



UNIVERSITY *of* MARYLAND

SPA & SPAC UPDATE MEETING

SECOND QUARTER

2013

TODAY'S AGENDA

- SPAC Personnel Changes
- Carryover
- Invoicing Terms on Cost-Reimbursable Awards
- Child Projects
- Sequestration and Other Federal Budget Updates
- Proposed “Super Circular”
- Legislative Audit Update
- F&A Rate Proposal Update

SPAC PERSONNEL CHANGES

- Effective May 1, Libre' McAdory will be transitioning away from managing the Closeout Project full time. She'll be supervising the collections staff and central accountants.
- Team B: accountant vacancy is filled
- Team C: accountant vacancy effective 5/15

SF425 SUBMISSION

- The remarks section of the Standard Form 425 (SF425) give us an opportunity to state our intentions for how we would like the unobligated balance to be handled.
- We need to streamline our remarks to make our intentions clear.

COMMON TERMINOLOGY

- Let's Review:
 - Unliquidated Obligations: Direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to subrecipients and contractors.
 - Unobligated Balance = Total funds authorized – Expenditures – Unliquidated Obligations
 - Relinquishing Statement: An official statement relinquishing interests and rights of a grant, which is required for PI's to change institutions. Using the term "relinquished" adds confusion. *Reminder: Cheryl Williams-Smith is your contact in SPAC that coordinates the post-award closeout of PI's who leave UMB.*

SF 425 REMARKS

- There are 5 common scenarios:
 - Automatic carryover within 25%
 - Automatic carryover within 25%, requesting additional carryover with a letter
 - Carryover is not automatic, request will be sent under separate correspondence
 - Unobligated balance will not be spent
 - Unobligated balance is not available for carryover

SF425 REMARKS

- Have the PI check their intention for the unobligated balance on Line H and sign the FFR draft.

h. Unobligated balance of Federal funds (line d minus g)						
Recipient Share:						
i. Total recipient share required						
j. Recipient share of expenditures						
k. Remaining recipient share to be provided (line i minus j)						
Program Income:						
l. Total Federal share of program income earned						
m. Program income expended in accordance with the deduction alternative						
n. Program income expended in accordance with the addition alternative						
o. Unexpended program income (line l minus line m or line n)						
11.	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charge
Indirect Expense						
				g. Totals:	0	0
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in connection with this report.						
<input type="checkbox"/> Automatic carryover within 25%. <input type="checkbox"/> Carryover within 25% is automatic, a letter requesting carryover will be submitted. <input type="checkbox"/> Carryover is not automatic, a letter requesting carryover will be submitted. <input type="checkbox"/> Unobligated balance will not be spent. <input type="checkbox"/> Unobligated balance is not eligible for carryover.						
Other:						
13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true and correct, and that the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award. If the report contains false, fictitious, or fraudulent information, it may subject me to criminal, civil, or administrative penalties. (18 U.S.C. 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1097, 1098, 1099, 1100)						
a. Typed or Printed Name and Title of Authorized Certifying Official					c. Telephone (Area and Number)	

CARRYOVER PROCESSING

- AUTOMATIC:
 - When carryover from the sponsor is automatic or within the 25% NIH rule on awards under SNAP, SPAC will process carryover to the next project.
 - Prior to processing, SPAC will verify the carryover has been processed in the Payment Management System.

CARRYOVER PROCESSING

- AUTOMATIC:
 - The carryover will be budgeted under directs and indirects in accordance with the F&A rate on the project.
 - SPAC will email the Department and SPA a notification once the carryover has been processed.
 - To reallocate the budget, submit a Budget Modification Request to SPAC.

CARRYOVER PROCESSING

- APPROVAL REQUIRED:
 - SPAC will not initiate carryover to another project until we are notified by SPA or a Notice of Award is sent by NIH.
 - When submitting a carryover request to the sponsor:
 - Letter is prepared by the department and sent to *SPA* for review & signature
 - As part of the review, *SPA* will verify the dollar amount ties to the financial report

INVOICING TERMS

- SPA and SPAC are working together to streamline invoicing terms when possible on cost reimbursable, standard awards.
- Expectations that are clearly defined by the sponsor in the award agreement reduce issues later in the award life cycle.

INVOICING TERMS

Frequency	-For awards less than \$100,000/year, quarterly invoicing is preferred over monthly.
Invoice Detail	-Extent of invoicing detail should be at the major budget category level. -Any detail lower than this (payroll detail, transaction detail, backup documentation) needs to be supplied by the department. This requirement will be noted in the email sent by SPAC at the time the project is set up.
Forms & Special Instructions	-Special forms or instructions should be included in the appendix or be referenced in the award. This includes online systems, PO numbers, mailing instructions (ex. triplicate or email).
Due Dates	-Interim invoices due no <30 days after the month/quarter end. -Final invoices due no <60 days after the month/quarter end.
General	-Payments should not be contingent upon the receipt of backup documentation. -All payments should be made in US dollars. -Acceptable payment methods are check, EFT, ACH or RStars.

Note: These terms apply to cost reimbursable, standard awards.

CHILD PROJECTS

- Reminder:
 - Child project requests need to be sent to the SPAC team of the department owner of the award.
 - The “parent” project cannot view activity of the child project in RAVEN until a [RAVEN Access Request](#) is completed.
 - The “parent” is responsible for coordinating final billing and reporting for all child projects.

Sequestration and Other Federal Budget Issues

- Sequestration cuts went into effect 3/1/2013
 - NIH and NSF have said that the cuts will mostly affect new awards (size and/or number)
- We have not seen cuts to any awards, yet
- We are seeing increased scrutiny over carryforwards and pressure on timely submission of FFRs
 - For non-SNAP awards, if you are expecting a large carryforward, consider requesting mid-period no cost extension
 - Should be done 60-90 days prior to the end of the budget period
 - May limit your ability to request a no cost extension at the end of the project period

Sequestration and Other Federal Budget Issues

- FY 2013 Budget was finalized 3/27/2013
 - We should start seeing the 10% holdback for the continuing resolution get awarded
- NIH salary cap remains at \$179,700
 - i.e. the Executive Level II salary level was not changed (by Executive Order on 4/5/2013)
 - Talks that the FY 2014 budget would reduce the salary cap to the Executive Level III salary level

Proposed Revisions to Federal Circulars

- Proposed OMB Uniform Guidance: Cost Principles, Audit, and Administrative Requirements for Federal Awards
 - OMB Circular A-81
 - “The Super-Circular”, “The Omni-Circular”
 - Puts into one circular
 - A-21, A-110, and A-133
 - Similar circulars for state and local governments, hospitals, Indian tribes, not-for-profits
 - 240 pages

Highlight of Major Proposed Changes – A-110 Administrative Requirements

- Agency limits on F&A require approval of Agency head and OMB
- Better clarification of the subrecipient vs. vendor definition
- Requires primes to pass through the negotiated F&A rate
- Significant new language on subrecipient monitoring

Highlight of Major Proposed Changes – A-110 Administrative Requirements

- “Relate financial data to performance accomplishments whenever practical”
- Clarifications on voluntary committed cost sharing
 - Not to be used as a factor in the review of applications
- Standardization of funding announcements and application requirements

Highlight of Major Proposed Changes – A-21 Costing

- Language allowing the direct charging of administrative and clerical staff when integral to project
 - Still needs to be allocable
 - Current language requires it to be “explicitly budgeted”
- Computing devices <\$5,000 allowable when essential and allocable
- Clarification that residual inventory <\$5,000 may be retained upon completion of the project
- Significant rewrite of the compensation section (a.k.a effort reporting)
- Establishment of a de-minimis F&A rate at 10%
- Allowability of temporary dependent care as a travel expense if institutional policy extends to all funding sources

Highlight of Major Proposed Changes – A-21 Costing

- Elimination of the Cost Accounting Standards (CAS) and Disclosure Statement (DS-2) requirements
 - Unless you have federal contracts in excess of \$25M awarded/year
- Allows for a one-time 4-year extension of F&A rate agreements
- New methodology for weighting utility costs in the F&A rate proposal
- Attempts to formalize and provide transparency to the F&A rate negotiation process

Timeline For Implementation?

- Still in the comment phase
- Comments are due June 2nd
 - Draft COGR response is currently 80 pages
 - UMB will comment
 - Most likely will be derived from the COGR response
- OMB's next steps will probably depend on the extent of the comments
 - Another round of draft/comments???
- The current language in the draft would give agencies a year to implement the guidance in their policies and procedures

Legislative Audit

- Our latest legislative audit report has been published
 - <http://www.ola.state.md.us/Reports/Fiscal%20Compliance/UMB13.pdf>
- Covered the period 12/1/2008 – 9/6/2011
- No specific findings on sponsored project administration
- 7 findings related to:
 - Payroll and time-keeping approvals
 - P-Card
 - Working Fund
 - IT security
 - Medical System contracts
 - Accounts Payable Overrides
- Last audit had 13 findings, 2 of the 13 are “repeated” in the 7 findings in this audit

Legislative Audit

- Had significant negotiations with the auditors regarding a possible finding that the monthly review of sponsored projects at the departmental level be appropriately documented
- Our current billing policy states that it is the department's responsibility to:
 - “A.) Perform monthly reviews of all project IDs to ensure the accuracy and validity of the balances in the UMB financial system.
 - B.) Assign a Senior Administrator and/or designee to perform a sample quality review to ensure that monthly reviews are being performed. “

F&A Proposal Update

- Space inventory verification of Archibus is due to Luke Mowbray, Capital Budget and Planning today
- For the largest research departments, space functionalization surveys will occur this summer.
 - Training in June

QUESTIONS & ANSWERS

- The presentations are available on the SPA and SPAC websites.
- Quarterly meeting for 2013:
 - July 25th, 2:30-4pm, HSF-II Auditorium
 - October 24th, 2:30-4pm, Location TBD
- Thank you for joining us today!