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NIH PMS Transition from Pooled to Subaccounts

NIH is the largest single funder of sponsored research at Penn. NIH has been transitioning the way it pays awardees over the past three years, and the change will be complete by September 30, 2016. Before the change, Penn drew down NIH payments daily in a lump sum and then *internally* distributed those payments to specific awards. With the change, NIH requires drawdowns to occur on individual award (subaccount) basis. This transition to a subaccount Payment Management System (PMS) is in response to a US Dept. of Health and Human Services (HHS) directive to Agencies efforts to en-

hance transparency and financial data integrity and financial closeout for all awards.

The transition will impact all Type 5 NIH awards. Impacted awards at Penn are those awards that would traditionally retain the same fund number for the entire award period. ORS has been planning for the transition to minimize the impact on the Penn research community. Roles and Responsibilities for implementing the transition for these awards are as follows:

ORS (Pre-Award/Operations): When the non-competing NOGA is received, ORS will create a copy of the original PennERA record, creating a new

institution number. The original record in PennERA will be revised to change the project end date to the budget period end date for the period that has just ended; the financial report due date will then be revised to the new report date (90 past the prior budget period end date). In the newly created PennERA record, ORS will award the record per the current budget periods NOGA, a new fund will be created and budgets date for future periods (if necessary) will be added. Pre-Award/Operations will note the old institution number and fund number in the remarks section of new fund AIS. If depart-

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Research Agreement Negotiation Series: Introduction

Modern research universities, including Penn, engage in sustained inquiries into fundamental areas of the humanities, of science, and of technology without regard to immediate practical consequences, and promote the free exchange and discussion of the results obtained. The expertise gained through such inquiry make universities an attractive source for technical assistance and objective advice in meeting the needs of both the public and private sectors.

The Office of research Services (ORS) ensures that sponsored research agreements with fed-

eral sponsors (as well as with industry sponsors when the source of the funding is a federal agency) are compliant with Penn policies. These policies regarding the conduct of sponsored research reflect Penn's core values related to academic inquiry and are designed to preserve Penn's academic ideals while meeting the needs of sponsors.

Penn's Guidelines for the Conduct of Sponsored Research include the following criteria: (1) is the research is of intellectual interest to the principal investigator, who will usually be a member of the standing faculty,

and who will be responsible for the conduct of all or the major portion of the work; (2) the research in no way compromises the University's policy of nondiscrimination, nor the freedom of inquiry of faculty members, nor their abilities to disseminate their research findings and conclusions; (3) the research is consistent with the University's objectives of creating and disseminating new knowledge and is appropriate to the purposes and objectives of a tax-exempt nonprofit educational institution. For more, see <http://www.upenn.edu/almanac/v44/n06/ofrecord.html>

If departments address FCOI (PHS FITS requirements) for new period prior to copy and paste, then that too will be part of the copy/paste process. If not, it will need to be addressed within the new record/institution #.

ments address FCOI for new period before ORS creates the new record, that information will be part of the copy/paste process. If not, the FCOI process will need to be addressed in the new PennERA record.

ORS (Post-Award): ORS will file a Subaccount Transitional FFR for the completed segments of the award. This financial report is similar to an annual FFR. However, it enables NIH to transition remaining award payments to the PMS subaccount process. When the Transitional FFR is submitted, ORS will address the carryover, if any, accordingly. The balance reported on the Subaccount Transitional FFR will be re-obligated (moved) by NIH to the new subaccount, regardless of the carryover authority for the award. If the award was issued with automatic carryover authority, the grantee may drawdown the carryover funds and obligate as they would now, once this Subaccount Transitional FFR has been processed. If the award was not issued with automatic carryover authority, grantees may not drawdown or obligate the funds unless a prior approval request has been approved

and a revised NOA reflecting the approved carryover amount has been issued.

Departments/Centers: Utilize the Webi Report below to assist with identifying those awards that will be impacted by NIH's transition. Review NIH NOA's as they come to make sure that those issued as Type 4 are addressed accordingly. Once new Type 4 NOA is received be sure to begin closeout process of first mini-segment and make sure payroll distributions, feeders and expenses for new mini-grant period are addressed / established. No impact to annual Progress Report – this still will be required.

One impact of the transition is that NIH will be looking at the rate of spending on awards more closely than in the past. NIH will be reviewing unobligated balances in excess of 25% of the awarded budget period amount, and may require additional information prior to authorizing carryover of those funds. IF NIH determines that those funds are not required to complete the project, the NIH grants management office may restrict fu-

PMS Transition Continued

ture authorization to automatically carry over funds, use the funds to offset funding for future budget periods, or a combination of both. Pls should address issues related to slow spending in the annual Progress Report to ensure that NIH understands the need to retain the funds to complete the project goals.

ORS has added a report called NIH NON-COM-PETES_FFY_byORGrange to the WEBI public folder (Public Folder/Schools and Center/Central Administration/Division of Finance/Office of Research Services (ORS)/SCHOOL AND CENTER REPORTS).

This report is ran by date range (Federal FY is 10/01/15-09/30/16) and by an ORG range that will bring back the projects that are due a Non-Competing segment by month

Please utilize the link below as it provides additional feedback on varying issues/topics associate with NIH's transition to PMS subaccounts:

<http://grants.nih.gov/grants/payment/faqs.htm>

NIH simplification of Vertebrate Animal Section

NIH has announced that for F and T grant applications submitted after January 25, 2016 and for ALL applications due on or after May 26, 2015, the requirements for the vertebrate animal section (VAS) of the proposal will be simplified. The purpose of the change is to reduce burden by eliminating duplication with Institutional Animal Care and Use Committee review.

The VAS criteria are simplified by the following changes: (1) A description of veterinary care is no longer required. (2) Justification for the number of animals has been eliminated. (3) A description of the method of euthanasia is required only if the method is not consistent with AVMA guidelines.

Full details of the changes are available at NOT – OD-16-006 (<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-16-006.html>).



Changes in Sub Monitoring: Penn Process Updates

The December 2014 finalization of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards from the Office of Management and Budget (Uniform Guidance or UG) required the implementation of new and/or updating of existing subrecipient monitoring procedures. Penn has made the following process updates to accommodate the UG requirements for subrecipient monitoring for outgoing subawards

- Subrecipient vs Contractor:** The UG provides specific guidance related to subrecipient and contractor determinations, clarifying that it is a pass-through entity's responsibility to determine on a case-by-case basis whether the 3rd party is a subrecipient or a contractor. Penn ORS Pre-Award staff is completing a questionnaire when reviewing outgoing subaward requests. If it is determined, based upon the proposed subrecipient's scope of work, that the entity should be treated as a contractor, ORS will work with the Principal Investigator and Business Administrator to ensure an appropriate agreement is in place.
- Required Elements of Agreement:** The UG requires that several terms be included in any federal subaward agreement. These terms must be clearly identified by the

pass-through entity and updated over the life of the agreement. As a member of the Federal Demonstration Partnership (FDP), Penn is using an updated FDP subaward agreement template that incorporates the required terms. Business Administrators should continue routing new subaward agreement requests to ORS using RIS.

- Subrecipient Monitoring:** The UG requires that pass-through entities evaluate and monitor subrecipient institutions, including evaluating the subrecipient's risk of non-compliance with federal regulations and the specific terms and conditions of the award. ORS is conducting both an organization level risk assessment and a project specific risk assessment prior to issuing new subawards. Based upon the risk assessment, Penn may add additional terms to the subawardee such as special invoicing or reporting requirements or other restrictions in order to ensure compliance with federal terms and conditions.

If you have any questions about changes under the UG or the way in which Penn has implemented UG requirements, [please contact your org specific ORS Pre-Award Associate Director](#).

In order to ensure timely processing of new subaward requests in RIS, please verify that the subrecipient has provided a clear Scope of Work that details contributions to the project.

Friendly Reminder on FCOI and PHS FITS Compliance

A reminder that PHS FCOI regulations and Penn policy require that Investigators participating in PHS-funded research annually submit an updated disclosure of Financial Interests and Travel. Investigators should log in to PHS-FITS during the month of July to recertify, regardless of when they last disclosed and even if they have no financial interests or travel to report. Grant Relatedness Assessments only need to

be done once per Institution Number or award segment unless the Investigator adds a new Financial Interest. The best time to complete the Grant Relatedness Assessment is during Just In Time. Investigator Lists need to be recertified by the BA for each award budget period. These issues, if unresolved, will hold up AIS generation.



When entering documents into the Research Inventory System for outgoing subawards, please refrain from uploading password protected or secured .pdf files. Doing so causes an error message when ORS attempts to generate the subaward agreement and can delay the process.

Tips to Prevent Common Outgoing Subaward Delays

After an award is received, ORS is commonly asked, “How long will it take to get my subaward(s) issued?” While the answer to this can vary, depending on the size and complexity of the project, there are other factors which can slow the process down.

A common delay occurs when the Subrecipient isn't responsive. Subaward requests are entered in Penn's Research Inventory System (RIS) and are routed to the Subrecipient who enters certain contact and compliance information. For security reasons, the Subrecipient's approval link to the record expires after 21 days. ORS does not receive the subaward record for review until the Subrecipient has approved the request. If the Subrecipient delays approving the record, the request may lag before ORS even sees or receives the request. We strongly suggest keeping an eye on pending subaward requests and either reaching out to your administrative contact on the Subrecipient side, if it does not appear to be moving, or alerting us (subcontracts@exchange.upenn.edu) so that we can look at alternative measures to move the agreement forward.

Additionally, the following things can often cause delays in finalizing a subaward:

BUDGET AMOUNT DISCREPANCIES – The uploaded budget total must match the budget total entered in RIS. Each subaward budget should be reviewed for this prior to uploading it into RIS.

PERIOD OF PERFORMANCE DISCREPANCIES– The period of performance dates should be reviewed to confirm that they match the dates listed in the budget. Please note that the full term of a project (e.g., 5 years) should not be used as the period of performance in Year 1 of a subaward, as you will not be able to enter an amendment for Year 2.

INSUFFICIENT OR UNCLEAR SCOPE OF WORK – The scope of work should be specific to the work being performed under the subaward and should state who is doing the work and where it is being performed. The entire scope of work for the project, the budget justification, or the CV of the Subrecipient's PI should not be used.

EXPIRED IRB – Penn requires proof of the Subrecipient's current IRB approval for the period of performance. This includes origination subawards and all amendment periods. If Penn is the IRB of record for the Subrecipient, there is a field to note that in the RIS request. Institutions may take a long time for IRB approval and renewals, so we suggest requesting this information from the Subrecipient as early as possible and uploading a copy of the current IRB into RIS at the time the request is submitted.

NO IACUC REVIEW/APPROVAL – If there is animal research being done, whether on-site at Penn or at the Subrecipient's site, Penn IACUC review and approval is required. ORS will need the ARIES protocol number (Offsite Application/Form-D) entered into RIS if the Off-Site application has already been approved. If the RIS record routes before the Off-Site application has been approved, please note this in the record.

PUBLIC HEALTH SERVICE (PHS) FUNDING / NO FINANCIAL CONFLICT OF INTEREST (FCOI) POLICY – Subrecipients on all PHS-funded research projects must maintain a federally compliant conflict of interest policy as a condition of funding. Foreign Subrecipients and non-academically affiliated Subrecipients (physician's private practices, for example) may not be compliant and the process to bring them into compliance is sometimes time consuming and complex. Delays for FCOI can be minimized by the Department asking the Subrecipient about their FCOI policy *before* submitting the subaward request in RIS (or as soon as possible) and, if the Subrecipient does not have one, alerting ORS.

While this list is certainly not all-encompassing, it does touch on many of the common delays we see in ORS with subawards. If you have any questions related to subawards or this article, please feel free to email subawards@exchange.upenn.edu for more information.



Recommendations for future newsletter articles or questions that you would like addressed can be sent to

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Special thanks to this quarter's contributors:

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ORS Pre-Award Turnaround Time Expectations

"How long does it take?" is a question we often hear related to ORS review and completion of agreements. The answer to that question depends upon the completeness of the information provided to ORS. In an attempt to improve customer service and increase transparency of internal processes, the Office of Research Services Pre-Award team has put together a table describing what information is required for a complete review and our internal turnaround times for review associated with several processes. Please note that you can help us help you by ensuring that all the required information is included in your submission to ORS!

Review Type	Departmental Responsibilities	ORS Responsibilities and Response Times
Proposal	<p>Submit Proposal to ORS in Final form 3 business days before the sponsor's deadline. Proposal in final form includes:</p> <ol style="list-style-type: none"> 1. Research plan in Final format; 2. Sponsor/Institution requirements have been verified; 3. PI and BA Certifications have been completed as well as any other institutional forms (i.e. Cost-share forms). 4. Any sponsor forms/face pages that require institutional sign-off are uploaded; <p>BA/PI must notify ORS in advance if proposal submission will not meet the 3 business day review deadline. Please indicate when the proposal will be final and available to ORS for review.</p>	<p>Pre-award Associate Director reviews proposal for compliance with Sponsor guidelines and University policy.</p> <p>If complete proposal (research plan in Final format) is received by 12 noon, circumstances permitting, the proposal will be reviewed and submitted to sponsor before the end of the day. If not submission will be complete first thing the following morning.</p>
Just in Time	<p>BA/PI prepares JIT documents in response to sponsor's requirements. For NIH JIT, BA/PI must upload JIT documents to grant in Era Commons; BA/PI notifies Associate Director that JIT is ready for review and submission.</p> <p>For all other sponsors that use the JIT feature, the BA/PI must prepare and forward JIT materials to Associate Director for review and submission to the sponsor.</p> <p>For PHS funded grants BA/PI should complete PHS-FTS.</p>	<p>Associate Director reviews JIT for compliance with sponsor's requirements. JIT will be submitted within 1 business day of receipt from BA/PI.</p> <p>Verifies IACUC congruency with the Office of Regulatory Affairs;</p>
Non-competing Proposal	<ol style="list-style-type: none"> 1. Submit Non-competing proposal (Child Record); 2. Ensure that Sponsor/Institution requirements met including PHS/FTS within 2 weeks of submission; 3. Ensure that PI and BA Certification have been completed; 4. For NIH grants, EraCommons RPPR routed to Associate Director for review. For all other Era systems where Signing Official review and sign-off is required, the progress report should be routed to the appropriate Pre-Award Associate Director. 	<p>Pre-award Associate Director reviews proposal for compliance with Sponsor reporting guidelines and submits to sponsor, as applicable.</p> <p>Non-competing proposals received by 12 noon will be reviewed and submitted to sponsor before the end of the day.</p>
Incoming Federal Grant Award	<p>If the grant award is received by department please forward to pennaors@lists.upenn.edu with a cc to your Pre-award Associate Director;</p> <p>For PHS Funding, ensure that PHS-FTS is up to date and that the PI list has been certified within 2 weeks of notification .</p>	<p>AIS will be generated within 4 business days of receipt in ORS following ORS verification of:</p> <ol style="list-style-type: none"> 1. PHS-FTS completion; 2. IRB/IACUC approvals are in place; if IRB is pending a 75% restriction is place on award.
Incoming Contract/Foundation Award/Non-Monetary Agreements and Subawards	<p>If a contract, foundation award or incoming subaward agreement is received by department, forward to ORS at pennaors@lists.upenn.edu with a cc to Pre-award Associate Director. Inform ORS of any concerns with terms and conditions, dates, dollars amounts or any other issues.</p> <p>All non-monetary agreements must be entered into the Research Inventory System (RIS) under NMA/MTA.</p>	<p>Within 10 business days of receipt of contract the ORS Pre-award Associate Director will review agreement for compliance with University policy, address contract concerns with PI, communicate request for contract changes with sponsor.</p> <p>Upon execution/finalization of the contract/foundation award/subaward ORS will complete AIS set-up.</p> <p>If a contract is not included in the request, ORS will contact the outside party within 10 business days to obtain an agreement and start negotiations.</p>
Outgoing Subawards	<p>Submit a complete subaward request to ORS within 60 days of receipt of AIS. A complete request includes budget, statement of work, IRB/IACUC approvals . Requests should be entered into the Research Inventory System.</p> <p>If request is sent to subawardee for completion please note that the link provided is valid for 21 days. BA must follow-up with subrecipient to ensure timely completion of the subaward request so that it moves to ORS for issuance of the subaward agreement</p>	<p>Complete subrecipient monitoring (entity and project risk assessment);</p> <p>Verify IRB/IACUC approvals are current at both sites as applicable;</p> <p>Verify whether subrecipient has a complaint PHS FCOI policy in place. If not, coordinates with Research Integrity Office.</p> <p>ORS will complete this initial review initial review and make contact with the Subrecipient Institution within 10 business days of receipt of the complete request.</p>