FEDERAL GRANTS NEWS
for Colleges and Universities

In This Issue

Please Note:
This issue is a combined July/August issue. Your next issue will be dated September.

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With Comments In, Suggestions Offered, Next Step in Grants Overhaul Is OMB's

The comment period on the Office of Management and Budget's proposed major overhaul of federal grants requirements, commonly called the "supercircular" proposal, ended June 2 with over 300 comments submitted. OMB now has the job of sifting through the comments and evaluating and responding to the suggestions made.

Agency officials have previously indicated that they hope to publish final guidance by the end of this year. Once the guidance is final, however, each federal funding agency would likely, in turn, have to implement the guidance for its own programs. Commenters generally asked OMB to mandate governmentwide implementation by a set date.

The most wide-ranging and detailed of the university comments were submitted by the Council on Governmental Relations, an association of research universities and affiliated academic medical centers and research institutions. COGR recognized the benefits of changes throughout its 105-page comments but expressed concerns about

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NSF OIG's Semi-Annual Report Recaps Recent Audit Results, Misconduct Activity

The National Science Foundation's Office of Inspector General semi-annual report for the period ending March 31, 2013, has been released. As has become standard practice, the NSF report deals almost entirely with grants and other awards to colleges and universities.

One of the responsibilities of OIGs is to review single audit reports conducted under Office of Management and Budget Circular A-133 for all findings related to awards from the agency. During this period, the NSF OIG reviewed 102 audits, covering $3.9 billion in NSF funds during audit years 2009 through 2012.

continued

Compliance Supplement: The long-awaited *2013 OMB A-133 Compliance Supplement* was posted on the eve of the July 4 holiday. Appendix V of the document contains details of changes from the 2012 edition. The 2013 Compliance Supplement is effective for audits of fiscal years beginning after June 30, 2012, and supersedes the Compliance Supplement dated June 2012. Two changes included in the 2013 edition relate to compliance requirements. Item I, "Procurement and Suspension and Debarment," has been updated with suggested audit procedures and "to recognize that some programs/awards may have authorized recipients to use the $150,000 simplified acquisition threshold." Item L, "Reporting," is being revised in reference to the Federal Funding Accountability and Transparency Act to include suggested audit procedure (compliance) and to update the "Good Faith Effort for Submission" section. **Link:** www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2013.

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Forty-two NSF awardees had a total of 110 findings. The audits included a qualified opinion of the financial statements at one awardee and qualified opinions of awardee compliance with federal grant requirements at three institutions.

Seventeen (15%) of the findings were repeats from the previous year, which represents a decrease from the previous semi-annual report, which showed a 33% repeat rate. Eleven of the repeated findings in this batch were significant deficiencies and material weaknesses.

Internal control problems and noncompliance with federal requirements were addressed in findings concerning time and effort reporting; documentation for salaries and wages, equipment, travel, and indirect costs charged directly to awards; subrecipient monitoring; financial statements; and timeliness of financial and progress reports.

The audits reviewed by OIG also included 37 management letters. These are issued by auditors to alert institutional management of problems they find that are not currently serious enough to be included in the audit report but warrant further consideration because they could lead to more serious problems if unaddressed.

These deficiencies included inadequate tracking, management, and accounting for NSF costs; lack of adequate policies and procedures; and inadequate segregation of duties. The concern is that these sorts of problems can lead to an environment where fraud and abuse are not prevented or detected early enough to avoid damage.

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In addition to reviewing all single audits of awardees, NSF also does desk reviews of single audits for which it has cognizance to determine their quality. During this period, OIG reviewed 61 audits for which it had cognizance, but only 31 (52%) were found to comply with all federal auditing requirements. Twenty-nine audits did not meet deadlines or had quality deficiencies.

The Schedule of Expenditures of Federal Awards in 15 of the reports did not provide enough information to identify pass-through awards or did not adequately describe the accounting policies used to prepare it. Ten of the reports were submitted after the deadline established by Circular A-133. Three reports did not adequately present the required elements of findings to assist auditee management in correcting the reported deficiencies. Five reports did not adequately describe the auditees' plan to correct the deficiencies reported. Finally, the data collection form (SF-SAC) in seven reporting packages did not accurately reflect the results of the audit, and four reports did not correctly identify the major programs.

OIG Undertook Follow-up

After contacting the auditees and their auditors, OIG determined that most were either able to adequately explain or provide additional information to demonstrate compliance with federal reporting requirements, or the errors did not materially affect the results of the audit.

One report was rejected for substantial noncompliance with auditing requirements (documentation deficiencies and lack of evidence of internal control testing and auditor compliance with continuing professional education requirements).

In addition to summarizing OIG audit activity during the period, the semi-annual report also summarizes audit resolution and investigations of fraudulent activity conducted during the reporting period including that NSF sustained $55,348 in questioned travel, equipment, and salary costs in a 2011 OIG audit of a North Carolina university (the audit had questioned a total of $351,340).

The report discusses five civil and criminal investigations related to awards to colleges and universities. A Washington, D.C., university entered into a settlement agreement with the U.S. attorney's office to repay $530,000 to NSF for salary and stipends paid to faculty and students that were inadequately documented and for using participant support payments on other expenses without prior written approval.

A former PI who pled guilty to fraudulent purchases with NSF award funds was told to repay $194,301 in a civil suit. A former professor at an Indiana university pled guilty to use of NSF funds for personal items and was sentenced to two years' probation and six months' home confinement and ordered to repay $32,542.

A PI at a Georgia college charged an NSF grant and two NASA grants for personal travel, purchases, and expenses unrelated to the grants. The government was reimbursed by the college for $1.2 million and the PI's employment contact was not renewed.

In an incident involving purchase card fraud, a PI charged items purchased to NSF awards, then returned the items for refunds, and kept the refunded money. The PI pled guilty and was sentenced to two years' probation and payment of $2,525; he resigned from his position. The university returned $160,435 to NSF, which included the fraudulent sums and other questionable charges.

Misconduct Is Escalating

The semi-annual report also summarizes actions taken during the reporting period concerning research misconduct — defined as fabrication, falsification, and plagiarism. The report notes a significant rise in research misconduct allegations in recent years.

Institutional action in response to research misconduct during this period ranged from letters of reprimand to termination of employment. NSF's actions ranged from letters of reprimand to debarment for one year. OIG referred 11 cases, seven of which involved college and university staff, to NSF. These cases involved falsified data in projects and proposals, falsified and fabricated data in dissertations and publications, and plagiarism in proposals.

Other administrative investigations involved a PI who claimed whistleblower retaliation on a Recovery Act award; a dean who submitted a proposal to NSF without the knowledge of its listed PI and co-PI; and a professor who did not report in his NSF proposals his outside appointments and grants at foreign institutions.

The NSF OIG semi-annual report is available at www.nsf.gov/pubs/2013/oig13002/oig13002.pdf. ✧

Colorado-Denver Disagrees With HHS OIG Over Questioned Costs

A Department of Health and Human Services Office of Inspector General audit estimated that the University of Colorado-Denver charged $1,234,883 in unallowable costs to HHS grants during fiscal 2010. The total figure is an extrapolation from the $9,234 in unallowable costs it found in the 200 cost items sampled in the audit. The audit also cited inadequate internal controls and effort reports that were certified more than 120 days after their creation. The university agreed with some of the findings but disagreed with others, including the inadequate controls and effort report findings.

The university claimed reimbursement for approximately $151.2 million in grants, contracts, and other awards from HHS components during fiscal 2010; the audit covered $10,458,409 in salary transactions and $32,008,520 in nonsalary transactions from the National Institutes of Health, the Centers for Disease Control and Prevention, and the Health Resources and Services Administration. Auditors evaluated two statistically valid samples of 100 transactions — 100 from salary items and 100 from nonsalary items.

The audit found that 18 of the 100 salary transactions were unallowable, totaling $7,619. Fifteen ($7,290) had insufficient documentation, and three ($329) should have been treated as facilities and administrative costs (F&A charges are not allowable as direct charges to awards). Employees had submitted personnel activity reports for 14 of the unsupported transactions ($5,207), but those PARs showed only total hours worked and did not break down the time between projects worked on. The auditors maintained that without the project-related data on the PARs, they could not determine whether costs were allocated based on actual work performed or budget estimates.

The university disagreed with most of the audit's findings regarding salary transactions, saying that 13 of the 18 transactions questioned, totaling $4,727, were allowable because Office of Management and Budget Circular A-21 does not say that the employee is the only person who can certify payroll distribution nor does it require approval to be documented on the timecard.

The hourly employees in the cited transactions, the university said, were not in the best position to certify the distribution of their time — in fact they worked in a lab environment where they performed routine repetitive tasks and did not know which actions were performed for which projects.

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Only the principal investigators and their management, administrative, and fiscal staffs know the "mix of active projects in a single laboratory during the pay period and therefore … the appropriate allocation method to reasonably allocate the hourly employees' effort," the university said. Consequently, one of the PI's appropriate laboratory management/administrative/fiscal staff reviews and approves the timecards in batches after the work is completed, but before the expense is booked into the general ledger and the approval is documented in the payroll system.

The OIG responded that the disallowance was not based on the process but rather because there was inadequate documentation: "The documentation of the batch approval process consisted of a spreadsheet and emails that were created after our fieldwork and that did not adequately support the costs in question."

The university agreed with the remaining five transactions and returned $2,892 to sponsoring agencies.

Nonsalary Transactions Were Reviewed

The audit found nine nonsalary transactions out of the 100 sampled, totaling $1,615, unallowable: five ($959) should have been treated as F&A, three ($256) were not allocated properly, and one ($400) had insufficient documentation.

The F&A-type charges involved monthly telephone line charges, memberships, a computer monitor, and office supplies. The improperly allocated charges included janitorial services billed as direct charges to one project for overtime work that was actually performed for another project. The unsupported charge was for lab supplies for which no receipt or any other documentation was available.

The university disagreed with one nonsalary finding where $221 was held to be misallocated because the PI had told the auditors that the items purchased were consumed by several projects. The university said that it had contacted the PI, and he had said that the specific invoice was correctly allocated and that his response to the auditors' questions was "more general in nature rather than specific to this invoice." The university concluded that "this expense was not allocated to more than one project and was consumed by the single project," according to the audit report.

The auditors were not persuaded, saying that the PI had stated in their interview that the items were general use supplies that were charged to a project based on what was available in the monthly budget.

The university agreed with all of the other nonsalary findings and reimbursed the sponsoring agencies.

The audit addressed three additional issues — concern about the adequacy of the university's internal controls, timely certification of effort reports, and reimbursement for charges associated with a project after it had been transferred to another institution.

The audit said that the university's internal controls did not identify or prevent the unallowable costs cited, because reviews conducted by the university's Office of Grants and Contracts did not ensure that individual colleges, departments, and PIs interpreted the university's policies and procedures correctly.

The university disagreed, saying that the errors found by the audit were isolated instances without a "common or systematic" cause, and that the university's internal controls had been verified by audits by NIH and the National Science Foundation, both of which confirmed no material weaknesses. The auditors rejected the university's rebuttal, saying that their review was limited to controls for charging costs to federal awards and that their assessment of control deficiencies was consistent with their findings.

Related Concerns Also Raised

The audit addressed as an "other matter" the university's verification of work performed. Noting that federal regulations require a "suitable means of verification of the work performed," it said that the university does not always meet its policy of verifying effort reports within 120 days of their creation, and that three of the 57 salary transactions in the sample were supported by effort reports with certifications of more than six months past the report date.

The university replied that neither the OMB circular nor university policy sets a definite deadline for completion of certification, and the auditors' conclusion that the "late" submissions pose a risk to the assurance of accurate effort distribution is unfounded and should be removed from the report. Auditors rejected that argument, saying that the three reports were in fact certified late in violation of the university's own written policy, and that lengthy delays in certification result in less reliable documentation.

Finally, the report notes that the university continued to receive reimbursements for direct and F&A costs totaling $184,641 on two awards that had been relinquished to another institution because the PIs left the university and went to work at the other institution. The report recommends refunding the money to NIH.

The university became aware of the error and had begun a resolution process with NIH prior to the beginning of the audit and reimbursed NIH for the entire amount before the final audit report was issued. The university felt that the entire issue should not have been

included in the audit report because work to correct the error had begun prior to audit work and was concluded before the final report was issued.

The auditors left the issue in the report because NIH officials said that they were unaware of the problem before the fieldwork started and were not aware prior to the audit that the university intended to refund the improperly claimed expenditures. The auditors provided information to NIH on Dec. 22, 2011, about the expenditures, and NIH asked the auditors to facilitate reimbursement of those funds. OIG did aver that "as a result of our audit, the University has returned these funds to NIH."

Link: http://oig.hhs.gov/oas/reports/region7/71106013.pdf. ✧

NIH Rethinks Use of Chimps In Biomedical Funded Research

NIH recently announced plans to "significantly reduce" the use of chimpanzees in the biomedical research it funds and expects to retire the majority of NIH-owned chimpanzees. "Today's decision by NIH culminates more than two years of intensive deliberations among NIH leadership, independent chimpanzee experts, researchers, bioethicists, and members of the public," said James Anderson, NIH deputy director for program coordination, planning, and strategic initiatives, whose division oversees the NIH Chimpanzee Management Program.

NIH plans to keep 50 chimps "for future biomedical research," according to the June 14 announcement by NIH Director Francis Collins. Research using these chimps will be carefully prescribed, however.

In the July 2 *Federal Register,* NIH summarized the comments received from "more than 12,500 individuals" in response to its request for comments on the topic of chimps in research and announced the decisions made with respect to the NIH Council of Councils recommendations on the topic (http://dpcpsi.nih.gov/council/working_group.aspx).

NIH "plans to prepare subsequent procedural guidance and technical assistance, as appropriate, to implement some of these decisions," according to the July 2 notice. "Investigators should continue to follow existing guidance [see NOT-OD-12-025 at http://grants.nih.gov/grants/guide/notice-files/NOT-OD-12-025.html] regarding the submission of applications, proposals, or protocols for research involving chimpanzees until the NIH announces the procedural guidance."

In a separate but related action, the U.S. Fish and Wildlife Service published a proposed rule on June 12 that lists captive chimpanzees as endangered (https://federalregister.gov/a/2013-14007). "NIH expects to adapt its policies for research projects using chimpanzees to comply with the conservation guidelines that the US-FWS establishes in a potential final rule," Collins said.

Links: www.nih.gov/news/health/jun2013/od-26.htm (press release); https://federalregister.gov/a/2013-15791 (*Fed. Reg.* notice). ✧

HHS OIG Audit Finds Most Grant Costs Allowable at TJU

In a recent audit of selected claimed costs charged to Department of Health and Human Services awards by Thomas Jefferson University, in Philadelphia, the HHS Office of Inspector General found little to disagree with: costs generally were incurred in accordance with federal regulations. The audit did question one of 100 sampled salary transactions, and 19 of 100 sampled nonsalary transactions, totaling $9,702. OIG used those figures to extrapolate an estimated $93,102 in unallowable costs out of the $5,744,639 covered in the audit.

One salary transaction of $3,129 was found unallowable due to lack of supporting documentation, and the audit questioned that cost plus associated costs of $776 for fringe benefits and $2,129 for facilities and administrative costs.

In its comments on the draft report, the university disagreed with the finding and submitted further explanations and documentation, but the auditors were not persuaded and found the additional information insufficient to support the charge.

Of the nonsalary costs found unallowable, OIG maintained that 15 (totaling $2,980) were of a general use nature and, therefore, unallowable as direct costs; two (totaling $613) were unallowable for the grants to which they were charged, such as on-campus housing in lieu of a consulting fee for an individual when no consulting contract was established, and two (totaling $75) were for items not allowed by federal regulations, such as an individual's membership in a professional organization.

TJU concurred with the findings on 13 of the transactions but disagreed with the remaining six, again providing further explanations and documentation. The auditors were not persuaded, saying that the remaining charges did not have sufficient documentation.

As a result of the monetary findings, the audit said that TJU's oversight controls were not always adequate because the Office of Research Administration did not review nonsalary transactions of less than $5,000. The audit recommended that the university reimburse HHS for $93,102 in unallowable charges and enhance its oversight of charges to federal awards.

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TJU disagreed with the controls finding, saying that it believed that the costs were all properly claimed and accounted for, and that its oversight mechanisms work well.

Link: http://oig.hhs.gov/oas/reports/region3/31103300.pdf. ✧

Stakeholders Comment to OMB

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certain items and made recommendations to overcome those concerns.

COGR's overarching recommendation — in its words, the "key" to successful grants reforms — is for OMB to "discourage agency deviations" from its guidance. The laudable goals of strengthening "accountability and transparency" as set down in the proposal can be furthered by OMB establishing "clear mechanisms to resolve disputes and concerns related to agency deviations, reporting requirements, F&A rate establishment, audit standards, and other applicable issues," COGR says.

The association urges OMB "to conduct the utmost in due diligence before releasing final guidance," to include incorporating the governmentwide research terms and conditions, establishing "a special review process so that important changes can be implemented before the five-year review cycle," and setting "a clear and uniform" date by which agencies must implement the guidance.

Among other administrative comments, COGR argues against linking performance and financial reporting, as such would "establish new expectations that are inappropriate for scientific research." It asks OMB to "remove new and troubling procurement requirements" and "continue to address requirements for F&A rate development." COGR also makes suggestions for "mitigating" the burden associated with effort reporting.

Ideas Offered on Subrecipient Monitoring

OMB had posited several questions related to its proposed changes, including what kind of impact raising the threshold for single audits to $750,000 would have on pass-through entities that rely on single audits to monitor their subrecipients. COGR notes that the burden will increase on pass-through entities that have subrecipients with expenditures between $500,000 and $750,000. COGR says, however, that the burden could be offset by granting pass-through entities a "safe harbor" to rely on corrective action plans already in place without having to go through their own review and assessment process.

COGR also believes that pass-through entities should be able to rely on management decisions issued by a subrecipient's cognizant agency for audit, and "required follow-up should be initiated only when there are single audit findings that include questioned costs on the subaward issued by the pass-through and when the pass-through detects subrecipient deficiencies in meeting accountability and compliance with program requirements."

COGR sees a chance to reduce audit burden and duplicative federal audits by adding language that requires federal agencies and their offices of inspector general to review existing audits in the Federal Audit Clearinghouse before beginning new, not-for-cause audits and reviews; directly contact the auditors of those reports; use cost/benefit analyses in determining whether or not to conduct the audit, with a written justification to be included in the notice of audit; and submit the justification and other documentation to OMB for review for reasonableness and to monitor the frequency of requests.

A new Schedule of Expenditure of Federal Awards requirement to identify the total amount provided to subrecipients from each federal program will add a new burden on pass-through entities and is unnecessary because the information is already available in the federal subaward reporting system (www.fsrs.gov), COGR says.

Concerns about burdens caused by agency requests to have programs audited as major programs prompted a suggestion to provide more transparency by requiring a public notice to affected awardees prior to the request being approved by OMB. COGR cited NSF's recent decision that all of its awards are major programs for A-133 purposes as an example of an "inappropriate action" because there was no formal process to oppose it.

Another transparency issue arises, according to COGR, in the proposal's suggestion that compliance requirements in the Circular A-133 Compliance Supplement be consolidated and thinned down. This part of the proposal would place more reliance on special provisions, which COGR says would significantly add to the scope of the single audit. It suggests more transparency in the development and publication of the annual compliance supplement update, providing key stakeholders a chance to comment on proposed revisions three months prior to its issuance as final (see p. 1).

Others Endorse COGR's Positions

The Association of American Universities and the Association of Public and Land-grant Universities, which they say together "represent most of the nation's large public and private research universities," submitted a joint comment letter. The comments are far more targeted and succinct than COGR's, and the letter states they "fully endorse the more specific edits and extensive recommendations contained" in COGR's response.

The associations are "generally pleased with the direction" that OMB and the Council on Financial Assistance Reform take in the proposal, but emphasize upfront in their letter that "universities have shouldered an increasing portion of total costs of research due to increasing federal regulatory requirements, increased restrictions on direct and indirect cost reimbursement, and the 26% cap on administrative costs." They "urge" OMB and COFAR to take another look at the cap.

AAU and APLU's top three priority comments echo those of COGR:

(1) ***Federal agencies should not be permitted to "deviate" from OMB policy.*** "We believe deviations by federal agencies from OMB's rules should not be allowed unless each deviation is approved by OMB after specific circumstances are presented that justify such a variation."

(2) ***Subrecipient institutions that are subject to a single audit should not be subject to additional monitoring.*** The associations endorse COGR's "safe harbor" idea.

(3) ***Time and effort reporting as now required provides little accountability and should be abolished.*** "We believe that the official records produced by our existing payroll systems, combined with a process that confirms the reasonableness of charges to federal grants — but which does not require time-and-effort reporting — should be used as the primary means to ensure the financial accountability of our institutions."

AICPA Stresses Timing

In light of the major changes to the single audit requirement included in OMB's proposal, and indication from the agency that it wants to be particularly sensitive to the concerns of the audit community, it's interesting to note the comments submitted by the AICPA.

The proposal sees a more active role for OMB in the federal award process, and AICPA emphasizes that OMB will need significant resources to perform these duties. It strongly recommends that the new provisions become effective for periods beginning at least one year after the final revisions are issued and coincide with release of the first revised A-133 Compliance Supplement to allow auditors time to come up to speed on the changed requirements. Its comments on the management decision issue related to pass-through entities and subrecipients are similar to those of COGR but go into significantly more detail.

Links: www.cogr.edu (COGR); www.aau.edu/news/whatsnew.aspx (AAU, APLU); http://tinyurl.com/mjpvay4 (AICPA). ✧

Agency Developments

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.*

National Institutes of Health

◆ **Payments.** NIH announced its expected transition of grant award payments to its Payment Management System (www.dpm.psc.gov/access_pms/system_status.aspx). For all new and continuing awards to domestic institutions issued after Oct. 1, 2013, payments will be made through the PMS subaccounts. Additional details will be forthcoming, according to the July 3 notice. *(7/8/13)*

◆ **Patents.** NIH Director Francis Collins said he was "very pleased" with the U.S. Supreme Court's recent ruling "that genes isolated from the human body are not patentable." Collins was referring to the unanimous Supreme Court decision announced on June 13 in the case *Assoc. for Molecular Pathology Et Al. v. USPTO and Myriad Genetics, Inc., et al. (6/14/13)*

◆ **DSMBs.** The HHS OIG, after reviewing the "critical" role played by Data and Safety Monitoring Boards in NIH-funded clinical trials, found that they "are meeting NIH guidance in their roles as trial monitors." DSMBs are committees of experts responsible for reviewing ongoing trial data. OIG concluded in a recent report that "DSMBs met NIH's general guidance by having relevant experts who met regularly to offer recommendations to NIH. To fulfill their roles, however, DSMBs must also maintain their independence, be assured access to unmasked data, and have a qualified pool of experts from which to recruit DSMB members. DSMBs face issues in all three of these areas." In responding to the recommendations, NIH said that, among other things, it intends to establish a working group "to review the report and to ensure that DSMB policies and practices are optimal." *(7/2/13)*

National Science Foundation

◆ **ARRA Awards.** NSF has updated its FAQ on accelerating Recovery Act-funded awards. "Responsible acceleration" takes into account the type of award,

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program plan, terms and conditions of award, and individual facts and circumstances surrounding the award. *(6/12/13)*

◆ **SBE Applications.** As a result of the Consolidated and Further Continuing Appropriations Act of 2013 (P. L. 113-6, enacted on March 26, 2013), panels reviewing grant proposals to the Political Science Program in the Directorate for Social, Behavioral and Economic Sciences (SBE) "will be asked to provide input on whether proposals meet one or both of the additional criteria required for exceptions under P. L. 113-6, i.e., promoting national security or the economic interests of the United States." According to an NSF notice, these provisions apply only to the SBE Political Science Program for fiscal 2013. Review panels will continue to consider the intellectual merit and broader impacts of the proposals, as usual. *(6/12/13)*

◆ **Postdocs.** As part of its ongoing career life balance initiatives, NSF has announced "a gender neutral supplemental funding opportunity for NSF research awardees that support postdoctoral investigators." According to the July 8 dear colleague letter, research-funded PIs can submit supplemental funding requests "to support additional personnel (e.g., research technicians or equivalent) to sustain research while the postdoctoral researcher is on family leave … for up to 3 months of salary support, for a maximum of $12,000." *(7/8/13)*

◆ **FastLane.** Beginning Aug. 2, "applicants will only be able to copy proposals submitted under the current version of NSF's Grant Proposal Guide" into FastLane, according to a notice posted on the website. The ability to create and save templates will also end at this time, although the general process "for creating a new proposal remains unchanged." *(7/16/13)*

Office of Management and Budget

◆ **FAINs.** "Beginning on October 1, 2013 each federal agency will assign a Federal Award Identification Number or FAIN to each grant and cooperative agreement," according to a recent OMB memo to federal funding agencies. A FAIN will be unique for each federal agency and for the life of a specific grant or cooperative agreement, and it must be used to report subawards. Use of FAINs will further the "needs of data reliability and quality" for information reported to USASpending.gov. *(6/28/13)*

◆ **Grants Streamlining.** While OMB has made some progress toward streamlining oversight of federal grants management, more needs to be done, GAO concluded in a recent report. OMB created the Council on Financial Assistance Reform to further grants management reforms, but it still "faces some of the same management challenges identified in previous GAO reports on grants management," GAO concludes. Similarly, other initiatives undertaken recently by OMB such as "consolidating and revising grants management circulars, simplifying the pre-award phase, promoting shared information technology…, and improving the timeliness of grant close out and reducing undisbursed balances," could be undermined by continuing "management and coordination challenges," according to GAO. It made three recommendations to OMB. The report is *Improved Planning, Coordination, and Communication Needed to Strengthen Reform Efforts. (6/25/13)*

Other

◆ **Research Misconduct.** FDA issued a final rule to exempt some records from certain requirements of the Privacy Act to protect the integrity of its "scientific research misconduct proceedings and to protect the identity of confidential sources in such proceedings," according to a July 1 *Federal Register* notice. The rule implements FDA's responsibilities under the Public Health Service Policies on Research Misconduct (42 CFR part 93) for research performed by employees, agents, or those "who are affiliated" with FDA by contract or agreement. The rule is effective July 31. *(7/1/13)*

◆ **Human Subjects.** HHS, through its Office for Human Research Protections, is seeking input in developing guidance "regarding what constitutes reasonably foreseeable risk in research involving standard of care interventions such that the risk is required to be disclosed to research subjects," according to the June 26 *Federal Register* notice. The public meeting will be held on Aug. 28, and it also will be live streamed. Additional comments may be submitted after the public meeting until Sept. 9. *(6/26/13)*