National Institute of Health (NIH) Transition of Payment Mechanism

The National Institutes of Health is changing the way grantee organizations in the United States request funds for research expenses. Moving from a single “pooled” account mechanism, the NIH is implementing a system that uses subaccounts. Grantees will be required to request the reimbursement of expenses on an award-by-award basis.

The transition to the sub-accounting system is being implemented by the NIH in two phases. As of October 1, 2013, all new awards, including competitive renewals, are issued under the new subaccounting method; noncompeting continuation awards will be transitioned to the new method starting with the issuance of the FY 2015 award notice. *Note: Fiscal years referenced are those of the federal government which run from October through September.

Impacts

New Awards

The FY 2014 implementation of all new awards should be seamless to the PI and Department Business Office (DBO). The Office of Grant and Contract Financial Administration (GCFA) will appropriately setup the award and handle the cash draw process change.

Non-Competing Continuations

The FY 2015 implementation of non-competing continuations will impact the PI and DBO as follows:

- **Financial closeout of existing non-competing continuation awards** - Between October 1, 2014 and September 30, 2015, the NIH will be changing the project period end date of all noncompeting continuation awards (i.e., Type 5 and Type 8) once the FY 2015 funding is issued. This effectively breaks the single competitive segment into two shorter segments.

- **The FY 2014 budget period end date becomes the project end for the first segment, requiring the filing of a final Federal Financial Report (FFR).**

- **A new Yale Award number** will be issued for the second segment to separately track obligations and payments.

(Continued on Page 2)
National Institute of Health (NIH) Transition of Payment Mechanism (continued)

Planning and Preparation for the change

To prepare for the FY 2015 transition, GCFA has begun changing the Yale Award end date and issuing a new Yale Award for existing non-competing continuation awards that have anticipated increment(s) beyond FY 2014; issuance of new Yale Award numbers is expected to be complete by the end of June 2014. This early action provides the new Yale Award number well in advance of the FY 2015 project period start date, aiding in the advance scheduling of labor and transitioning of account numbers associated with Internal Service Providers and purchase cards. Sponsored Award Reports (aka OGM Report) will be sent to business offices as notification of the new Award assignment, or the report will be sent out together with the FY14 notification when applicable.

Refer to NIH Notice NOT-OD-13-120 for more information and details regarding NIH’s change and timetable. Additional information about this change and answers to frequently asked questions may also be found on GCFA’s web site: http://gcfa.yale.edu/sites/default/files/files/Final%20web%20posting.docx.

New Subcontract Report

In the Fall of 2013, GCFA staff developed a new subaward report that is more user-friendly to assist in the regular review and reconciliation of subawards. The new monthly report will be run for the January 2014 close in early February. It will be run concurrently with the older portal-generated report for one or two cycles after which the old report will be decommissioned. The new report will provide more information from the Subaward Management System (SMS) than the previous report and will present the information in a far more readable format. You will be able to more easily track the changes to the subaward amount, the total invoices charged and the balance remaining. We are confident this new report will be a better tool for the management of your Principal Investigator’s subawards.

The new subaward report will be sent via email to the Operations Manager for each Organization. "Operations Manager” is a field in the data warehouse that is managed by Nancy Scanlon. For changes to the Operations Manager (e.g., in the case of transfer, etc.), please contact Nancy directly. GCFA will perform a quality assurance review prior to running the monthly report and replace the report recipient as appropriate.

The Subcontract Report will also be sent by the OGM Setup Unit in replacement of the current SMS Report (i.e., screenshot) when new subawards or amendments are processed.

Please contact GCFA at subawards@yale.edu with any questions regarding this report.