National Institute of Health (NIH) Transition of Payment Mechanism

Update: Revised Implementation Timeline

On January 31, 2014, a G&CAAlert titled NIH Transition of Payment Mechanism was published to inform the community on NIH’s new payment mechanism and its impact to the campus. This GCAAlert article provides an update on NIH’s new implementation plan.

NIH recently released a Notice, NOT-OD-14-103, announcing its plan to delay the phase II implementation timeline by one additional year. The delay in implementation was a direct result of feedback provided by the grantee community regarding the anticipated problems to be experienced with NIH’s plan.

What type awards are impacted, and what is the new implementation timeline?

The NIH Notice only applies to domestic non-competing continuation awards that have not yet transitioned to the new PMS subaccount method and Type3 (competitive revisions and administrative supplement) awards. The implementation to the new subaccount method for these awards was originally scheduled to begin on October 1, 2014 but will now be delayed until October 1, 2015. NIH will be transitioning all remaining non-competing and Type 3 awards as the next funding increment is awarded to the institution. It is anticipated that all NIH awards will be completely transitioned by September 30, 2016.

What change will this have on Award management at Yale?

In response to NIH’s previous implementation timeline, GCFA had proactively issued new Yale Award numbers to facilitate the transition to the new payment mechanism for the next funding increment/budget period and existing award numbers were set to end at the close of the current budget period.

Going forward as a result of NIH’s delayed implementation, non-competing and type 3 awards that continue past October 1, 2015 will be revised so that the end date of the existing Award number, and if necessary, the new Award number will be extended by one year. GCFA has already begun work, in cooperation with department business offices, on the necessary updates and anticipates completion of all date extensions by the end of December 2014.

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As a reminder:

- For those impacted non-competing continuation and Type 3 awards, a final Federal Financial Report (FFR) will be due at the end of the FY 2015 budget period end date.

- The advance issuance and extension of a new Award number is provided to facilitate scheduling of labor and transition of account numbers associated with Internal Service Providers and purchase cards in advance of the current period end date.

- For additional information and assistance on this topic, refer to NIH Notice NOT-OD-14-103 and Frequently Asked Questions for details regarding these changes and new NIH timeline.