FEDERAL GRANTS NEWS
for Colleges and Universities

In This Issue

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OMB Would Overhaul A-133 Single Audit In Recent Grants Management Proposal

The talk of the town these days in terms of federal grants management has to be the Feb. 1 proposal released by the Office of Management and Budget that, once final, would change both the form and — in many cases — the substance of federal policy on how federal grants and cooperative agreements are administered and audited. The proposal would consolidate and streamline all of the grants administration circulars and create guidance that would be placed in Title 2 of the *Code of Federal Regulations.*

This discussion details the changes OMB is proposing to the audit requirements, including Circular A-133 (covering single act audit requirements) and the portions of Circular A-50 on audit follow-up that pertain to single audits. An article in the April *Federal Grants News* will provide an overview of proposed changes to the administrative and cost principle requirements. (For a discussion of proposed changes affecting the *A-133 Compliance Supplement,* see story, below.)

The audit provisions of the proposed guidance are presented in Subchapter G. The OMB announcement notes that "the goal of these reform ideas was to allow agencies to concentrate their audit oversight and follow-up resources more closely on areas of highest risk of waste, fraud, and abuse…." Consequently, a number of the changes would result in less detailed coverage of low risk expenditures, entities, or activities, while concentrating on those at a higher risk.

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Major Grants Reform Proposal Would Rework A-133 Compliance Supplement

To accompany the proposed new CFR guidance, OMB plans to make significant changes in the compliance requirements that are delineated in the *A-133 Compliance Supplement.* The Compliance Supplement currently contains 14 compliance requirements that auditors must test in a single audit, and the proposal would eliminate seven of these.

The 2012 advance notice of proposed guidance had set out a more complicated revision to the compliance requirements that would have "streamlined" them by targeting some requirements for increased testing, such as larger sample sizes or lower levels of materiality, while de-emphasizing others. Auditors objected to this, noting that setting levels of testing across programs would be extremely difficult and generally accepted auditing standards leave the necessary level of testing up to the professional judgment of the auditor.

Instead of sticking with the "streamlined" compliance requirements in the 2012 ANPG, OMB took the advice of those commenters who suggested eliminating some requirements in their entirety, which would obviate the problems associated with varying levels of testing.

The compliance requirements to be retained are the following:

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◆ A. Activities Allowed or Unallowed — *OMB notes that this requirement will likely include some review for allowability of matching and the period of availability of federal funds. Current audit objectives involve reviewing and internal controls and risk assessment to determine whether federal awards were expended only for allowable activities.*

◆ B. Allowable Costs/Cost Principles.

◆ C. Cash Management.

◆ E. Eligibility.

◆ L. Reporting — *OMB notes that this requirement will likely include some review of documentation to support matching claims.*

◆ M. Subrecipient Monitoring — *Detailed information on subrecipient monitoring would be moved and consolidated with the treatment of subrecipient monitoring elsewhere in the proposal covering the in the administrative circulars. This section would address whether the pass-through entity (1) made subawards only to eligible entities; (2) identified awards, compliance requirements, and payments to the subrecipient prior to disbursement; (3) monitored subrecipient activities;, and (4) performed audit resolution.*

◆ N. Special Tests and Provisions.

The proposal would eliminate these seven compliance requirements, although, as indicated above, parts of some of them would likely be covered in the retained requirements:

◆ D. Davis-Bacon.

◆ F. Equipment and Real Property Management.

◆ G. Matching, Level of Effort, and Earmarking — *OMB notes that the matching part of this requirement will still be covered under compliance requirement A, because that testing will include a determination of whether matching funds are allowable, allocable, and reasonable, and that documentation to support claimed matching funds will still be reviewed under compliance requirement L.*

◆ H. Period of Availability of Federal Funds Except Where Tested to Verify Allowable/Unallowable Costs — *OMB notes that some review of the allowability of the period of availability will be still be included in requirement A.*

◆ I. Procurement and Suspension and Debarment.

◆ J. Program Income.

◆ K. Real Property Acquisition and Relocation Assistance.

Federal agencies could request OMB to add back in one or more of the deleted requirements under compliance requirement N, Special Tests and Provisions, if the requirement is required by statute or regulation. Otherwise, an agency would have to demonstrate how noncompliance would result in increased risk of improper payments, waste, fraud, or abuse and provide a "targeted compliance supplement write-up identifying improper payment risks and focusing audit tests to address these risks."

Although not included in the proposed guidance, OMB has indicated that the changes would be applied to the first Compliance Supplement issued after the guidance becomes final. OMB is making no promises at this time as to when that might happen.

Link: The proposal and several supporting charts are available at www.regulations.gov. Search on OMB Docket OMB-2013-0001. ✧

OSTP to Agencies: Increase Public Access to Research, Data

The Office of Science and Technology Policy has issued a memorandum, dated Feb. 22, directing certain federal awarding agencies to provide better public access to the results of funded research and data resulting from research.

According to a posting on the OSTP blog, "The Obama Administration is committed to the proposition that citizens deserve easy access to the results of scientific research their tax dollars have paid for. That's why, in a policy memorandum released today, OSTP Director John Holdren has directed Federal agencies with more than $100M in R&D expenditures to develop plans to make the published results of federally funded research freely

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available to the public within one year of publication and requiring researchers to better account for and manage the digital data resulting from federally funded scientific research."

Similar to the NIH public access mandate, this requirement would also cover "results published in peer-reviewed scholarly publications that are based on research that directly arises from federal funds," according to the memo. The data resulting from unclassified research would be "publicly accessible to search, retrieve, and analyze."

OSTP is encouraging the agencies to work together in developing their plans, which must be drafted and submitted to OMB within six months. An opportunity for stakeholder input into the plans should be provided by each federal agency. The OMB memo sets down guidelines for the objectives that agencies must follow in devising their plans and required elements to be covered.

In response to the OSTP memo, NSF issued a press release stating that it, "along with" its federal partners, is committed to expanding public access to the results of funded research. NSF's federal partners quoted in the press release include NASA and the Departments of Energy, Agriculture, and Commerce.

"With the breadth of NSF and other federal support across the scientific community, the implementation details for public access could vary by discipline, and new business models for universities, libraries, publishers, and scholarly and professional societies could emerge," NSF said.

Links: www.whitehouse.gov/administration/eop/ostp (OSTP); www.nsf.gov/news (NSF). ✧

It's Critical to Know What Can, Can't Be Cost Sharing

"Matching" and "cost sharing" are as old as grantmaking. The idea that an institution, by expending some of its own funds or obtaining resources from third parties, gains a greater "ownership" of a project is a well-recognized feature in many federally funded projects.

While normal definitions of cost sharing and matching used by the federal government do not differentiate between the terms, matching is often viewed as a programmatic or statutory limit on the federal government's participation in a project. On the other hand, cost sharing often is the term used when the degree of federal and nonfederal participation is the subject of negotiation rather than any specific statutory limit. As a practical matter, for institutions of higher education, the distinction is immaterial.

When submitting an application in which an institution will agree to share cost, it is important to understand what resources can actually be used for cost sharing or matching. Use of the term "nonfederal share" as a synonym for cost sharing gives a big hint as to the answer.

Nonfederal resources eligible to be used as grantee cost share include

- recipient cash outlay, including that contributed or paid to the recipient by third parties;
- subrecipient cash outlay; and
- third-party in-kind contributions.

The cash outlay made by recipients — or subrecipients — can count as a nonfederal share, as long as that cash outlay is for allowable eligible costs and benefits the project. In other words, to count as cost share, the money must not only be spent contemporaneously with the award, but the expenditures also must benefit the award in some fashion.

If a prime grantee is going to rely on subrecipient cash outlay as cost sharing or matching, this should be identified specifically in the grant application or plan.

A third-party in-kind contribution is a resource that comes from some place other than the federal government or the recipient organization, which the recipient receives at no charge. In other words, these types of "contributions" include donated services, supplies, equipment, and facilities.

It is critical to remember that these resources must be obtained free of charge and they must be obtained from a "third party."

There are a very few situations where the funds made available under one federal program can be used as matching under another federal program and, in fact, are almost nonexistent in the higher education arena. So, unless there is evidence to the contrary, for example, language appearing in a regulation or a statute, federal grant expenditures on one grant should not be used as matching for another federal grant.

continued

In cases where an institution's negotiated indirect cost rate is higher than the rate allowable under an award, the difference in the amount of unrecovered indirect costs can be treated as cost share with awarding agency approval, as codified at 2 CFR §215.23 (OMB Circular A-110).

How to 'Share' Resources

Another important aspect of resources available for cost sharing is the notion of allocation. If a nonfederal expenditure or source benefits more than one award, as will frequently be the case, the expenditure or source then needs to be allocated or distributed based on the relative benefits received.

For example, suppose there is a central service or other support activity that benefits all of an organization's programs or a significant portion of programs, and it is being paid for with nonfederal funds. The question that needs to be asked is "What portion is attributable to each of the benefiting projects or programs?" This is the portion that is eligible for cost sharing.

Nonfederal outlays that have already been counted against another federal program or project can't be used for matching or cost sharing; that is, there can be no "double counting." However, if the outlay benefits multiple programs, then it is appropriate for a grantee or subgrantee to allocate that portion of the outlays that benefit each program as matching or cost sharing.

Generally, statutory provisions affecting matching and cost sharing are silent about the methods by which such arrangements may be made. Consequently, the most important resource for detail about how nonfederal shares are to be treated comes from A-110.

Determine Acceptability for Cost Sharing

Section ___.23 of A-110 (2 CFR §215.23) requires that *all contributions*, whether involving cash outlays or third-party in-kind contributions, *must be accepted* as part of the recipient's cost sharing and matching when certain general criteria are met. It is sometimes helpful to think of the following list as a set of hurdles an organization needs to jump over to take its nonfederal share over in every case:

◆ ***The contributions must be verifiable from the recipient's accounting records.*** The "chart of accounts" should be able to capture and show the nonfederal share attributable to each award.

◆ ***They may not be included as contributions for any other federally assisted project or program in either the current or any prior period.*** Again, double counting is not permitted, and where a cost or resource benefits multiple activities, an allocation must be determined.

◆ ***They must be necessary and reasonable for proper and efficient accomplishment of project or program objectives.***

◆ ***They must be allowable under the applicable cost principles, Circular A-21, 2 CFR §220.*** A matching contribution must be for something for which the organization or institution could have spent federal funds. An organization can't use as a cost share something it couldn't spend federal funds on under the cost principles

◆ ***They may not be paid by the federal government under another award, except when authorized by statute.***

◆ ***They must be provided for in the approved project budget.***

◆ ***They must conform to other applicable administrative requirements.*** The nonfederal share must be spent in accordance with the same procedures that one would use to spend the federal share

It's interesting to note that under the OMB proposed changes to the cost principles (see p. 1), new language would be added stating that "voluntary committed cost sharing is not expected under federal research proposals and is not to be used as a factor in the review of applications or proposals, except where otherwise required by statute" (___.502(f)). ✧

For further information on cost sharing, including faculty effort as cost sharing in the F&A rate calculation, see ¶1711 at www.ManagingFederalGrants.com.

HHS Publishes Final Physician 'Payment Transparency' Rules

Beginning Aug. 1, manufacturers of drugs, devices, biologicals, or medical supplies covered by Medicare, Medicaid, or the Children's Health Insurance Program will have to comply with the final regulations, "Transparency Reports and Reporting of Physician Ownership or Investment Interests," published by HHS' Center for Medicare and Medicaid Services in the Feb. 8 *Federal Register.*

The regulations require these entities "to collect information on their payments or transfers of value provided to physicians or teaching hospitals" and report them to CMS by March 31, 2014. They were issued under the Physician Payments Sunshine Act provisions of the Affordable Care Act.

The final rule also requires manufacturers and group purchasing organizations to disclose to CMS physician ownership or investment interests. Research-related payments are specifically addressed in the regulations and the publication of certain of these payments will be delayed.

In a recent blog post, NIH Office of Extramural Research Deputy Director Sally Rockey drew a parallel between these regulations and those issued in August 2011 by NIH regarding investigator financial conflict of interest.

Both sets are part of recent federal "public disclosure initiatives," according to Rockey, although there are some "major differences." She added, "the FCOI regulations cover financial interests of investigators receiving or applying for funding from the Public Health Service including the NIH, while the new CMS rule covers payments from the entities listed above to physicians and teaching hospitals…. Therefore, some individuals may be covered by both rules."

In a separate but related action, the Food and Drug Administration announced on Feb. 26 that it is making available "Guidance for Clinical Investigators, Industry, and FDA Staff: Financial Disclosure by Clinical Investigators" (http://tinyurl.com/arv4fs8). The guidance provides FDA's responses to frequently asked questions regarding financial disclosure, finalizes a draft dated May 2011, and replaces guidance dated March 2001.

Link: https://federalregister.gov/a/2013-02572. ✧

A-133 Gets Proposed Overhaul

continued from p. 1

The guidance will "focus" OMB's single audit tool on the "programs and practices that pose the greatest risk of improper payments, waste, fraud, and abuse," according to the Feb. 1 announcement.

Currently, any federal funds recipient or subrecipient that spends at least $500,000 in federal funds during the year must arrange for and undergo a single audit under Circular A-133. The new guidance proposes to increase that threshold figure to $750,000. This will eliminate a single audit requirement for about 5,000 recipients while ensuring that over 99% of federal funds are still audited yearly, according to OMB.

OMB says it "considers degree of risk as a combination of the likelihood that there is an internal control weakness multiplied by the possible consequence in dollars if there is." Thus, entities that expend a lot of federal dollars are more likely to have internal control weaknesses that will pose the greatest risk.

The 2012 ANPG had suggested raising the threshold to $1 million. Pass-through entities responded that they rely heavily on single audits to monitor their subrecipients, and they would need to find a way to replace the audits in order to provide adequate oversight.

The ANPG also would have established a more streamlined audit for recipients spending between $1 million and $3 million that would have concentrated on only one or two compliance requirements, but the audit community cautioned strongly against it, saying that differences in types of recipients under a single program could make it impossible to choose compliance requirements that are universally applicable. Pass-through entities also objected, commenting that varying requirements by program and size of recipient would add burden to their administrative duties.

Would Redefine 'Major' Program

The proposal makes a number of changes to the process of identifying and dealing with major programs. The threshold for determining which of a recipient's programs are considered "major" would be increased from $300,000 to $500,000.

Any program under which a recipient spent $500,000 or more would be considered a Type A program, unless those expenditures equal less than 3% of the recipient's total federal expenditures (the 3% is the same percentage as in the current requirements). Type A programs are then evaluated for risk to determine whether they should be audited as "major programs."

The guidance clarifies that a cluster of programs, such as Student Financial Assistance or Research and Development, is considered one program for purposes of determining major programs.

The proposal would "refocus" the high risk determination for Type A programs. A Type A program would be considered high risk only if, in the most recent audit period, it received a qualified opinion, had a material weakness in internal controls, or had questioned costs over 5% of total program expenditures. Thus, Type A programs with only minor findings that would not affect the integrity of internal controls would not automatically be considered high risk.

The requirement that Type A programs be audited at least once every three years — even if they are not considered high risk — would not change.

Under the proposal, the number of high risk Type B programs that must be tested as major programs would be reduced from at least 50% to at least 25% of the number of low risk Type A programs. Further, an auditor would not have to perform risk assessments for relatively small Type B programs, which would now be determined by a flat 25% of the Type A/B threshold, resulting in more Type B programs being classified as relatively small.

Finally, the "percentage of coverage rule" would be changed. The auditor would be required to treat as many programs as "major programs" as is required to reach 40% of total expenditures (as opposed to the current 50%

level). If the auditee is determined to be low risk, then that figure falls to 20% (a reduction from the current 25%).

Increase in Questioned Cost Threshold

The guidance proposes many other, less broad changes including modifying the criteria for findings, questioned costs, low risk auditee status, and audit follow-up.

Auditors would be required to make findings clearer and to provide more detail, such as providing context, a statement of cause, a statement of effect, and explanations of the basis for statistical sampling that was used.

The threshold for reporting questioned costs would be increased from $10,000 to $25,000.

The criteria for determining whether an auditee is low risk would be changed to require that the entity has submitted its data collection forms and audit report packages to the Federal Audit Clearinghouse on time and to require that the auditor did not report a substantial doubt about the entity's ability to continue as a going concern. Provisions currently in Circular A-133 that permit federal agencies to waive low risk status would be deleted from the new guidance.

Some of the changes regarding audit follow-up would increase cross-agency coordination. OMB noted that some commenters, especially from the university community, felt that pass-through entities should not be responsible for audit follow-up for recipients that get most of their federal funds directly from the government.

The proposal would make management decisions available through the FAC if it is possible to overcome the privacy concerns associated with that. (The proposal makes efforts throughout the guidance to require that documents provided to the FAC be provided in a form that does not include identifiable personal information or confidential business information and that would not cause privacy concerns if made publicly available.)

The proposal also specifically says that "the cognizant or oversight agency will provide management decisions for all findings in which it has funds directly implicated, and will make those management decisions publicly."

Comments on the proposal are due by May 2 and must be submitted at www.regulations.gov. Search on OMB Docket OMB-2013-0001. ✧

OMB Fields Preliminary Questions From Stakeholders

Although the representatives from stakeholder groups who joined OMB's recent panel discussion concerning its hefty grants management reform proposal did raise various concerns, all said they needed much more time to fully digest the 244-page tome. All said, however, they plan on providing extensive comments by the May 2 due date.

The Feb. 8 one-hour webinar was sponsored by the Council on Financial Assistance Reform and led by Norman Dong, OMB deputy comptroller and co-chair of COFAR. Dong provided a quick overview of the proposal highlighting a few points "to assist stakeholders in their review" and emphasized that their comments would be "essential" in crafting a final document.

One of the panelists asking questions was Council on Governmental Relations President Tony DeCrappeo. He said he was initially "very encouraged" by the proposal but did express concern about granting agencies a "waiver" from paying negotiated indirect cost rates. DeCrappeo suggested adding more "transparency" to the process by providing universities and other grantees input in the waiver-granting action.

In response to DeCrappeo and similar concerns raised by others, Dong said that it is OMB's intention that the administrative burden relief written into the proposal "remains in place" and not be undone by federal agencies asking for exceptions or putting requirements in grants terms and conditions that OMB has taken out of the circulars.

"We have tried to write in controls" in the proposal to prevent this, he said.

AICPA's Mary Foelster asked about the effective date of the changes and cautioned against "rushing," to allow auditors sufficient time "to figure this out, to update their systems, their audit programs" and so on.

In response, Dong said OMB will roll out the reforms "as a two-step process," where the first compliance supplement after the reforms are final would more-or-less "preview" the changes that would be coming, and then in the next supplement, "we would actually use that to memorialize and capture all of the final changes."

Link: http://cfo.gov/cofar.

Agency Developments: NSF

The following are summaries of news items posted in Federal Agency Daily *at www.ManagingFederalGrants.com. The date appearing in parentheses at the end of each item is the date the item, including a link, was posted.*

◆ **Jackson State Audit.** Under contract to NSF, auditors examined claimed costs made on 31 awards to Jackson State University, in Jackson, Miss., totaling $19.4 million, submitted for the reporting period ended Sept. 30, 2011. Auditors questioned $943,474.74 of claimed costs, including $99,935.19 that they said was unallowable "due to errors in remission of fee charges, unallocable equipment costs, and excess indirect costs." Another $843,539.55 was questioned "due to lack of or inadequate documentation to support the allowability, allocability and reasonableness of the payroll charges and vendor purchases." Auditors said that JSU had properly accounted for and segregated its NSF Recovery Act funds and submitted accurate and timely quarterly reports. Part of the total questioned costs included $13,428.34 on one Recovery Act award.

According to the audit report, which is dated Feb. 5 and contains numerous redactions, JSU agreed with $83,843.90 in questioned indirect costs and the questioned remission of fees of $701.29 and said adjustments had been made to correct the amounts in question. However, JSU did not agree with $15,390 in questioned equipment costs and the majority of the costs questioned due to lack of or inadequate supporting documentation. *(2/13/13)*

◆ **ARRA Awards.** NSF has posted a set of FAQs reminding grantees of their obligation, as directed by OMB, to complete their American Recovery and Reinvestment Act-funded projects by Sept. 30. The FAQs discuss, among other topics, "responsible acceleration," which means determining "the appropriateness of accelerating any particular expenditure under your ARRA-funded award," in consideration of "your program plan, the terms and conditions of your award, and the facts and circumstances of your situation." *(2/15/13)*

◆ **Sequestration Plans.** As a result of the expected March 1 spending cuts, NSF announced on Feb. 27 that "the major impact of sequestration will be seen in reductions to the number of new research grants and cooperative agreements awarded in FY 2013.… [A]ll continuing grant increments in FY 2013 will be awarded, as scheduled, and there will be no impact on existing NSF standard grants. The same intent applies to annual increments for cooperative agreements, though overall funding constraints may require reductions to certain major investments." *(2/27/13)*

◆ **Research.gov.** On March 18, NSF will transfer project reporting — final, annual, and interim project reports and the project outcomes report — from FastLane to Research.gov. Concomitant with this change, FastLane will begin automated compliance checking for sections of proposals: Project Summary, Project Description, Budget and Budget Justification, Current and Pending Support, References Cited, Facilities, Equipment and Other Resources, Biographical Sketch(es), Data Management Plan, and Postdoctoral Mentoring Plan (if applicable). Research.gov has scheduled a March 8 webinar on the transition (see www.research.gov). *(2/21/13)*

NSF Fiscal 2012 Activities 'By the Numbers'

$7.0 billion	Appropriations (does not include mandatory accounts)
89%	Percent of research funding allocated based on competitive merit review
1,895	Colleges, universities, and other institutions receiving NSF funding
app.$5.5 million (80% of total)	Amount of funding to colleges, universities, and academic consortia
48,600	Proposals evaluated through a competitive merit review process
236,000	Proposal reviews conducted
11,500	Competitive awards funded
319,000	Estimated number of people NSF supports (researchers, postdoctoral fellows, trainees, teachers, students)
24%	Funding rate (an increase of 2% from fiscal 2011)
21%	NSF's share of total federal budget for basic research conducted at U.S. colleges and universities
3% to 11,534	The yearly increase in/number of new awards
SOURCE: NSF's "2012 Performance and Financial Highlights," www.nsf.gov/pubs/2013/nsf13003/nsf13003.pdf.	

Agency Developments: NIH, HHS

The following are summaries of news items posted in Federal Agency Daily *at www.ManagingFederalGrants.com. The date appearing in parentheses at the end of each item is the date the item, including a link, was posted.*

◆ **RPPR Use.** Use of the eRA Research Performance Progress Report Commons Module will be mandatory for the submission of Streamlined Noncompeting Award Process and Fellowship progress reports with budget start dates on or after July 1 (that is, according to NIH, "due dates on or after May 15 for SNAP awards and May 1 for Fellowships"). With the module, NIH Institutes and Centers can "request and accept" additional materials following submission of an RPPR. *(2/14/13)*

◆ **Research Integrity.** On April 3 in Baltimore, the Office of Research Integrity will kick off its three-day, 20th anniversary conference, "ORI at 20: Reassessing Research Integrity, a Leadership Conference." The meeting will examine ORI's role, which over the years has become "an office that goes beyond investigating allegations of research misconduct — ORI has become a partner with the research community to help improve the quality of research and improve the public trust in research." The meeting will also explore what's "been learned about" research integrity and misconduct in twenty years, today's problems, and what to focus on over the next decade. *(2/14/13)*

◆ **Increase in Retracted Articles.** In the just-published issue of the *Office of Research Integrity Newsletter* (December 2012), ORI Scientist-Investigator John Krueger discusses retractions, covering "the extent of the problem, what is causing the rise of retractions, and how the research community can address this," according to the ORI blog. *(2/21/13)*

◆ **Recombinant DNA Research.** NIH's Office of Biotechnology Activities is revising the NIH Guidelines for Research Involving Recombinant DNA Molecules with respect to researchers working with a mammalian-transmissible version of the H5N1 avian flu virus. The amendments to the guidelines, published in the Feb. 21 *Federal Register,* are based on recent recommendations from NIH's Recombinant DNA Advisory Committee. *(2/21/13)*

◆ **OSTP, HHS, and DURC.** The White House Office of Science and Technology Policy released for public comment a draft policy "aimed at maximizing the benefits of life sciences research while minimizing the odds that the results of such research will be misused." The proposed policy, United States Government Policy for Institutional Oversight of Life Sciences Dual Use Research of Concern, is posted on the HHS Science Safety Security (S3) website. Comments are due by April 23. *(2/22/13)*

◆ **Sequester Plans.** "Should a sequestration occur, NIH likely will reduce the final FY 2013 funding levels of non-competing continuation grants and expects to make fewer competing awards to allow the agency to meet the available budget allocation." This, then, is NIH's "operation plan," released Feb. 21 in NOT-OD-13-043, should the so-called sequester occur. *(2/22/13)*

◆ **E-Submissions to OLAW.** Institutions should now submit final noncompliance reports to the OLAW Division of Compliance Oversight electronically, either by email (olawdco@mail.nih.gov) in PDF format or by FAX (301-480-3387), as OLAW transitions to e-submission only. *(2/22/13)*

◆ **Biomedical Workforce.** In a recent blog post Office of Extramural Research Deputy Director Sally Rockey discussed the upcoming "significant changes" to the "NIH Pathway to Independence Award (Parent K99/R00)." According to Rockey, changes include increasing "the number of these awards, aiming for a 30% success rate (assuming sufficient funds and meritorious applications)" and shortening the eligibility period from five years to four. "We also… expect that awardees will remain in their K99 position for no less than 12 months before transitioning," Rockey wrote. NIH issued a notice, NOT-OD-13-034, giving institutions a heads-up about these changes, which should take effect for applications due beginning Feb. 12, 2014. Further information about these actions, which are part of NIH's Biomedical Workforce Initiatives, will be forthcoming. *(2/14/13)*

In a separate initiative, NIH is seeking input on how to best implement the recommendations of the Advisory Committee to the NIH Director Working Group on the Biomedical Research Workforce (NOT-OD-13-045). Responses to this request for information, which seeks comments on specific questions, will be accepted through April 22. *(2/22/13)*

OMB's Reinvention of Federal Grants Management: What Recipients and Subrecipients Need to Know

March 5, 2013 Webinar

To help federal fund recipients and subrecipients fully understand the historic Office of Management and Budget grants management reform proposal, Federal Fund Management Advisor has scheduled an intensive three-hour webinar that will address the key elements of the comprehensive package.

Everything You Need to Know About OMB's Federal Grants Reform

Nearly a year after sending up trial balloons about major changes to all of its federal grants management circulars, on Feb. 1 OMB issued a 244-page proposal that, if fully implemented, would radically change both the form and the substance of federal policy on how federal grants and cooperative agreements are administered and audited.

Once a 90-day comment period has ended and those comments are digested, OMB plans to issue a final uniform document that would represent the most significant change in federal fund management policy since the early 1970s.

Level: Basic
Prerequisites: Some knowledge of federal grants management is helpful but not necessary
Advanced preparation: None
Delivery method: Group – Internet-Based

Join us for an information-packed three-hour webinar designed for recipients and subrecipients alike. Among the topics you will learn about:

- ✔ A new structure for federal grant rules (or, "goodbye OMB circulars")
- ✔ Positive policies extended to all sectors of the recipient community
- ✔ The streamlining of time and effort reporting
- ✔ Changes that may not be good for grantees
- ✔ Revisions in rules for indirect cost recovery
- ✔ Upping the single audit threshold and the implications for oversight
- ✔ Revised types of compliance testing in single audits
- ✔ Clearer subrecipient monitoring guidance
- ✔ Better coordination of audit findings resolution

Course Instructors

Register today to receive valuable insights from this panel of seasoned federal fund practitioners:

Bob Lloyd, Principal of Federal Fund Management Advisor and a recognized authority on policies and practices affecting the award, administration and oversight of federal grants and contracts, who has served under contract to 16 major federal award-making agencies, and to recipient and subrecipient organizations located in all 50 states and 18 foreign countries.

Jonathan Breul, former Senior Advisor at the U.S. Office of Management and Budget, who was lead staff member on development of the original common rule "Uniform Administrative Requirements for State, Local, and Tribal Governments" and on implementation of the Government Performance and Results Act (GPRA).

Sefton Boyars, CPA, CGFM, former regional inspector general for audit at the U.S. Department of Education, who worked extensively on the government-wide procedures for review and reliance on audits prepared under the Single Audit Act and on ED's Cooperative Audit Resolution Initiative that has served as a model for OMB's proposals for more effective audits.

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