



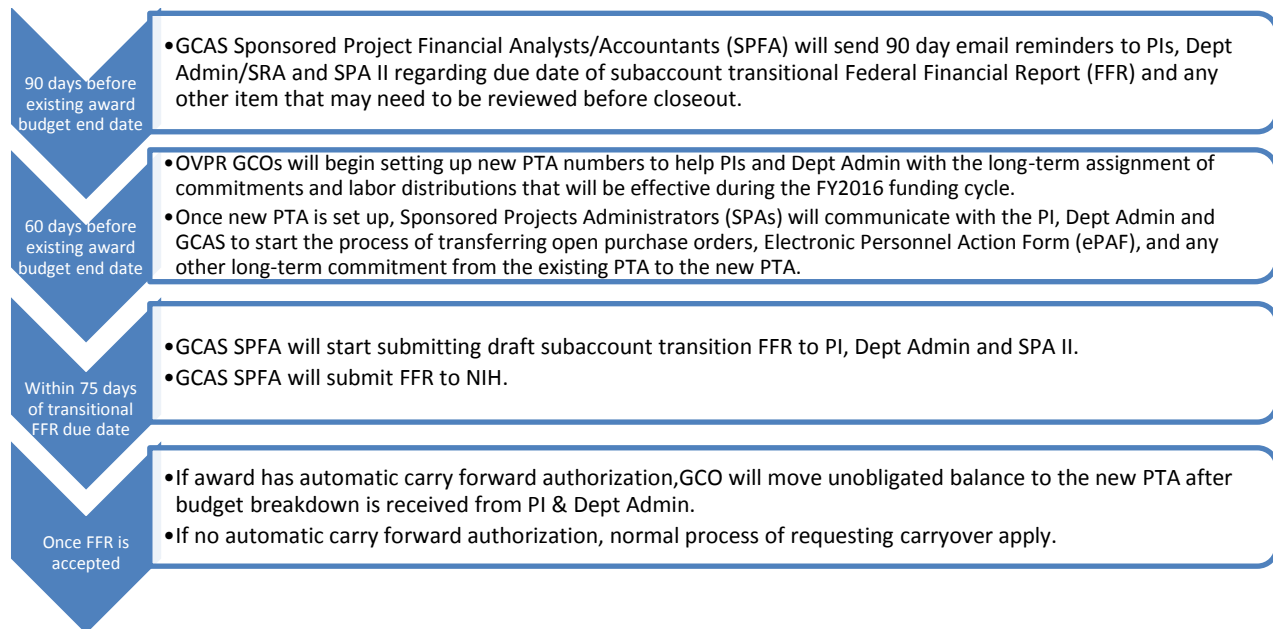
NIH Subaccount Transition

In response to a U.S. Department of Health and Human Services (HHS) directive to Agencies, the National Institutes of Health (NIH) have begun transitioning domestic awards from pooled accounts to subaccounts (P-accounts). This transition within HHS's Payment Management System (PMS) is intended to enhance financial data integrity and financial closeout for all awards.

The major implications of this transition are:

- At the end of the budget period for non-competing awards, new PTAs will need to be established for the next year of the award.
- GW will not be able to request funds after 90 days from the end date of the awards without a separate sponsor review and approval process.
The expenditure rate of each individual award will be monitored by HHS agencies. This will allow agencies to monitor spending rate against programmatic need of the project.

The Office of the Vice President of Research (OVPR) and Grants and Contracts Accounting Services (GCAS) are working diligently to ensure a smooth transition at GW. In preparation for the October 1, 2015 transition date, the impacted awards have been identified and GW will be taking the following steps for each award.



Carryover Treatment:

Non-competing continuation awards will require a subaccount transitional FFR for the prior year(s) of the competitive segment **before** any carryover funds become available.

- Automatic carryover authority – If the award is issued under automatic carryover authority, NIH will automatically authorize the carryover in the PMS subaccount equal to the amount of unobligated balance reported on the subaccount transitional FFR (subject to the existing policy on unobligated balances in excess of 25% of the total authorized amount which may require additional justification if requested by the Grant Management Officer).
- Prior approval of carryover – NIH will automatically transfer the unobligated balance reported on the FFR to the subaccount but the grantee is still required to submit a prior approval request to use carryover funds. NIH will release a revised NOA reflecting the approved carryover amount.

Frequently Asked Questions:

1. Why is NIH making this change?

Transitioning to an individual award-by-award cash draw will enable greater accountability and transparency at the award level on a real time basis rather than quarterly.

2. What types of awards are affected?

All of our prime NIH awards and NIH funded subawards (both in-coming and out-going subawards) will be affected by the change. However, the impact is minimal for those awards without carryover authority (e.g., P01, P30, U01) since those awards are already subject to annual financial reporting and closeout. The greatest impact will be for awards under expanded authority and for Streamlined Noncompeting Award Procedures (SNAP) (e.g., R01, career and fellowship awards).

3. What is the timeline for this change?

Beginning 10/1/13, all new and competing continuation awards already started to be issued in subaccounts. Beginning 10/1/15, NIH will apply a rolling transition method to transfer all existing non-competing continuation awards to subaccounts when issuing FY2016 funding. All transitions are expected to be completed by the Federal Government's fiscal year (GFY) ending on 9/30/16.

4. What does this change mean to Principal Investigators (PIs) and Departmental Administrators (ADs)?

The change will effectively break any existing non-competing award's project period into two separate periods. The budget period end date for Grant Fiscal Year 2015 will become the project end date and a subaccount transitional Federal Financial Report (FFR) will be due. This means:

- The current PTA # will be end dated to the award's GFY2015 budget period end date.
- A new PTA # will be issued for the GFY2016 funding. (This change is necessary since the GFY2016 funding will be issued to a new subaccount by NIH with new document number and no drawdown will be allowed from the old G account after the transition.)
- GCAS (Grants and Contracts Accounting Office) will have hard deadline of 90 days from the GFY2015 budget end date to file the FFR and complete the cash draw down. Which means PIs, Dept Admins & OVPR will have 75 days to complete the FFR process with GCAS to insure timely submission and cash drawdown.
- For awards with automatic carryover authorization, if the unobligated balance is less than 25% of the funded amount it be transferred to the new PTA # by the OVPR Grant Contract Officer (GCO) after the subaccount transitional FFR is filed and accepted by NIH and the PI/Dept Admin have provided a detailed budget breakdown.
When the unobligated balance is greater than 25% of the funded amount and the NIH Grant Management Officer requests additional justification, automatic carry forward will not apply. In those cases, please follow existing procedure on submitting carryover approval request.

5. What effect does this change have on subawards?

a. GW is the subawardee (prime – NIH) –

Most, if not all, of our awards are awarded for each budget period and requires a new PTA to be established at the end of the budget period. Therefore, a financial closeout will be required at the end of all subawards' FY2015 funding period end date. For those awards awarded for multiyear, final invoice/financial report will be required if requested by the billing sponsor.

b. GW Issued subawards (Prime – NIH) –

Currently, all of GW issued sub awards are awarded for each budget period. Due to the transition, instead of issuing award modification to extend budget period beyond the Fiscal Year 2015, the sub awardee will be asked to submit final invoice and/or final financial report as stipulated in the sub award agreement document. Award modification will be issued upon request from the department (PI).

c. **Who can we contact with questions?**

- For award setup questions, please email Edward Mckoy at emckoy@gwu.edu
 - For financial reporting and closeout question, please contact your GCAS Sponsored Projects Financial Analyst/Accountant. <http://comptroller.gwu.edu/sponsored-project-points-contact>
- For subaward question, please contact your OVPR Sponsored Projects Administrator

NIH Implementation Timeline:

Phase I: FY2014 & FY2015 (October 1, 2013 through September 30, 2015)

Domestic Awards with New Document Numbers

NIH will continue to transition payment for all domestic awards with new document numbers (i.e., Type 1, Type 2, Type 4, Type 6, Type 7, and Type 9) from PMS pooled accounts (G accounts) to PMS subaccounts (P subaccounts). For these types of awards, PMS will establish subaccounts for each NIH award made on or after October 1, 2013. All subsequent non-competing continuation awards to these grants will also be issued in subaccounts.

Competitive Revisions/Supplements:

For awards issued on/after October 1, 2015, competitive revisions/administrative supplements (Type 3s) issued to domestic awards, will also be issued in a P subaccount.

Phase II: FY2016 (October 1, 2015 through September 30, 2016)

All Other Non-Competing Domestic Awards: Beginning 10/1/15, NIH will transition payment for all continuing domestic awards (Types 5 and 8) that have not yet transitioned from pooled accounts to subaccounts. NIH will shift the funding from the pooled account to a subaccount by issuing all FY2016 non-competing continuations as Type 4 awards (funded extension awards).

- In addition to the change in **award type** and **document number**, NIH will change the project period end date of the FY2015 award when the FY2016 award is issued.
 - The project period end date for the FY2015 award will be changed to the budget period end date.
 - Consequently, PTA (project/task/award) number will be end dated to the FY2015 budget period end date.
 - A new PTA number will be issued for the FY2016 award.
 - This will break the single competitive segment into two shorter "competitive segments".
 - The end date change for FY2015 award will be reflected in eRA Commons.
 - A revised Notice of Award (NOA) will NOT be issued for the FY2015 award.
- This approach enables NIH to separately track obligations and payments for grants that span FY2015 and FY2016.
 - FY2015 becomes the final year of the first "competitive segment" and will require a **subaccount transitional FFR**. The due date for the Subaccount Transitional FFR is no later than 90 days after the end of the calendar quarter in which the budget period ended.
 - FY2016 award will become the first year of the second "competitive segment" and will require a final FFR covering the project period from the new project period start date through the new project period end date.
 - If there are **unliquidated obligations** at the end of the first "administratively shortened" competitive segment, these may be reported on the subaccount transitional FFR expenditure data report.
There will be **no change to the due dates, submission, or review of progress reports** for domestic awards for FY 2016.

References:

- Further information can be found in the NIH Notice: NOT-OD-15-105
<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-15-105.html>
- NIH FAQ Section: <http://grants.nih.gov/grants/payment/faqs.htm#4585>
- http://grants.nih.gov/grants/foreign/Carryover_Domestic_Awards_FY15-to-FY16.pdf