RESEARCH FINANCE: ADMINISTRATORS AND FINANCE MANAGERS - TIMELY ISSUES SESSION (OCT 13, 2023)

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Research Finance Compliance and Training

INTRODUCTION

Topics to be covered today

- Delegation of Signing Authority
- TAGFA - Deferrals of Grant Installments
- NIH Foreign Sub-Awards - updated guidance
- US Fed Single Audit - Equipment Register (UBC changes forthcoming)
- Proposed changes to Uniform Guidance (US Fed 2 CFR 200)

SHAMELESS PLUG - NEW PODCAST "RES/GRAM"

Introducing a new facet of our training offerings

In addition to our "live" sessions, which are being recorded and offered as an asynchronous mode of training for those unable to attend, we're now offering an additional new bite-sized, focused, asynchronous training option, in the form of a "podcast".

The podcast is named "ReS/GraM", short for "Research Spending / Grants Management". The goal is to have 10-15 episodes recorded / uploaded each year. We're aiming to have each episode run between 5-30 minutes. Some may be interview style, with a few related topics discussed with experts; others will be solo-explanatory, focused on a sole topic for the episode.

Currently we have a number of episodes uploaded, with more episodes on the way. Come check it out at the Research Finance website!

DELEGATION OF SIGNING AUTHORITY

What is Delegation of Signing Authority?

- A process that allows a PI to identify and authorize someone to act in their absence to approve expenses to be posted to their grant accounts
- The process arises out of the University's policy on Research, as well as from the guidelines and use of funds terms and conditions of many research sponsors

How is this represented on Workday

➢ Assignment of "Grant Manager" role

DELEGATION OF SIGNING AUTHORITY

How does a Grant Manager role become assigned?

- Through PI-initiated role addition on Workday
- By individuals who hold Cost Centre Manager or HR Partner roles in the PI's Department - these roles can initiate role addition on Grant worktags but still require PI approval
- Initiated by any other requestor through ISC
  - via Service Now ticket, or
  - by contacting ISC

  ISC will process the request on the basis of the PI's written approval submitted via ticket or e-mailed to ISC

Grant Manager assignment requires PI approval to be considered compliant.

DELEGATION OF SIGNING AUTHORITY

Other items to consider

- Non-UBC persons may be added as a Grant Manager by a PI, but it requires a Contingent Worker Delegation Approval Form to be completed and signed by all required approval signatories (Worker, PI, Head of Unit, Dean, and AVP-RI) before the non-UBC person will be assigned the role; AVP-RI signature will be obtained by ISC

- If a duly-assigned (non-PI) Grant Manager goes on leave and delegates their role/notification inbox to another user, that role delegation originating from the Grant Manager to a non-Grant Manager needs to be approved by the PI in order to be valid and compliant

DELEGATION OF SIGNING AUTHORITY

Additional notes on Grant Manager role assignment

- Since Contingent Workers are not employees of the University, and because the Grant Manager role is one with signing authority, it's important that the PI understand that they (the PI) will remain responsible for all spending activity that hits their Grant Worktag, including those approved by the Contingent Worker

- If the Contingent Worker - or any other person who has been assigned the Grant Manager role - is no longer needed for the role of Grant Manager, it's advisable for the PI to confirm that the Grant Manager assignment has been updated to remove such individuals

TRI-AGENCY - DEFERRALS

TAGFA - Deferral of Grant Installments

- Tri-Agency is funded by Parliament, and is responsible to Parliament for sound financial stewardship of the funds it oversees
- That responsibility involves ensuring funds distributed generally relate to PIs' cash flow requirements that arise from research activities
- NSERC / SSHRC: need for grant funds is demonstrated by spending at least half the grant's funding by the end of the grant - if less than half spent, remaining funds must be refunded to the Agencies
- CIHR / TIPS: refund residual upon expiry
- One tool available to better match cash flow needs with installment disbursement from agencies is through deferral of grant installments

TRI-AGENCY - DEFERRALS

TAGFA - Deferral of Grant Installments (cont.)

- A deferral of grant funding may be requested by the PI to delay releasing the current (or next) year's funding by a year
- This delay allows for the PI to spend down the current accumulated balance in the grant account
- By delaying release of installment by a year, the Agency still commits to funding the full amount of the grant by extended the time to complete grant activities by a year
- ie. there is no reduction in overall funding, and time to spend is extended

TRI-AGENCY - DEFERRALS

TAGFA - Deferral of Grant Installments (cont.)

- Agencies will also review the annual Form 300 Statements of Account to determine if there is an unanticipated build-up of unspent grant funds, and ask the PI to justify such build-up
- If the build-up cannot be justified, the Agencies may unilaterally choose to defer the grant's next installment
- As with a PI-requested deferral, there is no reduction in overall funding, and time to spend is extended
- Deferral of grant installments may happen up to twice within a grant's lifetime (any combination of PI-requested or Agency-initiated deferrals), meaning grant's end date could be extended by up to two years

TRI-AGENCY - DEFERRALS

TAGFA - Deferral of Grant Installments (cont.)

- PI requests deferral of grant installment by submitting a completed Grant Amendment Form to the sponsor
- The Agencies view the use of a deferral as a prudent financial management approach, better aligning need for cash due to research activities with the Agencies' release of funding
- Our Research Finance Officers can assist with preparing the Grant Amendment Form for a deferral request, as well as any supporting documents such as Form 300s for submission to Tri-Agency

NIH - GUIDANCE ON FOREIGN SUBRECIPIENTS

NIH recently updated their guidance relating to foreign sub-grants

- NIH issued Policy Guidance Notice (Notice Number NOT-OD-23-182)
- This impacts entities that sub-grant NIH funds to non-US entities, as well as those non-US entities that receive sub-granted NIH funds
- The Notice indicates an update to the NIH Grants Policy Statement, Article 15.2 ("Administrative and Other Requirements") that sets a requirement to include certain terms & conditions in a sub-grant agreement, and for a pass-through entity (PTE) to enforce those conditions
- Requirements on the next 2 slides; requirements become effective Jan 1/24, though NIH expects that PTEs will review and start amending existing agreements / incorporating changes into new sub-agreements now

NIH - GUIDANCE ON FOREIGN SUBRECIPIENTS

Impacts to foreign sub-grantees (ie. UBC PIs who hold NIH sub-grants)

NIH will require any

> *"...foreign subrecipient [ie. non-US sub-grantees] to provide access to copies of all lab notebooks, all data, and all documentation that supports the research outcomes as described in the progress report, to the primary recipient with a frequency of no less than once per year, in alignment with the timing requirements for the Research Performance Progress Report [RPPR] submission. Such access may be entirely electronic."*

This means any NIH sub-grants UBC has will be subject to at least annual reporting of research data, and submission of lab notebooks & documentation.

NIH - GUIDANCE ON FOREIGN SUBRECIPIENTS

Impact on UBC PIs who sub-grant their NIH funds to non-US entities

- NIH will expect that UBC will amend all ongoing sub-grant agreements involving NIH funding (as well as new sub-granting agreements of NIH funds) to include the new terms
- UBC PIs who are/will be subgranting NIH funds to non-US entities will need to monitor and enforce sub-grantee's requirement for providing access to data, lab notebooks, and other documents in relation to reconciling these with the outcomes as reported in the RPPR
- Record retention requirements still apply; NIH must be given access to these records upon request
- These requirements remain distinct from NIH's data sharing policy

US FED SINGLE AUDIT - EQUIPMENT REGISTER

US Fed Single Audit - Equipment Register/Equipment Certification

- Some of you may have been contacted by my office about "equipment certification" in relation to US Fed Single Audit
- The reason for this is due to the requirements that are listed in the US Government's Uniform Guidance 2 CFR 200.313
- Every 2 years, we are required to confirm existence, location, condition, and possibly disposal of equipment items purchased using US Fed funds
- "Certification" in this context is not a safety or operating spec compliance certification, but just to confirm the key details as per above point
- Equipment items newly purchased in a FY enter the register after the ledgers close for the FY; PI will be contacted to provide key details

US FED SINGLE AUDIT - EQUIPMENT REGISTER

US Fed Single Audit - Equipment Register/Certification (cont.)

Specifically, UBC is required to maintain records that include:

- description of the item
- serial number or other ID number
- source of funding (incl. Fed Award ID #)
- acquisition date & cost of the item
- location of the item
- condition of the item

<u>If disposed of:</u>

- date of disposal
- sale price of the disposed item

It is the above that we're seeking to certify (ie. objective of biennial exercise)

US FED SINGLE AUDIT - EQUIPMENT REGISTER

US Fed Single Audit - Equipment Register/Certification (cont.)

- As research equipment are also governed by UBC Policy UP5 (Equipment/Services Use Policy), they are tied to an academic unit
- Correspondingly, for internal control purposes, there is a need to validate the information on the equipment certification memos by two separate parties - the PI / Lab where the equipment is situated, and the Dept / School administration that the PI belongs to
- This control is to help safeguard UBC assets against misuse, damage, and theft - and to help identify when such has occurred
- This is also why two signatures (one from PI, the other from Departmental Administration) is required on the certification memo

US FED SINGLE AUDIT - EQUIPMENT REGISTER

US Fed Equipment Register: UBC recordkeeping update

- After long consideration of the terms in Uniform Guidance and consultation with the auditors conducting the annual Single Audit, we will be taking on an exercise to determine the current Fair Market Value (FMV) of items currently on the US Fed equipment register
- Many items are likely to have had their FMV depreciated to below the threshold required for reimbursement to the US government
- We'll only retain those items with FMV above the threshold for future certifications; all other items will have their FMV as the reason for removal from the register
- This will reduce subsequent follow-ups, especially for older equipment

UNIFORM GUIDANCE - PROPOSED CHANGES

The US Government has initiated a consultation process in relation to proposed changes to Uniform Guidance

- Still early days; comment submission deadline is Dec 4, 2023
- Variety of proposed changes - spans across a large number of sections of (and beyond) Uniform Guidance
- Examples of proposed changes:
  - Equipment threshold - $10k USD; Supplies threshold - $10k USD in aggregate (as opposed to different supplies types)
  - Updating definitions and acronyms used, certain cost principles, as well as when prior approvals are required
  - Clarifications and additional guidance for Single Audit requirements

SUMMARY

What we covered today:

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CONTACT DETAILS

How to contact us:

- Edmund Gin - Senior Manager, Research Finance Compliance and Training; email: egin@finance.ubc.ca

Alternately, you can also reach us at rf@finance.ubc.ca – Research Finance inbox (regularly monitored) - or tri-agency.renewal@finance.ubc.ca (also regularly monitored)

And ISC via the UBC Self-Service Portal at http://ubc.service-now.com/selfservice (requires CWL login)