FEDERAL GRANTS NEWS
for Colleges and Universities

In This Issue

Access newsletter archives, links to documents, Federal Agency Daily, *and 21 narrative chapters written by experts at* ***www.ManagingFederalGrants.com****. If you don't have a Web password, call 800-521-4323 or email customerserv@aispub.com.*

New Compliance Supplement Places NSF Programs in R&D Cluster, Updates Others

When the Office of Management and Budget released its *2013 OMB Circular A-133 Compliance Supplement* in July, the most notable change was the inclusion of all the National Science Foundation's programs in the research and development cluster. The programs were relocated to R&D after NSF established a new policy that all of its programs met the definition of research and development.

As a result of the October 2012 change to the *NSF Proposal and Award Policies and Procedures Guide,* all NSF awards issued on or after Jan. 14, 2013, are considered part of the research and development cluster and must be included on the Schedule of Expenditures of Federal Awards as part of that cluster. Even if the award is classified as a nonresearch award for indirect cost purposes, it is part of the R&D cluster for audit purposes, and auditors are not required to make a distinction between the two types of programs.

The Supplement notes that there will be a four-year transition period where awards made prior to Jan. 14, 2012, may be included on the SEFA and may be identified at the university's discretion.

In addition to this change in the R&D cluster, other changes in the Supplement follow the usual pattern of updating and expanding existing information. In the Matrix of Compliance Requirements (Part 2 of the Supplement), for example, several requirements have been eliminated for certain programs. The eliminated compliance require-

continued on p. 8

International Collaborations Must Meet U.S. Policies, Need Closer Oversight

Institutions that use federal funding to engage in research projects with investigators at non-U.S. organizations need to be aware that, generally, American laws and regulations will prevail.

Such a collaboration in and of itself "is inherently much more complex, and [managing it] falls to our domestic grantees who are oftentimes the prime grantees," Sally Rockey, NIH deputy director for extramural research, explained at a session on international collaborations at the recent annual meeting of the National Council of University Research Administrators.

Jim Kroll, head of administrative investigations at the Office of Inspector General for the National Science Foundation, also spoke at the session, which was moderated by Marianne Woods, senior associate vice president for research at the University of Texas at San Antonio.

"Oftentimes what happens is the local policies that govern some of the international organizations may, and could, be in conflict with some of the things that we have in place here in this country," Rockey said. She added that "at the base of everything we do is [ensuring] that the standards that we have in place for our rules and regulations govern what is going to happen internationally."

continued

Recognizing these difficulties, NIH officials are available to help and provide "technical assistance" and expect to be involved in oversight to a level beyond what usually occurs with research conducted solely in the United States, she emphasized.

NIH: Verify Assurances With OHRP, ORI

Four areas that require close attention in foreign collaborations are research misconduct, human research protections, financial conflicts of interest, and financial management, Rockey said.

"I think in the area of human subjects and [using] animals in research, we are trying to come together more as a world," she explained, meaning that there is starting to be better consensus worldwide on the best policies and practices to follow. But, "in the areas of financial management, research misconduct, and FCOI, we are all over the place," she said

If the research involves human subjects funded by any of the agencies that have agreed to follow the Common Rule, including NIH and NSF, the foreign institutions must have filed a federalwide assurance with the HHS Office for Human Research Protections. This commits the institution to using an institutional review board to review research protocols, according to Rockey.

She said domestic organizations can use a local IRB or "federalwide IRBs that we use for many of our NIH studies" to review research involving foreign institutions, but she was hesitant to say that a foreign IRB can be used exclusively. "If you are going to use a foreign IRB you have to assure that they are meeting the standards of our normal IRB," she said.

"I will tell you that with IRBs, there is quite a lot of difference between country to country [about] expectations of IRBs and how they are set up," Rockey said, adding, "some of them have much less stringent requirements than we do."

U.S. domestic institutions "have to be very careful when choosing the [foreign] institution with whom you work," Rockey said. Details must be established, in writing, about "how you are going to have oversight" of a foreign IRB.

When necessary, "OHRP as well as the [funding] agency…will intercede in negotiations" about human subject protections in trials, she added.

Similarly, if Public Health Service funding is to be involved, the foreign institution should have filed a "misconduct in science assurance" with the HHS Office of Research Integrity. This assurance commits the institution to investigating allegations of research misconduct, Rockey said.

Other government agencies require award recipients to follow their misconduct policy, although all such policies adhere to the federal definition of misconduct as fabrication, falsification, or plagiarism.

Prime recipients should ask their international collaborators for their policies regarding misconduct, Rockey said, as it is important to have clarity so that "if something were to occur, you should know who's supposed to do what."

Typically, institutions investigate misconduct initially and inform ORI if an ORI investigation is warranted. But when a foreign institution is involved, the domestic institution should "report directly…at first knowledge" to ORI before conducting an investigation, Rockey said.

FCOI Disclosures Must Be Made

Regarding financial conflicts of interest, foreign institutions are required to abide by NIH's regulation as a requirement of their subaward or collaboration agreement, Rockey said, noting that there are "similar" but varying requirements for grants and for contracts.

Under both, "the prime [recipient] has principal responsibility" for its own compliance and assuring compliance of the subrecipient. If the foreign site has an FCOI policy, that should be followed, but, if not, the site must adhere to the prime's policy, according to Rockey. She added, however, that "internationally, there are very few COI policies anywhere to the same degree of ours, if they have them at all."

FEDERAL GRANTS NEWS for Colleges And Universities is published monthly (10 times a year with combined issues in July/August and December/January) as a part of **A Guide to MANAGING FEDERAL GRANTS for Colleges and Universities**.

Editorial Advisor, Jane Youngers; Managing Editors, Darla Fera, Frances Fernald; Contributing Editors, Robert M. Lloyd, Gunta Liders; Production Director, Andrea Gudeon; Marketing Director, Donna Lawton; Fulfillment Manager, Tracey Filar Atwood

Annual subscriptions include access to the website **www.ManagingFederalGrants.com,** regular Web updates, federal agency news posted daily and emailed weekly, and ten issues of **FEDERAL GRANTS NEWS for Colleges and Universities.**

Please add *ManagingFederalGrants@aispub.com* to the list of "safe senders" in your email address book, and ask your IT department to whitelist the address to receive email communications under this subscription.

Annual subscriptions for NCURA and NACUBO members for **A Guide to MANAGING FEDERAL GRANTS for Colleges and Universities** are $486 (a $100 discount off the $586 nonmember rate). All orders must be prepaid or accompanied by a purchase order.

To order or to change your address, call 800-521-4323 (in D.C., 202-775-9008. Major credit cards accepted.

The domestic institution is required to both train its foreign investigators and "collect disclosures of significant financial interest," she said. "Then you would be responsible for determining whether that significant financial interest is a conflict of interest" and for following procedures for monitoring and reporting.

Rockey called it "exceedingly difficult" sometimes to understand the financial relationships of some of the foreign investigators and make an FCOI determination.

After the meeting, Rockey told *FGN* that these FCOIs will have to be reported on the institution's website or be available upon request, in compliance with the FCOI regulation.

Turning finally to financial management, which Rockey also characterized as "inherently difficult" with many foreign collaborations, the key is to assure there are "internal controls in place." She underscored, again, that, "we often directly work with foreign collaborators, and we are willing to step in and help."

Domestic institutions "may actually have higher levels of control and financial monitoring [of foreign collaborators] than you would have otherwise with other collaborators," Rockey said.

She cautioned that prime awardees should ensure the foreign component of "your grant can stand up to audit, just like anything that is being spent and expended in this country."

NSF Offers 'Collaboration Considerations'

At NSF, OIG is responsible for investigating allegations of both research misconduct and human subject violations among its funding recipients.

Kroll pointed out that the National Science Board, which sets NSF policy, has made a strong commitment to funding international research but requires accountability. In 2008, the board published a report, *International Science and Engineering Partnerships: A Priority for U.S. Foreign Policy and Our Nation's Innovation Enterprise.* (www.nsf.gov/pubs/2008/nsb084/index.jsp?org=NSF). In it, the board asserted, "A well-designed strategy to promote integrity, deter misconduct, and minimize bureaucracy within international partnerships should be an integral part of all collaborative agreements."

While his comments were not specifically aimed at foreign collaborations, Kroll addressed how some relationships between collaborators can sometimes seem like a bad marriage.

"When I first started working at IG, I actually didn't feel like I was doing so much of investigating misconduct as I was a scientific divorce attorney," he said of the position he took 13 years ago. "Because we had a lot of collaborators who just were not happy with each other, I came to the conclusion that collaborators work real well to get the money but once they have the money, it's a different story." This often gave rise to complaints forwarded to his office that did not concern misconduct but reflected "a lack of collegiality."

He also offered the following "good rules of thumb that can apply" to collaborations — whether they are domestic or foreign — so they can function more smoothly:

- "Are the responsibilities for various research tasks well-defined?
- "Under what circumstances might a participant be removed from grant support?
- "Who will manage data? Who *owns* the data?
- "Are there any intellectual property concerns?
- "What expectations of access do researchers have with respect to any research databases that are developed?
- "What are the expectations concerning publications or future proposals?
- "How will authorship be handled?
- "Who will manage the money and how?
- "What role does the grantee institution have in deciding who will conduct the research?
- "Is there a pre-defined method for resolving conflicts between collaborators?
- "When the collaboration ends, how will the above issues be handled?"

The presenters would likely agree that answers to these questions should be in writing as part of the collaboration or subaward agreement. ✧

Further information on working with international collaborators and subawards is contained in Section 1200: Administering International Subawards at www.ManagingFederalGrants.com.

Open Data Policy Memo Tells Agencies What to Do

In an effort to fulfill the administration's promise of ever-more transparency, the Office of Management and Budget and Office of Science and Technology Policy, on Aug. 16, jointly issued "Supplemental Guidance on the Implementation of M-13-13, Open Data Policy – Managing Information as an Asset"; a set of frequently asked questions entitled "Applying the Open Data Policy to Federal Awards"; and a framework "for creating measurable goals that agencies can use to track their progress" toward making data "open and available in machine-readable form."

continued

The Open Data policy was articulated by President Obama in his May 9 executive order "Making Open and Machine Readable the New Default for Government Information" and OMB Memorandum "M-13-13: Open Data Policy – Managing Information as an Asset," issued the same day.

The newly posted materials are part of what is now termed "Project Open Data." According to M-13-13, Project Open Data, accessed at http://project-open-data.github.io, "is an online repository of tools, best practices, and schema to help agencies adopt the framework presented in this guidance."

The recent guidance directs "near-term efforts agencies must take to meet the following five initial requirements" of M-13-13:

(1) Create and maintain an Enterprise Data Inventory.

(2) Create and maintain a Public Data Listing.

(3) Create a process to engage with customers to help facilitate and prioritize data release.

(4) Document if data cannot be released.

(5) Clarify roles and responsibilities for promoting efficient and effective data release.

The above tasks must be completed by Nov. 1.

The executive order said that, within 90 days from May 9, federal officials will work together "to identify and initiate implementation of measures to support the integration of the Open Data Policy requirements into Federal acquisition and grant-making processes. Such efforts may include developing sample requirements language, grant and contract language, and workforce tools for agency acquisition, grant, and information management and technology professionals."

The Aug. 16 FAQs clarify some aspects of how this transparency will be achieved. For example, one FAQ defines "open data" as including "all information generated and stored by the Federal Government or for data purchased or created through Federal funding such as data collected in conjunction with program administration, scientific research, public health surveillance." Another FAQ makes it clear that the policy is "prospective."

FAQ #17 tells agencies that they "are not required to make any changes to the terms and conditions of new awards, but depending on the situation, you may want to consider future changes." The answer continues, "If data are expected to be provided to the Federal government but are not in the correct format, the agency must make a determination about whether to require the recipient to report the information in the new format (which may require a change to the terms and conditions), or whether to make the change to the new format themselves (which would not)." However, the FAQ clarifies that when data are generated with funding "but providing data to the Federal government would not otherwise be an expected outcome of the Federal award, this policy does not include any new requirement to collect it."

Related Effort Already Underway

Earlier this year, on Feb. 22, OSTP issued a related memorandum directing all federal agencies with over $100 million in annual research and development award expenditures "to develop a plan to support increased public access to the results of research funded by the federal government" *(FGN 3/13, p. 2)*. Draft plans were due Aug. 22.

On the heels of the February memo, NSF issued a press release stating that it, and its federal partners, is committed to expanding public access to the results of funded research, including publications and data. NSF's federal partners quoted in the press release include NASA and the Departments of Energy, Agriculture, and Commerce.

For NSF's part, officials there are embracing this mandate as "an opportunity" because "accessing this level of data is important to advancing science and technology," according to Jean Feldman, speaking recently at the National Council of University Research Administrators' annual meeting. She also said that NSF plans to use the data provided "to advance the Foundation's mission to support research and innovation" and "provide a platform for innovation in services and business models as well as in research."

She underscored the importance OSTP is placing on interagency collaboration in furthering the principles of the memo and described the "underlying principles" of the policy as follows:

◆ Maintaining the importance of peer review and the role of publishers

◆ Emphasizing collaboration among agencies and stakeholder groups

◆ Allowing for experimentation by not specifying a funding strategy

◆ Encouraging the leveraging of existing archives by not specifying a technical approach

Feldman noted that funding "will need to be associated" with agencies' efforts to comply with this directive. She also emphasized that there are a "lot of interagency committees that have met and will continue to meet" to determine how best to implement this policy across the agencies.

Feldman's colleague, Mary Santonastasso, director of NSF's Division of Institution and Award Support, described NSF's approach to the access plan as a "federated" solution, where access to both publications and data are addressed. Santonastasso assured the NCURA audience that NSF looked at all the existing solutions that "are out there" and is evaluating how they can be "leveraged."

Feldman said that once OMB has looked at the draft plans submitted by the various agencies, there would be an opportunity for stakeholder input. No time frame for this process, however, has been established.

Groups Rally Behind Access

For their part, various stakeholder groups are doing what they can to further public access to research results. For example, the newly created repository network, SHared Access Research Ecosystem (SHARE), "is being developed as one response" to the White House directive instructing federal funding agencies to make the results of funded research available to the public, according to the group (see http://aau.edu/WorkArea/DownloadAsset.aspx?id=14645).

SHARE, which includes the American Association of Universities, Association of Public and Land-grant Universities, and the Association of Research Libraries, says it was formed "to advance a proposed network of digital repositories at universities, libraries, and other research institutions across the [United States] that will provide long-term public access to federally funded research articles and data."

Link: www.whitehouse.gov/blog/2013/08/16/progress-toward-opening-government-data-resources. ✧

NIH Continues to Transition Awards to PMS Subaccounts

In early July, NIH announced its plan to transition grant award payments to domestic institutions to its Payment Management System subaccounts by the end of fiscal 2014. Most payments for NIH domestic awards are currently made via pooled accounts in PMS.

NIH is undertaking this transition at the direction of its parent agency, the Department of Health and Human Services. PMS is a centralized grants payment and cash management system operated by the HHS Division of Payment Management (www.dpm.psc.gov/access_pms/system_status.aspx).

NIH transitioned the payment of grant awards to foreign institutions to PMS subaccounts throughout fiscal 2013 (see NOT-OD-12-139 and NOT-OD-13-019). A notice, NOT-OD-13-111, released on Sept. 3, described the switch to PMS subaccounts of payments to federal institutions and individual fellowships at federal and foreign institutions.

According to NOT-OD-13-112, also posted Sept. 3, between Oct. 1 and next Sept. 30, NIH will transition payment for all new and continuing domestic awards from pooled G accounts to P subaccounts. For these awards, PMS will establish subaccounts for each NIH award made on or after Oct. 1.

The transition to subaccounts was one of the topics discussed by Michelle Bulls, director of NIH's Office of Policy for Extramural Research Administration, at the August National Association of College and University Research Administrators' annual meeting.

With P subaccounts, according to Bulls, existing cash and expenditure reporting requirements will remain and "real time data will be available at the transaction level for monitoring" by NIH. She reminded the audience that ARRA awards were handled as P subaccounts.

Bulls advised institutions to get ready to address any system compatibility issues that may arise with the bulk

upload that will take place when institutions are submitting drawdown requests through subaccounts.

The Sept. 3 NIH notice provides additional technical details of the transition for grantees.

In closing, the notice warns, "In an effort to promote more timely financial closeout of awards, PMS will now hold payment requests for funds in subaccounts for awards that are 90 days or more beyond the project period end date." Requests for funds for these awards will not be processed "unless, and until, the awarding Agency has approved the payment request."

Problems Raised About Subaccounts

Bulls also told the audience that NIH had been pushing to use B, rather than P, subaccounts for research awards, where no quarterly cash transaction reports would be required. She said NIH "lost the fight a couple of times," but she indicated that "the battle" is not over yet and she hoped to win eventually. The issuance of the notice on Sept. 3 would appear to indicate that NIH has lost the battle, at least for now.

In response to the NIH July notice, the Council on Governmental Relations sent a similar letter to NIH (on July 18) and HHS (on Aug. 7) expressing reservations about the transition plan.

In the letter, COGR asked for a one-year postponement of the transition, or, if all of its concern are "adequately addressed," a six-month delay.

Because of the volume of awards held by COGR member institutions — an "average" member "has at least 500 active new/continuation awards," whereas larger volume members "have over 1,500 active new/continuation awards" — it suggested that NIH first pilot test the use of PMS subaccounts.

COGR also maintained that it "is critical that PMS offer batch processing and upload capability," which could

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.*

Policy Updates

◆ **Fundamental Research.** Under a final rule from the Department of Defense, published in the Aug. 8 *Federal Register* and effective upon publication, contractors may release unclassified information that is deemed to result from fundamental research. The rule also shortens to 10 days from a previous 45 the time period that requests for approval to release information must be submitted to the contracting officer. The final rule amends the DFAR, 48 CFR part 252, section 252.204-7000, Disclosure of Information. In June 2011, DoD proposed a rule addressing requirements for safeguarding unclassified information. The requirements covering the release of such information was pulled out of that proposed rule — and separated from those for safeguarding the information — and now made final. *(8/8/13)*

◆ **DURC.** An Aug. 30 notice on its implementation of the government's dual use research of concern policy states that NIH "will conduct an administrative review of all current and future awards to determine if they involve research that could be considered DURC." If such a project is identified, NIH then "will work collaboratively with the institution and grantee to develop a risk mitigation plan, which may be implemented through a term of award. NIH may request that institutions periodically review a project for its DURC potential and share any resulting manuscripts with their Program Official prior to submitting the manuscript to a journal." The recent notice updates one posted Aug. 28 on the same topic. DURC is research that involves one or more of 15 pathogens and toxins that are used in research that could result in products, technology, or information that could be misused to cause harm. *(8/29/13, 9/3/13)*

◆ **IRB, PI Guidance.** Guidance from FDA, published in the Aug. 27 *Federal Register*, will help institutional review boards, clinical investigators, and sponsors involved in investigations of FDA-regulated products review "the qualifications of investigators and adequacy of research sites" and determine whether an investigational new drug application or investigational device exemption is required. The document compiles previously issued recommendations and provides guidance to IRBs on how to fulfill their responsibilities. The new guidance is part of the FDA/OHRP effort to "harmonize" guidance documents. FDA is also making available guidance entitled "Investigational New Drug Applications (INDs)—Determining Whether Human Research Studies Can Be Conducted Without an IND." The guidance, among other things, "addresses a range of issues that, in FDA's experience, have been the source of confusion

be properly tested during a pilot phase. Finally, it noted that to reduce some administrative burden, "Once a tested and reliable PMS subaccount methodology is functional," it would expect that preparation of a quarterly Federal Financial Report would be unnecessary.

Link to COGR letter: www.cogr.edu. **Link to notices:** http://grants.nih.gov/grants/guide (search by notice number). ✧

Questions About OMB Grant Reform Still Trouble Grantees

Among the many concerns expressed by college and university research administrators about the Office of Management and Budget's current grants management reform proposal is how it will be implemented *(FGN July/August 2013, p. 1)*. Any new guidance, which must be adopted and implemented by approximately 26 federal funding agencies, is being developed by OMB and the Council on Federal Assistance Reform.

Perhaps the rosiest scenario, insiders say, would be for OMB to mandate implementation of the so-called supercircular as a "common rule," similar to how it implemented Circular A-102, the grantee administrative requirements for state and local governments, back in 1988. OMB mandated that all federal funding agencies by a specified date simultaneously adopt the government-wide terms and conditions verbatim, with a very limited exception. By and large, agencies complied.

Indications from OMB's Gil Tran, speaking at a recent gathering of nonprofits, were that OMB was leaning toward doing something similar for the supercircular.

OMB's Victoria Collin, in her presentation at the recent National Association of College and University Research Administrators' annual meeting, told the audience, "We are very sensitive to making sure that [final guidance] is implemented in a way that results in the least administrative burden for recipients as possible."

Collin said OMB's "ultimate goal" for the guidance is to "not have a situation where NSF is implementing it today, and NIH is implementing it two months from

Agency Developments (continued)

or misperceptions about the application of the IND regulations," the agency said. *(8/27/13, 9/10/13)*

Animal Research

◆ **PHS.** NIH's Office of Laboratory Animal Welfare is encouraging PHS-assured institutions outside the United States to adopt the International Guiding Principles for Biomedical Research Involving Animals "as soon as possible," according to guidance published in the Aug. 26 *Federal Register*. OLAW went on to say that "full implementation" is expected after Oct. 1." The Public Health Service Policy on Humane Care and Use of Laboratory Animals requires that institutions have a PHS-approved Animal Welfare Assurance before conducting activities involving live vertebrate animals. Institutions outside the United States that receive PHS funding are required to have a Foreign Assurance under which they commit to follow the International Guiding Principles for Biomedical Research Involving Animals, which were revised in December 2012 (http://grants.nih.gov/grants/olaw/Guiding_Principles_2012.pdf). OLAW will confirm an institution's adoption of the principles at the next renewal of its Foreign Assurance, the guidance says. OLAW is accepting comments on the revised principles until Sept. 30. *(8/26/13)*

◆ **AWA.** The USDA's Animal and Plant Health Inspection Service has issued a an "indefinite" stay of its Dec. 31, 2012, regulation governing requirements for contingency planning and training personnel in regulated facilities, including research facilities. APHIS announced, in a July 31 *Federal Register* notice, that it is staying the regulations, which became effective Jan. 31, in order to better assess their "impact on regulated entities." *(7/31/13)*

Other Activity

◆ **Human Subjects.** The HHS Office for Human Research Protections held an Aug. 28 public meeting on "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 HHS. Archived videos and transcripts are now available. *(9/10/13)*

◆ **Bioethics.** The Presidential Commission for the Study of Bioethical Issues has scheduled a Sept. 19 webinar to introduce its newly available bioethics educational materials. According to the commission, the materials provide help in the "teaching of bioethics ideas, principles, and theories at the undergraduate, graduate and professional levels." They are available for free. *(9/10/13)*

now, and DoD is doing it next year, plus having the chaos of different requirements." Collin, however, did not provide any specifics.

In a related effort, 10 stakeholder groups, including the Association of American Universities, Association of Public and Land-grant Universities, and Council on Governmental Relations, have formed a new coalition — the Coalition in Support of Innovative (CSI) Grants Reform.

In a Sept. 3 letter to Norman Dong, OMB's acting controller for federal financial management, and Ellen Murray, HHS's assistant secretary for financial resources and chief financial officer, the groups ask to meet with OMB and COFAR "to review our issues and concerns" and "provide our perspective of the systemic issues associated with federal grants management and the true reforms we seek."

Link: www.cogr.edu. ✧

Use the Compliance Supplement for 'Audit Readiness'

Understanding the *OMB Circular A-133 Compliance Supplement's* standard features and using it as a guide to effective federal grants — and more particularly audit — management is its real value to recipients and subrecipients, savvy research administrators say.

The federal government's first line of defense against fraud, waste, abuse, and mismanagement in federal grants and subgrants is the requirement that recipients and subrecipients arrange an annual independent single audit. This audit must be performed in accordance with OMB Circular A-133, and a key tool associated with that audit is the hefty (1,500-plus pages) Compliance Supplement.

Circular A-133 instructs auditors that, if their work tracks the requirements in the Supplement, the compliance testing portion of the audit is satisfied. The Supplement, essentially an audit guide, is not the source of compliance requirements; rather, it is a compilation of them.

The Supplement, therefore, provides a preview of audit objectives, and under "suggested audit procedures," it highlights what documentation will be examined. As such, proactive research administrators recognize that the detailed document — revised and reissued each year — is the closest thing to having a preview of test questions the night before the exam.

Link: www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2013.

Comp. Supp. Was Released in July

continued from p. 1

ments include Equipment and Real Property, Procurement and Suspension and Debarment, Program Income, and Real Property Acquisition and Relocation Assistance. Also, a special test has been added for Dept. of Education TRIO programs.

Suspension and Debarment (Section I in Part 3: Compliance Requirements) has been updated to reflect the current location of the Excluded Parties List System (SAM.gov) and procurement regulations and to clarify which procurement procedures subrecipients must follow. A note was added to the audit procedures to clarify that, although the threshold for procurement under grants is expected to rise to $150,000 when OMB's consolidation of its circulars is completed, the current level of $100,000 continues to apply unless it has been changed in agency or program guidance or is specified at a higher rate in the award document itself.

Reporting (Section L in Part 3) has been revised to address subrecipient reporting under the Federal Funding Accountability and Transparency Act. Audit procedures concerning accessing the FFATA Subaward Reporting System (fsrs.gov) and good faith effort to comply with FFATA have been updated and clarified.

ARRA Sections Were Updated

Sections throughout the Supplement have been modified to add new programs and delete expired ones. In particular, most programs under the American Recovery and Reinvestment Act have been deleted because they have been completed or have limited amounts of funds still subject to audit, according to language in Appendix V of the Supplement, which contains a list of all changes from the 2012 edition.

A note was included in Appendix VII (Other OMB Circular A-133 Advisories) regarding removal of ARRA programs from clusters of programs in Parts 4 and 5 of the Supplement. It says that if an institution has expended funds under any of these programs during the audit period, they should be "treated consistent with any other programs not included in this Supplement or not part of a cluster of programs." The example notes that if a program was audited in the prior year as part of a cluster, it would be considered as audited for purposes of major program determinations.

OMB issued the new supplement, dated June 2012, in early July, although, as usual, it carries a March date. It is effective for audits of fiscal years beginning after June 30, 2012, and supersedes the 2012 Supplement.

Link: www.whitehouse.gov/omb/circulars/a133_compliance_supplement_2013. ✧