

May 29, 2014

Campus Research Community:

The Federal Office of Management and Budget (OMB) is releasing a new set of sponsored projects guidance named the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This guidance is anticipated to take effect December 26, 2014 and will replace the OMB Circulars A-21, A-110, and A-133 that currently govern sponsored projects administration.

Sponsored Projects, Office of Research and Contract Analysis, and Financial Services are leading a committee to review the new guidance. We will be issuing regular communication in the next couple of months to update you on necessary changes in policies and procedures. This communication is focused on the 90 day closeout requirement.

Within this new guidance is a requirement for federal agencies to strictly follow a 90 day closeout for sponsored projects. Although the 90 day closeout is present in the current circulars, both agencies and research institutions have not consistently adhered to it.

In 2012, the Government Accountability Office conducted an analysis of expired federal grant funds that had not been closed out in a timely manner. The GAO testified to the U.S. Senate that over \$794 million of grant funds for fiscal year 2011 were remaining in expired grants that had not been properly closed. The report and reaction prompted OMB to implement stricter procedures for timely closeouts, which have been incorporated in the new Uniform Guidance. A summary of the GAO report can be found here: <http://www.gao.gov/assets/600/592996.pdf>

Agencies such as NSF and NIH have already been strictly enforcing this requirement, and other agencies are following suit. All agencies must be compliant by the time the new Uniform Guidance becomes effective. Failure to meet the requirement means the institution cannot receive the final reimbursement, and may also lead to additional sanctions such as loss of administrative flexibilities or withholding of future awards.

Therefore, Sponsored Projects is proposing award closeout procedures as follows:

- Departments must post final transactions in a timely manner, and no later than 65 days after award expiration.
- Subcontract final invoices must be received and paid within 65 days.
 - ORCA requests subcontract closeout information be submitted within 3 days of receipt of the final invoice and financial report.
- Closeout concurrences incorporating final transactions will be sent to departments within 70 days must be returned within 10 days, or the final report and billing will be sent as-is.
 - Final technical reports are due to the sponsor within 90 days.

- Effort reporting changes:
 - Effort Reports will now be generated one pay period after the effort cycle ends, rather than after three pay periods.
- Effort Report deadline is being changed from 60 days to 30 days.

Note this 90 day requirement applies to prime funded sponsored projects. Sub-federal and nonfederal awards received must be closed out per sponsor prescribed due dates that may be shorter, so the above schedule will be accelerated.

Open Forums:

Sponsored Projects will be hosting three open forums to discuss the new closeout and effort reporting procedures. The final closeout procedure will be finalized after feedback is received during the three forums.

- Tuesday, June 10: 1:30pm at Kiva Auditorium, Student Union
- Tuesday, June 17: 10:00am at Kiewit Auditorium, College of Medicine.
- Wednesday, June 18: 1:30pm at Kiva Auditorium, Student Union

Questions for post award closeout can be referred to Paul Sandoval, Assistant Director Sponsored Projects Services. Effort reporting questions can be referred to Marcel Villalobos, Financial Compliance Coordinator.