DEADLINES:
Not Just for Pre-Award Anymore

Closeouts at Duke

Symposium
November 19, 2014

Closeouts: Past, Present, Transition, Future...
Agenda

• Closeout Past
  – Refresher: Federal Regulation, Duke Impact
• Closeout Present
  – Closeout Project Update
• Closeout Transition to Clean Close
  – Closeout GAP
  – Closeout Tasklist
  – FAQs & Training
• Closeout Future
  – Proactive Management and Federal Enforcement

Closeout Past...

Refresher:
Federal Regulation
and
Duke Impact
Enforcement of Due Date

• Enforcement is non-negotiable
• Expenditures submitted after end date may be uncollectible
• Expenditures not included on the report/draw will be the responsibility of the department and/or faculty and may need to be paid out of discretionary funds
• DHHS (including NIH) and NSF are quickly transitioning. Other sponsors are following
• Currently NSF/NIH/DHHS are automatically holding payment requests for awards in subaccounts that are 90 days or more beyond the project period end date
Enforcement...Expanding on Multiple Fronts

• Peer Institutions – possible future scenarios
  – Strict enforcement of 60 days?
  – Potential reductions to period of performance and/or selection of subs?
• Federal Agencies
  – DHHS (including NIH) and NSF are quickly transitioning
  – HRSA: Actively transitioning and beginning enforcement
  – Others: various levels of ongoing enforcement
• Uniform Guidance
  – Includes both programmatic and financial reporting requirements...the OIGs are going to join the “fun” in the future...

What This Means For Duke...

• Financial Risk
  – Research Dependent Institution
  – Approx. $10M of postings occurred 90 days after end-date (FY 2013)
  – AP, Payroll, Cost Transfers, SAs
• Compliance Risk
  – Maintain good standing with agencies to ensure future funding
• Business Disruption
  – Success depends on adaptability of departments
  – Transition to proactive management
I DON’T ALWAYS SUBMIT MY FFRs ON TIME,

But when I do, I use PROJECT CLOSEOUT

Closeout Project Progress

Closeout Project: Where Are We Now?

<table>
<thead>
<tr>
<th>Awareness</th>
<th>2014 Priorities</th>
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<tbody>
<tr>
<td>Develop/Rollout Group 1</td>
<td>- Operationalize Project Team</td>
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<tr>
<td>Develop/Rollout Group 2</td>
<td>- Operationalize Implementation Team</td>
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<tr>
<td>Develop/Rollout Group 3</td>
<td>- Address Barriers</td>
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- Resolve Backlog/Subaccount Transition
- Clean Close Transition (Starts Jan 1, 2015) *
- Clean Close Tech: Req Definition 6-7 Mos, Dev 9 Mos, Test/Pilot
- Clean Close Tech Ready

|---------------|-------------------|------------------|-------------------|-----------|

* Clean Close Effective date will be determined by Barrier resolution and federal regulatory environment changes
Barrier Resolution Progress...
What Have We Done For You Lately?

*a.k.a.*

“How we are helping you help us to help you help the faculty”

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Financial Services Opportunities: Procurement

1. Revised **Vendor Terms and Conditions** – Terms and Conditions state “invoice within 30 days”
2. Problem **Vendor’s Invoicing Timeliness**
   - **VWR/Fisher** – moved to Buy@Duke
   - **AirGas/Nat’l Welders** – moved to Buy@Duke
   - **Agilent** – addressed with new rep
   - **DeHaven’s** – progress made; long term solution is a more efficient process to allow for timely billing
3. All **Standing Orders in SAP** must be converted to Buy @ Duke - Communicated and educated community
4. Buy @ Duke users should use the **Confirming Order – Bill Only** option when Invoices are attached to carts in the short term until programming other workflow options are completed
Financial Services Opportunities: A/P and ET&R

1. **ET&R review of G/L assignments for sponsored research spending** – assessed central office role and allowing for departmental expertise
2. **G/L Accounts** - Description clarifications and common purchases matrix posted to Financial Services accounting website
3. **ET&R review of Travel and Pcard receipts** - Implemented tighter timeline for submitting receipts
4. **Enhanced approval emails for Travel**
5. **Pending Pcard charges visibility** - Programming for BW report is in the final stages

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Financial Services Opportunities: ET&R

*In process*

1. **Updated Travel GAP** - policy that PIs, others have to submit Travel and Pcard receipts more timely
2. **Experimental Subject Payments** - Approved SAP Project
3. **Emails of pdf copies of invoices** - the standard process for paying invoices should be used as standard course of business. However, if a grant is pending completion within 30 days, PDF copies of invoices are accepted by AP to ensure timely payment
   - An automated solution is in progress
4. **Confirming orders** in Buy@Duke require special handling as an interim
   - An automated solution is in progress
5. **Small dollar encumbrances** remaining after PO is complete - awaiting RACI approval for PO Killer solution
Barrier Resolution: OSAs

1. **GAP 200.370, Purchasing Goods and Services on Sponsored Projects**
   - Research Support Services Agreement (RSSA) – pdf fillable form
     - Instructions for Completing the RSSA – guidance
     - Rider A - Scope of Services, Deliverables and Payment Schedule
     - Rider B – Foreign Contractor Additional Terms and Conditions

2. **GAP 200.130, Engaging and Paying Guest Speakers, Conference Participants and Honoraria Recipients** - establish guidelines for honoraria

3. **Buy@Duke Flag to tag PO as OSA relevant**
   - RSSA (Research Support Services Agreement - for sponsored research funds)
   - OSA (Outside Services Agreement - for non-sponsored research funds)
   - Other (Other forms of services agreements - for non-sponsored research funds)

Barrier Resolution: Role of Parent

1. **GAP 200.190, Parent/Child Sponsored Project Management** – outlines roles and responsibilities for parent and children of internal subs, outlines escalation procedures

2. **Memorandum of Understanding (MOU) Template** – optional template serves as a point of reference for research administrators

3. **MOU Guidance** – provides departments information to consider about the issues; endorses critical thinking necessary to develop a meaningful document
Barrier Resolution: Payroll Access Consistency/Recommendations

1. Provide professionals in the GM1 and GM2 roles access to the appropriate tools necessary to perform their jobs effectively and efficiently
   - Ensure **consistent and appropriate iForms access** to facilitate timely and effective closeout
2. Best practice models and standards of access to payroll, managing effort across departmental lines, and timeliness of approval workflows
3. Technology enabler provides tool to grant managers to **access appropriate information** – **solution in progress**
   - Access will be consolidated under **Grant Manager tab in Duke@Work**
4. Current iForms user access should be evaluated to remove unnecessary full access due to new tool

Barrier Resolution: Tuition Remission

1. Federal approval for **“average rate basis”**
2. Policy and budget considerations underway
3. Technical solution to begin development January 2015
4. **In effect September 2015**
New Duke@Work Reports

Projects Approaching End Date (Replaces current ZF110)
- Identifies projects ending in the next 3 months
- Drilldown to Project Obligations Report

Project Obligations Report
- Existing & Future dated cost distributions
- Outstanding purchase orders

Additional Technology Enhancements
1. WBSE Status and Warnings
   - iForms
   - Buy@Duke
   - A/P Check Request
   - Online Travel/Pcard
2. New edits on cost distributions related to Graduate students
   - In support of upcoming tuition remission changes
3. Enhanced Approver Email for Travel
   - Approvers will now see much more information in their notification email related to the travel item to be approved
4. New Master Data Fields on Project Master
   - Backstop Code and OSP Liaison
Closeout Transition...

Closeout Project: How Do We Transition

- Awareness
- Develop/Rollout Group 1
- Develop/Rollout Group 2
- Develop/Rollout Group 3
- Resolve Backlog/Subaccount Transition
- Clean Close Transition (Starts Jan 1, 2015) *
  - Clean Close Tech: Req Definition 6-7 Mos, Dev 9 Mos, Test/Pilot
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* Clean Close Effective date will be determined by Barrier resolution and federal regulatory environment changes
The Vision:
Clean Close for Sponsored Projects

What Does Clean Close Mean?

BY THE SPONSOR DRIVEN CLOSEOUT DEADLINE, ALL PROJECT RELATED ALLOWABLE ALLOCABLE AND REASONABLE EXPENSES ARE POSTED TO THE PROJECT WBSE BEFORE SUBMITTING REQUIRED CLOSEOUT DOCUMENTATION TO OSP.

As an institution, Duke has identified essential policies, processes, and technology tool improvements to enable research administrators to achieve this vision.

Barrier Resolution Coming this Fall:

1. **Interdepartmental Payroll Policy/Escalation**
   - Interdepartmental payroll policy and escalation
2. **NCE Submission Process**
   - Identify process, mechanism and detail to support timeliness of NCE Request submissions
3. **NCE Submission Policy**
   - Develop policy to support timeliness of NCE Request submissions
4. **Peer Invoicing**
   - Ensure all peer institutions/partners understand final invoice due dates are firm and late invoices will not be paid off of sponsored funds
5. **Internal Billing Service Center GAP Updated**
   - All internal billing occurs within fiscal month of the completion of requested service, or written off to service provider’s institutional funds
Upcoming Technology Initiatives

1. Improved grants manager accounting view of Payroll Report
2. Weighted Average Effort Report
3. Procurement card reports for uncleared items

Cornerstone to Transition the Business Process

- Closeout GAP
- Closeout Tasklist
- Closeout Tasklist FAQs

Available at:
http://finance.duke.edu/raci/closeout/resources.php
GAP Key Elements

• Flexible to allow departments to be at different phases of Clean Close adoption and process change
• Emphasis on due dates driven by Sponsor Due Date
• Encourages use of *Projects Approaching End Date* report to facilitate timely closeout
• Requires use of TaskList

GAP Policy Points – What’s New?

• Highlights the critical dates within the Closeout Period:
  – Project period end date
  – OSP due date for closeout documentation
  – Sponsor final report (deliverable) due date
• Anticipated charges included on the ZF114 should decrease as barriers are resolved, and proactive award management becomes the standard
• Additional support for departments; the Implementation Teams will coordinate with OSP concerning department reporting and closeout issues
Closeout Tasklist

Provides departments with a mechanism to document and facilitate a timely closeout, and to provide transparency into the status of the department closeout process.

- Replaces GM Checklist/Attestation with comprehensive working document and guide
- Coupled with the Sponsored Project Closeout GAP, provides foundation for achieving clean close
- Final submission indicates grant is complete and ready for final reporting
- FAQs as companion document
- PI Attestation required with Closeout Tasklist but completed independently of Tasklist
- Available now
- Provides paper transition until technology is built
- Provides a pilot environment for contents and feedback which will inform final technology product

Closeout Tasklist Highlights

- Detailed sections for comprehensive award review
- Complete the sections only relevant for your award
- Document can be shared if unit wishes to do so for shared closeout responsibility
- Comment section provides a convenient place to notate related information rather than multiple sticky notes in the file or reliant on GM’s memory
- Directives/links provided to other resources as needed
- Hover overs for additional information
Support for Achieving Success

- **FAQs**
  - Living document – questions will be added as needed to maintain a robust resource
- **Training**
  - Online video/tutorial
    - High points of GAP, how to use Tasklist
    - 20-30 min
  - Class: 1-2 hours
    - High level review of GAP, proactive grants management, primarily focused on the Closeout Tasklist with case studies
- **Implementation Teams**
- **Faculty Memo**
  - Draft handout in your packet
  - To be sent to faculty after the Symposium

Top 5 Takeaways

1. As subaccount approaches, the sponsor driven due dates are real
2. Please start the Business Process change using the new GAP and tools to inform the automation of this business process
3. There will be training available to support (both online and classroom based)
4. The new reports will provide you with significantly more information that will enhance your ability to get to a clean close
5. Implementation teams are here to support you, keep us informed
Timely Closeouts Are Critical

Closeout
Project Future

GNOME WHAT I’M SAYING?

Project Workstreams: Spring

1. **Clean Close: Life of Project Requirements (Financial)**
   POLICY/GUIDANCE/Process to address FINANCIAL reporting requirements

2. **Clean Close: Closeout Tools**
   New Tech Tools to streamline the closeout process. Improved integration within OSP’s workload tools

3. **Payroll Access Technical Solution**
   Create new role/functionality to provide Grant Managers the ability to submit Cost Distribution, MSCT, Supplemental Pay iForms

4. **Tuition Remission**
   Increase the frequency of the posting of tuition remission
Project Workstreams: Spring

5. **Internal Billing: Housing/Auxiliaries/Stores Billing/Special Events & Conference Services**;
   **MAESTRO Billing; Service Center Billing**
   All internal billing occurs within fiscal month of the completion of requested service, or written off to service provider’s institutional funds

6. **Life of Grant Programmatic - Policy/Guidance**
   Process/Policy/Guidance to track submission and retention of Final Programmatic Reports
   (Patent and Progress Reports)

7. **Revised FFR Policy**
   Clear policy and business process definition surrounding FFR revisions for: a) true up of actual and reported expenses; b) inclusion of additional expenses; c) reduction of expenses

8. **FFR Electronic Form**
   Create new smart form for creation of FFR; modify OSP Billing Systems to support new form

9. **Cost Transfer Policy**
   Routing of approvals based on point in 180 Day Calendar

Questions?
Panel Introduction

Moderator: Susan Bonifield, Pratt School of Engineering, Associate Dean of Finance & Administration

Windy Batten – Psychiatry, Sr. Grants & Contracts Manager
Zarrin Brooks - Anesthesiology, Manager of Research Operations
Rebecca Dupré - Pratt School of Engineering, Research Advancement Office Program Director
Laura Jensen - SOM Implementation Team Lead
Trish McMillan – Chemistry, Administrative Manager
Lindsey Renner - Biostatistics & Bioinformatics, Grants & Contracts Manager