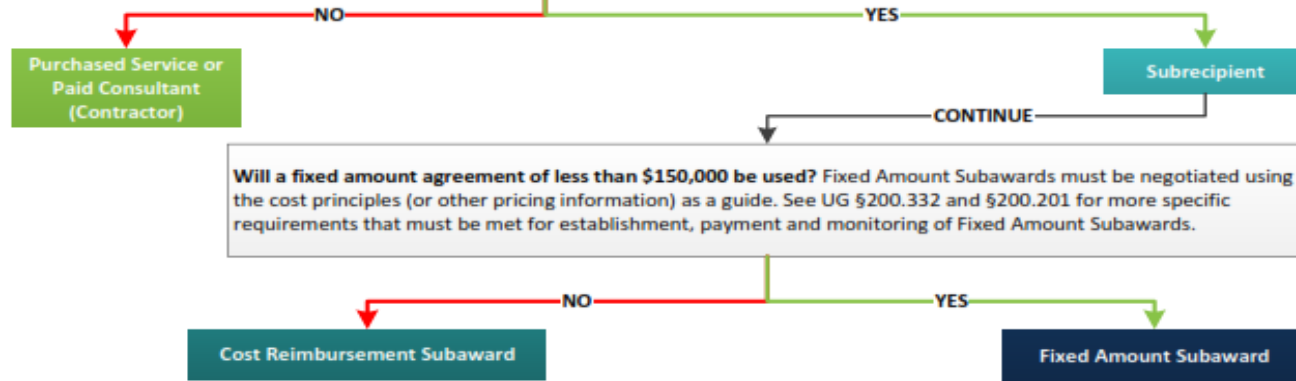
### Use of Judgement in Making Determination

In determining whether an agreement between Fred Hutch and another non-Federal entity casts the latter as a subrecipient or a contractor, the substance of the relationship is more important than the form of the agreement. All of the characteristics listed may not be present in all cases and as such Fred Hutch must use judgement in classifying each agreement as a subaward or a procurement contract.

# Hutch Subrecipient Determination Form (cont'd)

Will the project activity at the non-Federal entity receiving funds from Fred Hutch involve any one of the following?

- Performance measured in relation to whether objectives of Federal award are met
- Responsible for programmatic decision making (may direct a portion of the work)
- Has responsibility for adherence to applicable Federal award compliance requirements
- Uses Federal funds to carry out the specific aims of an award as compared to providing goods or services for a program of Fred Hutch



Enter names of all entities/individuals involved with the project and select appropriate determination based on entity activity on the project as defined above (use additional entity pages if necessary.)

Entity/Individual Name	Determination	Entity/Individual Name	Determination
_____	Select One	_____	Select One
_____	Select One	_____	Select One

I certify to the best of my knowledge that the determinations herein have been made in accordance with applicable policies, laws and regulations and the activities to be performed by each Entity/Individual identified. I certify that I am:

- PI of the Project with direct knowledge of the work to be performed for which this determination is being made.
- A person authorized by the PI to make this certification, with direct knowledge of the work to be performed for which this determination is being made.

\_\_\_\_\_  
Name (Please Print) Signature Date

PI Name \_\_\_\_\_

Proposal ID \_\_\_\_\_

Please retain a copy of form for audit purposes.

Form last modified 06.03.15



# Hutch Subrecipient Determination Form (cont'd)



## Office of Sponsored Research Subrecipient Determination Form Instructions

- Retain a copy of the completed Subrecipient Determination Form (SDF) in the department records.
- Ensure that the person signing the form has direct knowledge of the activities for the entity/entities identified and have appropriate authorizations.
- Complete the PI name and Proposal ID in the footer if known at the time of form completion.

### SDF Requirements

#### Required

- For all sponsored proposals and awards when a Subrecipient, Consultant or Purchase Service entity or individual will be utilized (generally paid from Resource Category 20 or 25). An SDF must be completed when any of the below apply:
  - If an SDF **has not** been previously completed for the entity or individual for the Award.
  - If an SDF **has been** previously completed for the entity/individual, but the status of the relationship has changed based on the nature of activities to be performed (e.g., changed from consultant to subrecipient status) for the Award.
  - If an entity/individual previously identified as TBN has now been identified.

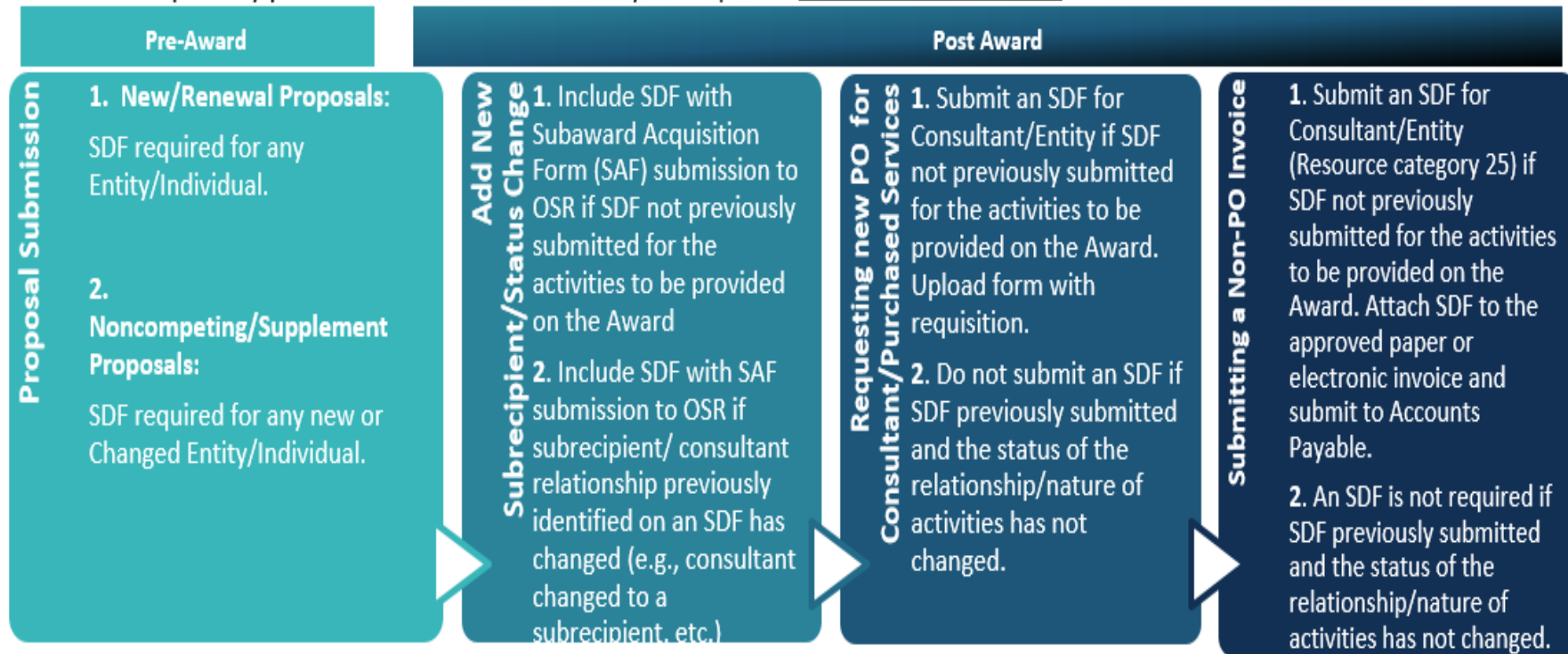
#### Not Required

- If the entity or individual has not yet been identified (TBN).
- For Staff Assignments.
- If an SDF has been previously completed and the status of the relationship/nature of activities has not changed (e.g., Subrecipient determined in year 1 will continue as a subrecipient in year 2).

# Hutch Subrecipient Determination Form (cont'd)

## When to Submit an SDF

There are four primary points in time when an SDF may be required. **Submit an SDF WHEN:**



## Form Instructions

Complete one form per Proposal/Award. Multiple entity determinations may be listed on each form, but all must be associated with the same Proposal/Award. Use continuation page provided if necessary.

# Hutch Subrecipient Determination Form (cont'd)

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## Form Instructions

Complete one form per Proposal/Award. Multiple entity determinations may be listed on each form, but all must be associated with the same Proposal/Award. Use continuation page provided if necessary.

1. Proposal/Award Information:
  - a. Provide Name of PI for Proposal/Award to which the SDF applies.
  - b. Provide Proposal ID number if known. If no Proposal ID exists, OSR will assign a number upon receipt.
2. Determination Analysis:
  - a. Review information provided in SDF and utilize decision tree to make accurate determination.
  - b. Contact OSR Specialist with questions.
3. Entity/Individual Information and Determination:
  - a. Enter name of Entity/Individual(s) and select appropriate determination from dropdown menu (Purchased Service/Paid Consultant, Cost Reimbursement Subaward or Fixed Amount Subaward) for each Entity/Individual. If multiple Individuals/Entities, use one line per each Individual/Entity determination. Use continuation page as necessary.
4. Certification:
  - a. Mark the appropriate box that applies, print name, sign and date form. Ensure that the person signing the SDF has direct knowledge of the activities for the entity/entities identified, and has appropriate PI/Department authorizations to complete the SDF.
5. Submit:
  - a. Submit SDF to the appropriate Fred Hutch department as indicated in Section B above. Retain a copy of the completed SDF for department records.



## So let's review...

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**Who needs to ensure that the person signing the SDF has direct knowledge of the activities for the entity/entities identified and have appropriate authorizations?**

- PI/Department

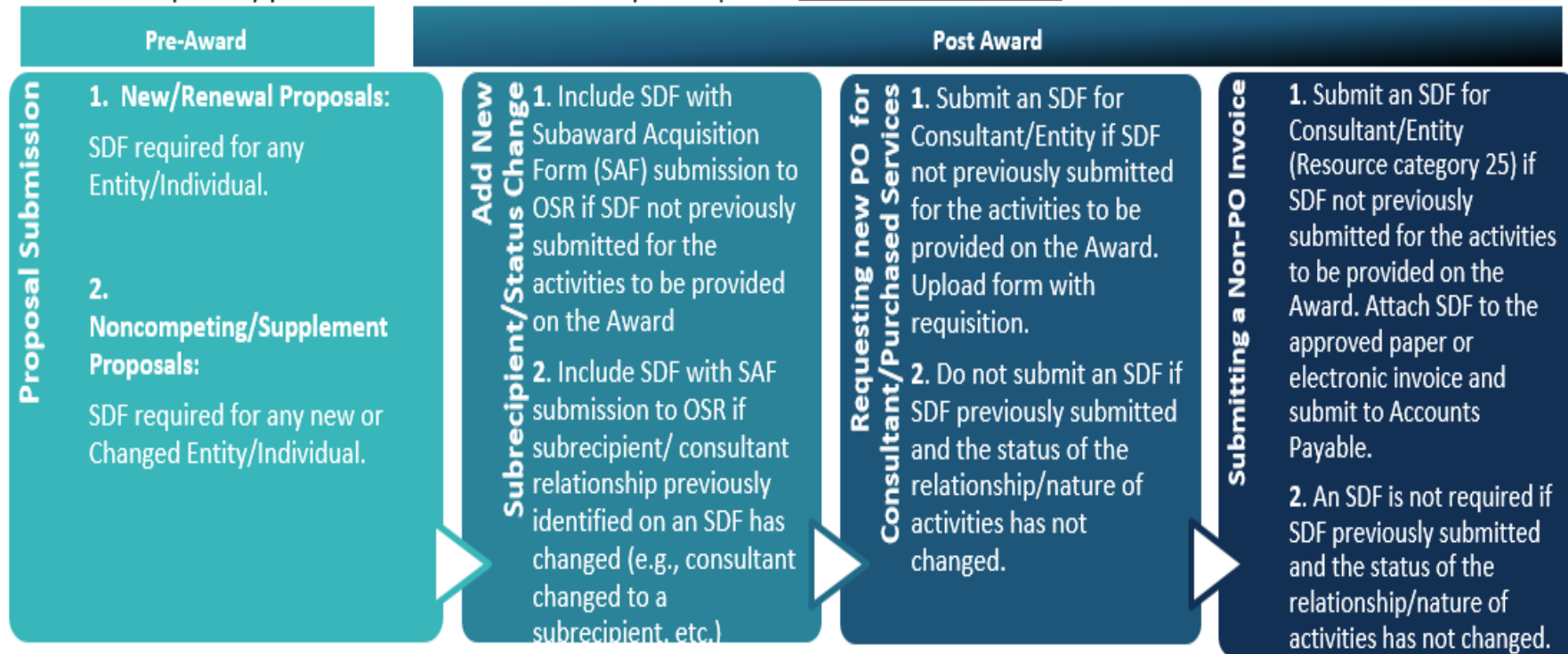
**Who needs to keep a copy of the SDF for their records?**

- PI/Department

# So let's review (cont'd)

## When to Submit an SDF

There are four primary points in time when an SDF may be required. **Submit an SDF WHEN:**



## Form Instructions

Complete one form per Proposal/Award. Multiple entity determinations may be listed on each form, but all must be associated with the same Proposal/Award. Use continuation page provided if necessary.



## So let's review...

---

**If I have a new Subaward in year 2 (noncompeting year) of an NIH Award, do I need to submit an SDF?**

- Yes!

**How do I submit the SDF for the above situation?**

- It depends....
  - If at proposal stage (noncompetitive or competitive), submit with Attachment A
  - If at any point outside of a proposal submission, submit with the SAF to OSR

**What if I had already submitted an SDF in Year 1 for the above situation? Do I need to submit one in Year 2?**

- It depends....
  - If relationship has not changed based on activities to be performed, then No
  - If a change in the relationship, e.g., Consultant to Subrecipient, then Yes

## So let's review...

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**If I have a new Purchased Services Entity in year 2 (noncompeting year) of an NIH Award, do I need to submit an SDF?**

- Yes!

**How do I submit the SDF for the above situation?**

- It depends....
  - If at proposal stage (noncompetitive or competitive), submit with Attachment A
  - If at any point outside of a proposal submission, submit with requisition for a PO, or with invoice if no PO

# Hutch Subrecipient Determination Form (cont'd)

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## Implementation Timeframe:

- Target date of July 1, 2015: Begin using SDF
- Prior to July 1, 2015: Email announcement with final form, instructions and location of form
- From now on: Provide your input 😊





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# Questions so far?

# Today's Agenda

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- Federal Demonstration Partnership Update
- UG Hutch Update
- The Why's of Compliance
- UG PI Quick Guide Overview
- Attachment A Changes
- Subrecipient Determination Form
- **Subaward Invoice Payment**



# Review and Payment of Subrecipient Invoices

- Updated to meet new UG requirements

<b>Subrecipient Invoicing</b> <b>200.305(b)(3)</b>	<ul style="list-style-type: none"><li>• Subrecipient invoices must be reviewed, approved and paid within 30 days of Fred Hutch's receipt of a proper invoice.</li></ul>
<b>Subrecipient Monitoring and Management</b> <b>200.331</b>	<ul style="list-style-type: none"><li>• UG requires more stringent due diligence and monitoring of subrecipients, including documentation of Fred Hutch's review of subrecipient's technical performance and financial management throughout the award.</li></ul>

- 30-day timeframe is new and documentation requirements are more stringent, but concept of reviewing and approving by PI/person with direct knowledge is not new
- To facilitate prompt payment:
  - Modifications made to invoice review/payment process
  - New “best practice” guidance and tools in development to facilitate prompt payment
- Let's take a look!



# Review and Payment of Subrecipient Invoices Highlights of Key Process Changes (cont'd)

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- Invoice is deemed “payable” if it meets the definition of a “Proper” invoice and no other issues exist that would delay or withhold payment (definitions and examples to follow).
- Email notification from OnBase will identify Invoice Receipt Date.
- AP will use OnBase Comments field notes to identify a Subaward invoice to be paid in 30 calendar days of receipt.
- Onbase Comments field to be utilized by all parties to document for audit purposes any issues that may delay or halt the invoice payment process.

# Review and Payment of Subrecipient Invoices Highlights of Key Process Changes (cont'd)

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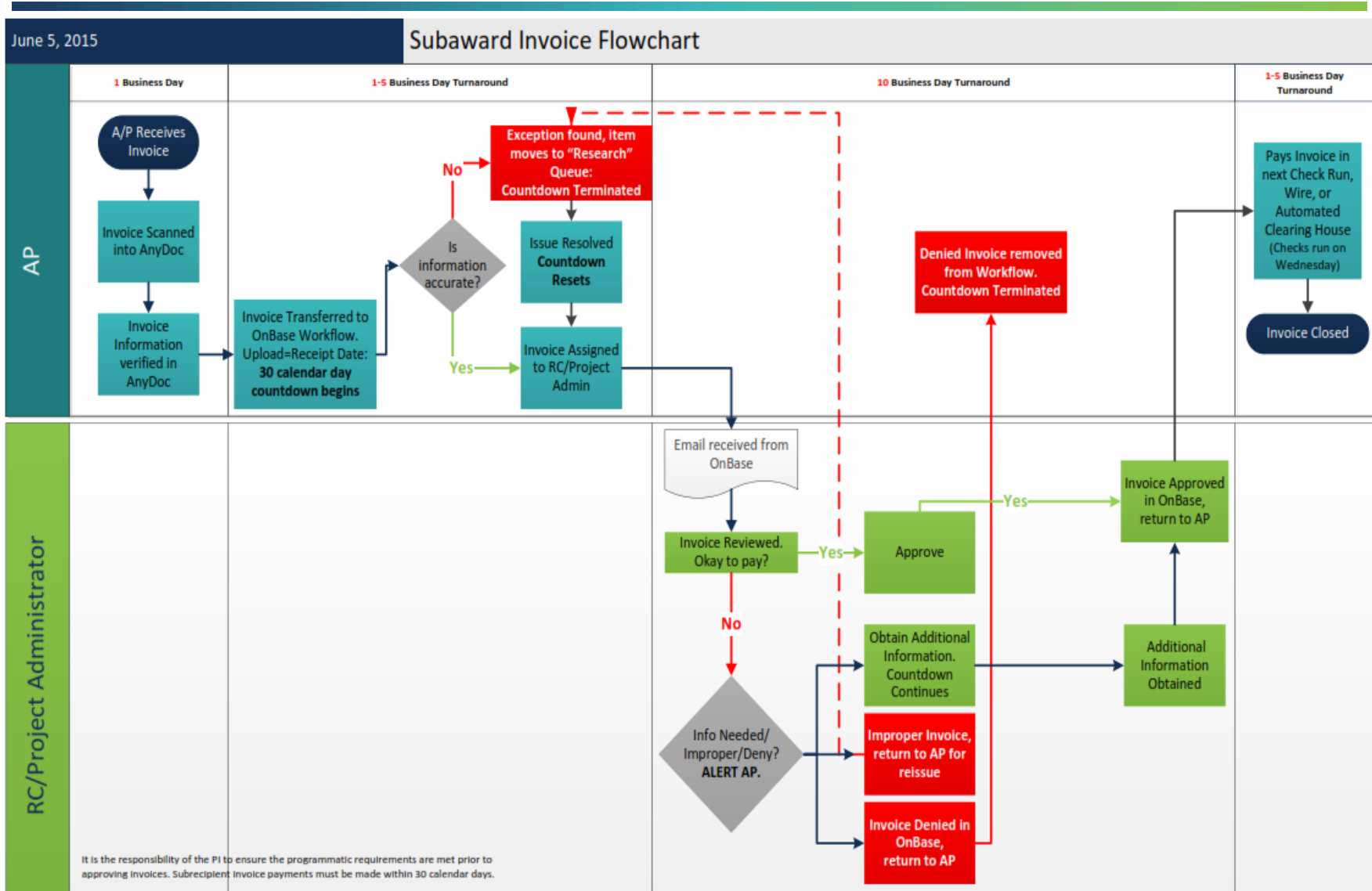


- New “best practices” turnaround time expectations provided (see flowchart).
- Prompt processing of Subaward invoices will mitigate compliance issues.
- In the case of absences, out-of-office notifications should be utilized consistently and should include appropriate contact persons for AP to re-route invoice.
- Review of invoice should include review and reconciliation of programmatic progress with invoice information.
  - More on this shortly!
- Best practices guidance and tools will be available to facilitate invoice review and approval.



# Review and Payment of Subrecipient Invoices

## Subaward Invoice Process



# Review and Payment of Subrecipient Invoices

## Sample email from OnBase



**“Subaward invoice – must be paid within 30 days of receipt date” note will appear here**

**Sent:** Friday, June 05, 2015 6:01 AM  
**To:** Isaacs, Brenda K  
**Subject:** You have invoices to approve!  
**Importance:** High

### OUTSTANDING APPROVALS IN ONBASE

The following invoice(s) have been sent to you by the Accounts Payable department for your approval. Please click on the link to view these documents in the OnBase system and submit your approval as soon as possible. Please do not reply to this email address. For questions please email [apdept@fhcrc.org](mailto:apdept@fhcrc.org)

#	Vendor Name	Vendor Code	Invoice Number	Invoice Date	Receipt Date	Invoice Amount	Comments	OnBase Workflow
1	HORIZON DISCOVERY LIMITED	0000336074	HD5273	5/29/2015	6/1/2015 9:59:02 AM	3500.00		<a href="#">See in OnBase Workflow</a>
2	HORIZON DISCOVERY LIMITED	0000336074	HD5274	5/29/2015	6/1/2015 9:59:02 AM	2500.00		<a href="#">See in OnBase Workflow</a>
3	HORIZON DISCOVERY LIMITED	0000336074	HD5275	5/29/2015	6/1/2015 9:59:02 AM	3750.00		<a href="#">See in OnBase Workflow</a>

# Review and Payment of Subrecipient Invoices Highlights of Key Process Changes



- Definition of a “Proper” invoice:
  - Must be sent directly to Accounts Payable at [apdept@fredhutch.org](mailto:apdept@fredhutch.org) per the instruction in the subaward agreement, and at a minimum should include:
    - Subrecipient name and date of invoice
    - Subrecipient invoice number
    - Fred Hutch Subaward number
    - Period of performance covered by invoice
    - Expenditures by major category (e.g., salaries, benefits, supplies, equipment, F&A, etc.)
    - Current period costs or clinical services rendered in a specified period in sufficient detail to enable comparison to project budget, and cumulative project costs or clinical services rendered as compared to the project budget
    - Certification and corresponding signature per UG [§200.415](#)

\*\*Invoices may be concurrently sent to alternate Hutch contacts but to be considered “Proper” and to start the 30-day “countdown,” invoices must be sent to Accounts Payable.

# Review and Payment of Subrecipient Invoices Highlights of Key Process Changes



- Examples of issues that may temporarily withhold or permanently cease invoice payment:
  - Invoice does not meet the definition of a “Proper Invoice”
  - Subrecipient has failed to comply with the project objectives, Federal statutes, regulations, or the terms and conditions of the Federal award.
  - Partial or complete suspension or termination of the subrecipient’s portion of the project.
- Common Subrecipient Invoice Issues
  - Invoices include charges outside of the project period, i.e., expired Subawards
  - Charges not clearly identified and/or included in the approved budget, i.e., travel, consultant charges
  - PO/Subaward number not included or incorrect
  - Mathematical errors in the calculation of the F&A or the cumulative charges to date
  - Duplicate charges from previous invoices

# Review and Payment of Subrecipient Invoices

## Review of financial and performance reports

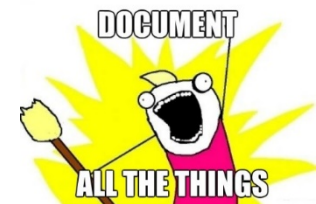


### Subrecipient Monitoring and Management 200.331

- UG requires more stringent due diligence and monitoring of subrecipients, including documentation of Fred Hutch's review of subrecipient's technical performance and financial management throughout the award.

**Q: Why** do we need to **document** that we've reviewed technical performance and financial reports/invoices?

**A:** UG §200.331 says verbatim:



- “All pass-through entities must:
  - ... (d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient **must** include:
    - **(1) Reviewing financial and performance reports required by the pass-through entity**
- UG §200.301 Performance measurement says:
  - “...the Federal awarding agency must require the recipient to relate financial data to performance accomplishments of the Federal award.”

## Review of financial and performance reports



**Q: How** do we need to **document** that we've reviewed technical performance and financial reports/invoices?

**A:** Recipient must write a monthly 2000 word report and provide detailed financial reports hourly.



**A:** The **REAL** answer is: **It depends**... on your current practice.

- Ultimately, you need to be able to **demonstrate via a paper/electronic trail** that:
  - Invoice approver has direct knowledge of the activities involved and has appropriate authorizations, or secures approval from someone who does.
  - Required technical/financial reports have been reviewed/approved by person with direct knowledge of the activities involved and has appropriate authorizations.
  - Approval confirms that all activities and costs are in compliance with all applicable laws, regulations, policies, procedures, etc.

# Review of financial and performance reports Best Practice Options



## Option 1: The Gold Standard:

- PI Certifies in writing:
    - Via Email or Completion of a recommended Invoice Review Checklist tool with language that says:
      - *“By approving the invoice I certify that, with direct knowledge, I have reviewed the expenditures and determined that they are reasonable in the context of the subrecipient’s activities performed to date. I certify that I have received and approved all technical reports required to date and am satisfied with the subrecipient’s project performance.”*
- \*Recommended Invoice Review Checklist tool under development
- RC forwards invoice to the PI for approval via OnBase
    - **Currently, OnBase does not include certification language, so still need to ensure PI can demonstrate that he/she deemed the invoice to be payable, and that they reviewed any required technical/financial reports (can use above certification language).**

# Review of financial and performance reports Best Practice Options



## Option 2: Next Best Thing:

- PI delegates authority to person with direct knowledge and appropriate authorizations. Delegate certifies using recommended certification language via Email, recommended Invoice Review Checklist, etc.:
  - **How to document “direct knowledge”:** e.g., Meet monthly with PI to discuss subrecipient’s performance to obtain direct knowledge of the activities performed and expectations of future invoices. Documentation of this option could be: meeting agendas, notes from meetings, authorization to pay invoices in OnBase, etc.
  - Examples of responsible persons who may have direct knowledge based on their role on the project: Study Project Manager, Lab Manager, Co-PI, etc.

**\*The key is capturing the DOCUMENTATION OF THE CERTIFICATION**

**Finalized guidance, FAQ’s and tools available soon!**





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**Questions so far?**

**On to the FAQ's!**

# Subaward invoice review and payment

So let's review...

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**Should Subrecipient invoices be sent directly to the RC or to A/P?**

All invoices should be submitted to Accounts Payable via e-mail at: [apdept@fredhutch.org](mailto:apdept@fredhutch.org). Invoices may be concurrently routed to other Hutch contacts, but to be considered “proper” an invoice must be routed to AP.

**Is a PI required to sign/approve all invoices?**

- It is preferred to have PIs review, approve and certify the invoices from their collaborators. At a minimum, invoice approvers must have first-hand knowledge of the work performed for the billing period and appropriate authorizations, etc.

# Subaward invoice review and payment

## So let's review...

### Am I required to use the recommended invoice checklist?

- You are required to demonstrate compliance with the regulatory requirements. At this time, no additional documents are required if your current process can **demonstrate via a paper/electronic trail** that:
  - Invoice approver has direct knowledge of the activities involved and has appropriate authorizations, or secures approval from someone who does.
  - Required technical/financial reports have been reviewed/approved by person with direct knowledge of the activities involved and has appropriate authorizations.
  - Approval confirms that all activities and costs are in compliance with all applicable laws, regulations, policies, procedures, etc.

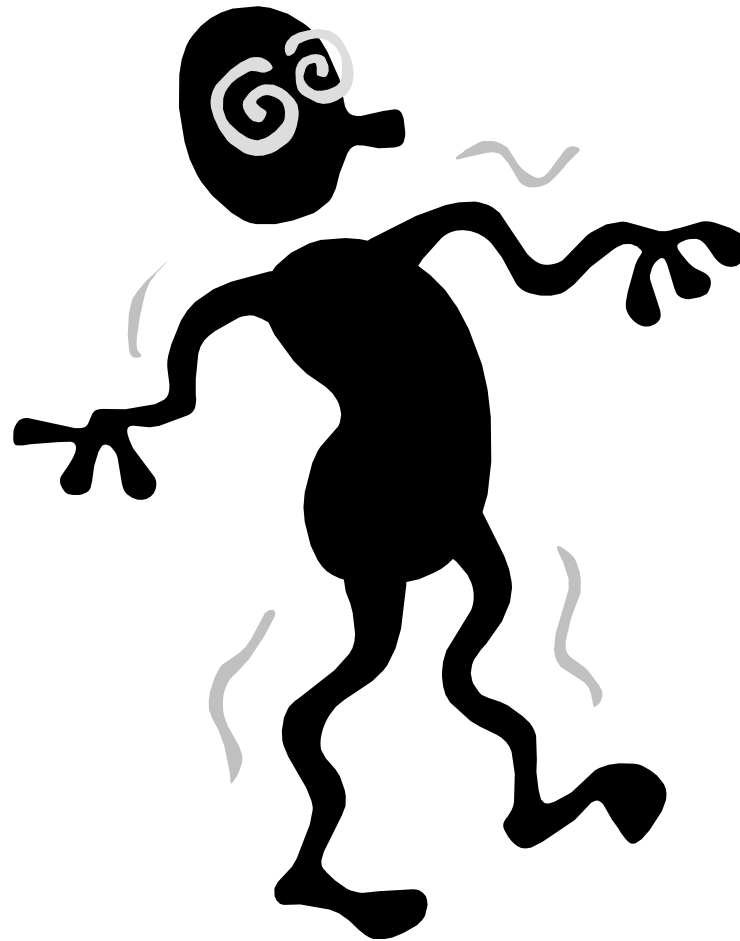
**But if the target moves, so does the answer to the question...  
(Compliance Supplement, Technical Corrections, OMB FAQ's)**



- More Hutch FAQ's to come!

# Raise your hand if you feel like this...

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# Don't forget!

## Where can I get more information on how to manage under UG?

- UG Implementation at the Hutch is an iterative process
- Fred Hutch will continue to engage key stakeholders
- OSR will continue to host implementation informational sessions
- All Research Administration Training (RAT) materials will continue to be updated
- UG trainings, Quick Guides, and FAQ's will continue to be shared to facilitate communication and transition into managing proposals and awards under UG
- Consider the Hutch UG Website the central resource for UG information and resources: <http://www.fredhutch.org/en/labs/uniform-guidance.html>





# What to continue to expect...

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- Project may result in new/updated business processes/procedures/systems/tools/resources in your areas
  - *Centrally*
  - *Across departments*
  - *Ranging from high-level policy to specific operational procedures and tools*
- More “Iterative”...did we mention iterative?
- More opportunity to provide feedback...




## UG Resources

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- OSR UG Website: <http://www.fredhutch.org/en/labs/uniform-guidance.html>
- OSR Website: <http://extranet.fhcrc.org/EN/sections/osr/>
- OMB Website: [http://www.whitehouse.gov/omb/grants\\_docs](http://www.whitehouse.gov/omb/grants_docs)
- FDP Website: [www.thefdp.org](http://www.thefdp.org)
- COGR White paper April 2014: [http://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga\\_088100.pdf](http://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga_088100.pdf)
- COFAR website: <https://cfo.gov/cofar/>





**Questions?  
Answers?  
Jokes?**

THANK YOU



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