Pre- & Post-Award Internal Controls

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Pre-Award

- It's Coming You'd Better Get Ready!
- You want What? When? How?
- Can the Timelines be Managed?
- Will Anything Slip Through the Cracks?
- Are you Always Thinking About the ARRA?

It's Coming You'd Better Get Ready!

ARRA Stimulus Act

- Passed
  - February 17th, 2009
- Guidance
  - Rumors prior to official enactment
  - Piecemeal – soon there after
    - OMB – Guidelines – February 18
      - Very general – but it's where we started

Major Focus

- Transparency and Reporting
- Information Collection and Dissemination
- Budget Execution
- Risk Management
- Actions Specific to Award Type
- More Details to follow in 30 – 60 days

Identifying Potential Agencies

- NIH – 10.4 Billion
- NSF – 3 Billion
- AHRQ – 700 Million
- DOE – 1.6 Billion
- Other – NASA, NIST, NOAA

You want What? When? How?

Considerations

- Application Deadlines began in Late March
  - Actions Completed
    - Enhanced database
    - Changed and Implemented System to System Submission process
    - Educated Faculty
    - Educated Administrative Staff
    - Created and Produced Reports
      - Respond to multiple needs
        - Planned
        - Submitted
        - Awarded

Enhanced Database

- Created utility to track "planned" applications
  - Even "rumors" of applications
- Data Entry was localized to one person
  - No delays
- Created tracking for:
  - Focus Areas
  - Challenge Topics
  - RFA, Existing, Sub-Contracts, Other

Changed & Implemented System to System Submission Process

- Established timelines
- Communicated our needs to vendor
- Created contingency plans related to system failure
- Set deadlines
  - Received VCR Support

Educated Faculty

- Faculty member conducted the education
- Focused on
  - Use of NIH new scoring system
  - Unique features of RFAs
  - Internal process for infrastructure and large equipment requests
  - Deadlines and extended hours

Educated Administrative Staff

- SPA staff conducted educational sessions
- Focused on:
  - Details – page limitations, challenge topic areas, subcontract requirements
  - Reporting requirements
  - Common corrections – special focus for ARRA
  - Deadlines – extended hours
  - Links and resources available

Created and Produced Reports

- Began in Excel Spreadsheet
- Moved to database
- Responding to multiple needs

What Kind of Reporting?

- Federal - Quarterly
  - Post-award focus
  - Pre-award assistance
- State - Monthly
  - Pre-award
    - Applications
  - Post-award
    - Awards

What Kind of Reporting?

- Central Administration
  - Pre-award
    - Began daily, moved to weekly, moved to monthly
      - Applications submitted – funding status
      - Awards received
- Campus
  - Pre-award
    - Began daily, moved to weekly, moved to monthly
      - Planned applications
      - Applications submitted – funding status
      - Awards received

Can those Timelines Be Managed?

Applications Can Be Submitted When?

- RFAs released
  - Early March
  - Late April and Early May

Keeping Stimulus Purpose in Mind

- Increase Research
- Create Jobs
- Disburse Geographically
- Supports Ongoing Research
  - Accelerate tempo
  - Expand scope
- Fuel New Activities

Timelines

- Aggressive
  - Applications
  - Reporting of applications to campus
  - Reporting of applications to state
- Non-typical focus
  - Job creation/maintenance
  - New scoring system (NIH)

OMB Initial Guidance

- Indications of expected transparency
  - Must be distinguishable from non- recovery funds
  - Agencies must submit weekly reports
  - Agency would require monthly financial reports
    - Obligations
    - Expenditures
    - Award Data

Planning for Reporting – Post Application and Award

Accountability

Transparency

- Quarterly Reporting
  - Job creation
  - Sub-award reporting
  - Wage Rate requirements – for infrastructure grants

Will Anything Slip Through the Cracks?

Changes

- New reporting requirements
- New sub-contract templates
  - Option of reporting at subcontract
  - CCR information
  - 5 most highly compensated officers
- Mechanisms of awards
  - Supplements required to be tracked separately

Award Set-up

- Provide and track
  - Project or Activity Code
  - CFDA #
  - ARRA Cycle begin & end date
- Complete Shared Spreadsheet
  - Provides notification an award
    - Has been received
    - Is being processed

Concerns

- Information came piecemeal
- Plan and information to be tracked varied
  - Agencies
  - State
  - Central Administration
  - Campus
- Reporting timelines were/are aggressive
- No additional staff to manage
- Created substantial pre-award workload
  - 20% increase in applications
  - Higher increase in oversight
    - New regulations
    - New reporting

Are you Always Thinking About the ARRA?

Continued Focus

- Progress reports address ARRA funding
- SPA staff continues to track planned and applications applied for
  - Ensures back end systems work
- Continued monthly reporting to State and Central Administration

Post Award Internal Controls and Processes
(NIH and HRSA)

Challenges

- The Need for Speed
- You Want to Know What?!
- Who's Doing What by When
- Hurry Up and Wait
- Just Let Me Do My Research
- I'll Have That for You By Lunch Time
- Who Moved My Cheese?
- The Need for Speed, Part 2

The Icing on the Cake

Gotta love that template!

The Good News: Job Security!

- COGR estimated that the Section 1512 reporting burden associated with each Recovery Act award will be approximately 46 hours per year, or 11.5 hours per quarter
- Emory: $55M = 4 new FTE
- UC Berkley early advice: call it a Major Project

How do we insure quality data with all these challenges
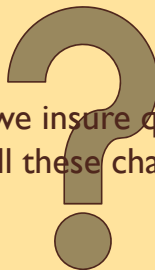
Resources

- Keep up with the FAQs
  - Recovery.Gov
    - http://www.recovery.gov/FAQ/recipient/Pages/Recipient_Reporting.aspx
  - Federalreporting.Gov
    - https://www.federalreporting.gov/federalreporting/faq.do
  - NIH
    - http://grants.nih.gov/recovery/faqs_recovery.html#VI
  - OMB
    - http://www.whitehouse.gov/omb/recovery_faqs/

Other External Resources

- Federal Register
- List Serves – Health Research Inc.
  - www.hrinet.org
- State Government
- Council on Governmental Relations (COGR)
  - www.cogr.edu
- NIH Readiness Tool
     On the NIH website

Internal Resources

- Be a Good Neighbor
- Play Nice - Share
- Unique Identifiers
  - CFDA
  - Priority Code
- Shadow Systems

So, what are the Feds looking for?

Three Categories

Significant Errors

Material Omissions

Data Anomalies

Significant Errors

- Recipient Name

- Federal Award Number

- Amount of Award

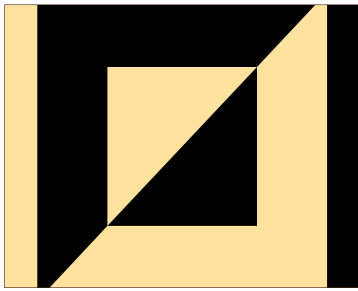- Number of Jobs Created or Retained

Material Omissions

- Failure to report an award

- Data that is not responsive

Data Anomalies

- Recipient Name

- Order Number

- Inconsistencies or Misalignments

Inconsistencies

- Agency vs. TAS
- CFDA vs. Awarding/Funding Agency
- Award Type vs. Agency Code
- Recipient DUNS vs. Agency Financial Records

This is where it starts to get interesting

Misalignments

- Final Report vs. Project Status
- Final Report vs. Funds Received
- Final Report vs. Funds Invoiced
- Project Status vs. Funds Received
- Award Date vs. Jobs Created/Retained

Three Steps To Quality Data:

- Prepare
- Report
- Review

Prepare: Before the Quarter End

Divide and Conquer

Be an Early Bird

Find Them All

Communicate with Subs and Primes

Pester the PIs

Report

Total Expenditures

Vendor Payments

Jobs Created/Retained

PI Updates

Sub-Recipient Data

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Review

We're Back to Misalignment

Compare all the pieces – Do they make sense?

- Final Report vs. Project Status
- Final Report vs. Funds Received
- Final Report vs. Funds Invoiced
- Project Status vs. Funds Received

We're Back to Misalignment

- Final Report vs. Funds Invoiced
- Award Date vs. Jobs Created/Retained
- Award Date vs. Projects Completed
  Personnel Expense/jobs Created
- Total Expenditures/% Completed
- Total Non-personnel Expense/ #Vendor Payments
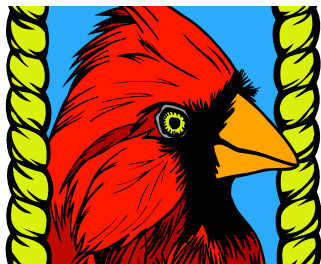
The Cardinal Rules

Cardinal Rule # 1
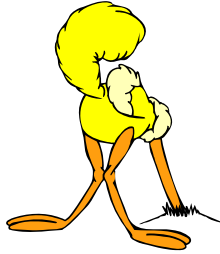• It Takes Two to Tango

Cardinal Rule # 2
• If it's not written down it didn't happen

What if?

- You don't report?
- You don't correct errors?
- You don't have a written plan?

Waiting for the other shoe to drop

Summing Up

- Prepare, Report, Review
- Have a written procedure
- Follow it
- Make sure it includes:
  - A dual control component
  - Written verification that the plan was followed

Questions?