

FEDERAL GRANTS NEWS

for Colleges and Universities

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Updates From the FDP Meeting: NSF and ACA Compliance, Other Agencies' Plans

At the spring meeting of the Federal Demonstration Partnership, various federal agencies updated the attendees on their current activities. Following are highlights from those reports.

NSF. A representative from the National Science Foundation reported on NSF's implementation of the requirements of the America COMPETES Act (Pub. L. No. 110-69). Specifically, the ACA requires mentoring of postdoctoral fellows, responsible conduct of research training for students and postdoctoral fellows participating in NSF programs, research results reporting, and cost sharing.

Section 7008 of the act requires that all grant applications, including those seeking funding for postdoctoral research, include a description of the mentoring activities to be provided to postdoctoral fellows. Project reports under grants also must include a description of those activities. NSF officials indicated that the agency will probably implement the requirement as enacted. The NSF's *Grants Policy Guide* will be changed to include the requirement, as will the project reporting guidance. The NSF advised attendees that the description of mentoring activities must be included within the 15-page limit for the project application narrative. The requirement likely will be finalized in fall 2008.

Another section of the act, section 7009, requires that each institution applying for financial assistance for science and engineering research or education describe its plan for providing "appropriate training and oversight in the responsible and ethical conduct of

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Federal Agencies Gear Up to Implement Standard Research Terms and Conditions

In January 2008, the federal government issued the core standard research terms and conditions for research awards, including grants and contracts. The new standard terms and conditions should result in greater consistency in the administration of federal research awards.

The policy was effective Jan. 25 and applies to awards made to all institutions. Federal agencies participating in the Federal Demonstration Partnership are required to use the new terms and conditions; other agencies are encouraged to use them as well. Agencies must post their implementation plans no later than July 2008 at the Research Business Models Subcommittee Web site (<http://rbm.nih.gov>).

At the recent FDP meeting, some of the FDP agencies provided their plans for implementation. The Cooperative Research, Education, and Extension Service announced that it would begin using the new terms and conditions on new research and education extension awards beginning in July; existing awards will continue to use the current terms and conditions. The Air Force Office of Scientific Research stated that it will be implementing the new research terms and conditions on July 1; AFOSR-specific



terms and conditions will continue to be used. Other agencies are still formulating their implementation plans.

While the January announcement of the standard terms and conditions requires the agencies to post their plans on the Research Business Models Web site, the NSF will also maintain a comprehensive Web site (www.nsf.gov/bfa/dias/policy/rtc/index.jsp) that will include implementation statements, a statutory matrix of national policy requirements, a subaward matrix, and a prior-approval matrix. ✧

NIH Provides Compliance Tips For Public Access Policy

In early April, the National Institutes of Health policy on public access to published articles based on NIH-funded research became mandatory (see *FGN*, April 2008, p. 1). As of May 25, 2008, any applications, proposals, or progress reports made to NIH must include the PMC or NIH manuscript submission reference numbers when citing applicable articles arising from NIH-funded research. This would also include references in bibliographies when the publication is related to the NIH investigator and is NIH-supported.

With the deadline several weeks past, NIH-funded institutions should have disseminated the requirements of this policy, as well as provided assistance to faculty who will need to submit final manuscripts to PubMed

Central and state the PMC or NIH manuscript submission reference number when citing articles.

At the spring FDP meeting, NIH staff reminded the audience of the revised policy and fielded attendees' questions and concerns about the policy. Attendees raised concerns about some journals that are charging a fee to submit an accepted manuscript to PMC. Institutions and investigators should read the journals' copyright or publication policies carefully, NIH suggested, as often the author has a choice of paying the submission fee to the journal or self-depositing the article at no cost. Submission fees or page charges are allocable charges to the grant; it is up to the institution to determine whether the journal's fee is reasonable. In those instances where a fee is charged and the grant has ended, the institution will need to determine the appropriate source of funds for these costs.

In discussing the flow-down requirements of the policy, officials indicated that NIH expects that the policy will be included in all NIH-funded subawards, and the collaborating institution should agree to the submission and citation requirements. Prime awardees may want to include specific language in their subawards, which states that the subrecipient agrees to notify the prime awardee of all manuscripts related to the subagreement that are submitted to PMC for inclusion in the prime's progress reports.

Link: <http://publicaccess.nih.gov>. ✧

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Audit Corner: NSF OIG Releases Additional Effort Reporting Audits

The National Science Foundation Office of Inspector General has released several more audit reports of labor effort reporting systems at universities. This time, the NSF OIG reviewed the systems at the University of California, Berkeley, the University of California, San Diego, and the University of Illinois, Urbana-Champaign.

The University of California, Berkeley audit found that the university had not established adequate internal controls for its Personnel Activity Report system. The audit suggested that many salary charges did not have appointment letters documenting employee institutional base salary rates, employees were engaged in activities that did not always directly benefit the grants paying their salaries, and many salary charges were not verified using a "suitable means of verification." Further, many PAR reports were found to be either certified late or had inadequate documentation to determine the approval dates.

In its response to the audit findings, the university noted that it had just recently launched Phase 1 of a new

Web-based effort reporting system and that campus-wide implementation was to be completed in winter 2008. This new system should better ensure the monitoring and completion of certifications. The university also noted that with the implementation of the new PAR system, campus training on effort certification was conducted, and mandatory training is now required for any individual with administrative responsibility within the online system. The university believes that these and other measures will correct the deficiencies noted in the audit.

Systems at UI, UCSD Also Examined

In its University of Illinois, Urbana-Champaign audit, the OIG found that while the university has a well-established federal grants management program, it does need to improve its internal controls process to ensure that certifications are reliable and timely. One weakness cited was that while the payroll distribution and labor effort system accounts for 100% of each employee's activities, the information on total effort is not made available to certifying officials. The auditors suggested that only when the level of effort employees expend on all work activities is provided to certifiers can they correctly assess the reasonableness of payroll charges to NSF grants. Another area cited was the lack of formal written timeliness standards. Finally, the report stated that the university had not performed the required evaluation of its effort reporting system.

In its response to the draft audit findings and recommendations, the university agreed to provide PIs access to total employee workload information through its new Web-based certification system. The university also agreed to have its university auditor continue to include the certification system in its risk-assessment process. With respect to the timeliness of certifications, the university responded that while it wasn't in formal written policies, timeliness was addressed in its semi-annual certification process directions to unit heads, and the university noted that it was willing to provide additional guidance in its official policies and procedures.

Auditors at the University of California, San Diego were generally pleased with UCSD's effort reporting system. However, it criticized the university for not having sufficient internal controls. Once again, there was concern that some certifications were late, not signed, or did not include appropriate confirmation of the reported labor effort. Recommendations were made to UCSD to update and revise campus policies, improve communication of effort reporting policies and processes to campus personnel, and perform periodic broad-based evaluations of its effort reporting system. The audit report also noted that with the implementation of a new, automated effort system, the university will have the opportunity to incorporate various controls and audit techniques. The university, in general, agreed with the auditors' recommendations.

It is apparent from these audits and others previously reported that institutions must continue to actively review and monitor their effort certification systems, particularly with respect to timeliness of the certification and assurance that the appropriate individuals are making the certification.

The complete audit reports are posted on the NSF Office of Inspector General Web site at <http://nsf.gov/oig/auditpubs.jsp>. ✧

A-133 Annual Compliance Supplement Issued

The Office of Management and Budget has issued the 2008 A-133 Compliance Supplement. The Compliance Supplement offers guidance and suggested audit procedures to the external firms retained by grantees to conduct the required A-133 audit of federal funds; it is issued annually.

Of particular interest to college and university grantees is the addition of a new Section M, Subrecipient Monitoring, in the research and development cluster chapter. Auditors are asked to first assess whether the proper classification has been made between subrecipients and vendors. Auditors are cautioned that the substance of a relationship is more important than the form of the agreement, but it is also clearly stated that subrecipients perform part of the project activities while vendors sell equipment, materials, or services in support of the project activities.

Link: www.whitehouse.gov/omb/circulars/a133_compliance/08/08toc.html.

FDP Updates

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research to undergraduate students, graduate students, and postdoctoral researchers participating in the proposed research." NSF continues to work on its implementation of this requirement and will ultimately publish a proposal in the *Federal Register* for public comment. Currently, NSF believes that such training is an institutional responsibility, and it may ultimately satisfy this mandate by requiring institutions to certify that they have appropriate responsible conduct of research programs and policies.

Section 7010 of the act requires that all final project reports and citations involving NSF-funded research be

made available to the public in a timely manner and in electronic form on the NSF Web site. As grantees are aware, NSF does not currently require a comprehensive final project report but relies on annual progress reports. In fall 2008, NSF anticipates that a separate module will be developed as part of the final progress report, and it will include a summary prepared by the investigator to be posted on the NSF Web site.

NSF continues to analyze section 7013 of the act, which requires an evaluation of the impact of NSF's policy that eliminated cost sharing. It is anticipated that NSF will soon require cost sharing on Experimental Program to Stimulate Competitive Research, Engineering Research Centers, and Industry/University Cooperative Research Centers projects. A comprehensive policy is forthcoming.

USDA. A representative from the Cooperative Research, Education, and Extension Service of the U.S. Department of Agriculture reported on its continuing Grants.gov activities. All funding proposals to CREES currently are submitted through Grants.gov. At present, only the administrative formula grant applications are in Adobe; all other applications are submitted via PureEdge. Beginning in December 2008, USDA will post all funding opportunities in Adobe.

The official also noted that CREES has begun its phased-in process of electronic award notification. In Phase 1, electronic awards are being made if no budget modifications were required. In the future, all awards will be transmitted electronically.

DOE. The Department of Energy representative noted that it is no longer requiring an institutional signature on awards and modifications. In addition, DOE will not make the transition to Adobe forms until December 2008 or later. Finally, the spokesperson reminded the audience that FedConnect will become DOE's communication portal for electronic awards and administration. Registration will begin after Oct. 1.

NIH. The National Institutes of Health representative announced that NIH is continuing its transition of proposal submission through Grants.gov. In general, proposals for the following award mechanisms must be submitted via Grants.gov as of the deadline indicated:

- ◆ K awards Feb. 12, 2009
- ◆ F awards April 8, 2009
- ◆ T awards Sept. 25, 2009

NIH continues to explore the transition of the more complex award mechanism proposals, such as program project grants.

With respect to financial conflict of interest (FCOI), the representative noted that NIH continues its system-wide review. It has added FCOI language to the Notice of

Award and is developing an electronic FCOI reporting tool tentatively scheduled to be implemented in October 2008. Results of its ongoing FCOI pilot compliance program will be shared with the grantee community when available, although no timeline was given.

AFOSR. The representative from the Air Force Office of Scientific Research said the agency intends to begin transmitting grant awards electronically via e-mail. E-mail transmission will be used first for new awards and later will apply to continuing awards as well. The representative also cautioned the audience that requests for no-cost extensions of over six months are not being looked upon favorably.

ONR. The Office of Naval Research representative announced that public key infrastructure certificate access is no longer necessary to receive ONR awards; instead, notifications are being sent to the e-mail address of the institutional representative on file in ONR's AwardWeb. PKI access will still be required for AdminWeb and PayWeb.

In cooperation with the Army and Air Force, ONR is working on a single submission point for submitting invoices to the Department of Defense. The representative also announced that ONR will continue to use PureEdge forms until at least November or December 2008. ✧

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- ◆ June 2008 *Federal Grants News*; Links in the News (newsletter archive)
- ◆ Sample Compliance Matrix (§2803.1)
- ◆ 2008 OMB Circular A-133 Compliance Supplement (§3500)
- ◆ Defense Department regs regarding military recruitment (§757.2)
- ◆ Transportation Department nonprocurement debarment and suspension regs (§3100)
- ◆ Spring 2008 Quarterly Web Update (various sections)

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