

UNIFORM GUIDANCE

**Brown Bag Lunch Discussion:
New Forms and Tools to Implement UG Requirements
Related to Subawards**

July 2015



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Today's Agenda: Implementation of UG Requirements Related to Subawards

- Overview of finalized forms and FAQ's for:
 - Subrecipient Determination Form (SDF)
 - Subrecipient/Contractor review and invoice requirements
- Overview and group discussion of Best Practices guidance, implementation and tools
- Group Q&A

A few updates since we last talked

Further streamlining and tools are here!

- New SDF and Instructions
 - Streamlined process
 - FAQ's for SDF
- Flowchart for Payment of Subaward invoices within 30 calendar days of receipt of proper invoice
- FAQ's for payment of Subaward/Contractor Invoices
- Best practices document for RC's
- New website content
- Training...more coming soon!

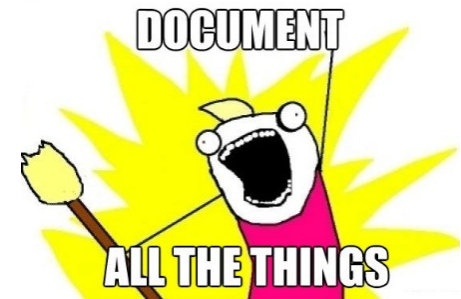


But first, does it still feel like we're driving in this??



Let's chat briefly about compliance

- 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
 - ❑ **Responsibility to be good stewards of federal money**



When the rules change, we need to change...but wait, has everything really changed???

So let's review...with the "New" or "Not New" Game!

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.

- 30-day timeframe is **new**.
- Obligation to review for appropriateness is **not new** (A-122, GAAP).
- Expectation that person reviewing should have appropriate knowledge is **not new**, but is now more explicit.
- Documentation requirements are **more stringent**.
- **Remember the pool guy example??**

Review and Payment of Subrecipient Invoices Review of Financial and Performance Reports

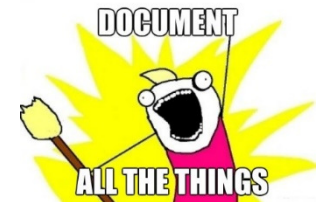


Subrecipient Monitoring and Management 200.331

- 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.”

So let's review...with the "New" or "Not New" Game!

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.

- Requirement to make the determination regarding whether an entity is a Subrecipient is **not new** (OMB Circular A-133).
 - These determinations are made regularly at various points in time.
- Expectation that the party making the determination should have appropriate knowledge of the activities to be performed is **not new**.
 - Determination should occur at the PI/Department level where the research is/will be conducted.
- Requirement to DOCUMENT the determination **is new**.
- What about a requirement for a central office to check to make sure I made the right determination? Who checks now??

So let's review...with the "New" or "Not New" Game!

Internal Compliance Controls 200.303, 200.61

• Robust internal controls must be in place and well documented at all organizational levels of Fred Hutch to ensure awards are managed in compliance with Federal requirements.

- Concept of internal compliance controls and overall sound award management practices is **not new** (OMB Circulars A-122, A-110, A-133, GAAP, all Federal Sponsor policies).
- Concept of internal controls existing at **all organizational levels** is **not new** (aka, office of responsibility/record).
- Requirement to DOCUMENT processes **is new**....well, sort of...
 - Consider what auditors require to demonstrate that such processes exist.
- OMB is utilizing what I like to call the "Listen to my words" strategy...



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Let's review what we're doing to facilitate transitions: Review and Payment of Subrecipient Invoices

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.

- Invoice review/payment key changes:
 - Subaward invoices will be identified and marked with receipt date in the OnBase email notification.
 - Invoice is deemed “payable” if it meets the definition of a “Proper” invoice and no other issues exist that would delay or withhold payment (see Best Practices for RC’s).
 - 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.
- Forms and Tools:
 - New Flowchart for Payment of Subaward invoices within 30 calendar days of receipt of proper invoice.
 - FAQ’s for payment of Subaward/Contractor Invoices.
 - Best Practices document for RC’s.

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.



Questions so far?

Let's review what we're doing to facilitate transitions: Subrecipient Determinations

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.

- Subrecipient Determinations - Key Changes:
 - Streamlined process to eliminate submission of Form to central offices.
 - SDF and Attachment A form have been modified accordingly
 - Office of record for audit purposes will be Department where determination was made.
 - Process implementation may vary depending on individual department's business operations.
- Forms and Tools:
 - New required SDF and Instructions
 - FAQ's for SDF

Again, so what's the big deal??

NEW

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



Far, Far Away isn't so far...

- Institutional coordination of external audits mitigate need for direct departmental involvement.
- This does not relieve us of the responsibility to appropriately document to meet audit requirements, nor does it mean that departmental/PI records are exempt from external audit review.



- Lack of documentation to support actions can result in audit findings.

So, what's the rush with implementation?

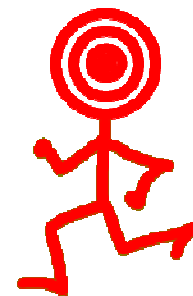
Why certain changes have implementation target date of as close to July 1, 2015 as possible:

- 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 is vital!!!



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So let's here from you! But remember...

- Process implementation may/will vary depending on individual Department's business operations, which is why a “one size fits all” solution will not work
- Let's take a look!



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...

- UG implementation may result in more 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

- 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
- FDP Website: www.thefdp.org
- COGR White paper April 2014: 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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