

**University of Washington**  
**Grant and Contract Accounting**

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Attn: PL 106-107 Comments  
Department of Health and Human Services  
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Dear Committee:

Below please find the University of Washington's response to your request for comments regarding the Draft Plan of Action to Implement the Federal Financial Assistance Management Improvement Act of 1999, as it appeared in the January 17, 2001 Federal Register.

**I. APPLICATION AND REPORTING FORMS**

- A. Please identify application and reporting forms you believe could be improved or streamlined.
- B. Please identify specific data elements on these forms that you believe could be eliminated or combined to reduce reporting burden while still providing the federal agency enough information to manage the program.

*Response(s):*

**SF272 B** This form could be eliminated. Instead of using SF272 for invoicing purposes, SF270 could be used. For reporting purposes, instead of using SF272, SF269 could be used.

If SF272 is not eliminated, it could be revised to reflect cumulative reporting only. The SF272 could be maintained for pooled-draw reporting only, which is used to report the status of federal cash on an interim basis. This form needs to be available in an electronic format that provides for uploading data. DHHS has a good model because it uses the pooled-draw process for requesting reimbursement, and the SF269 is used for reporting. This creates consistency instead of each sponsor requiring other federal forms for reporting and requesting cash.

**SF270 B** This form could be revised to reflect one cumulative column only. 11J and 12 could be eliminated since they are not used. Advance requests could be simplified by creating a separate section for advances only, and by using the reimbursement/advance section for reimbursements only.

SF269 **B** This form could be revised by reflecting the cumulative column only. The prior information in columns I and II would be available from the prior report and eliminate duplication. Combine the short and long form by simplifying the cost-sharing, program-income<sup>1</sup> and indirect-cost<sup>2</sup> reporting sections. Improve terminology that is used and provide clear explanations and instructions. Some sponsors allow electronic transmission, and others require forms to be sent manually. Create electronic reporting methodology consistently between agencies.

SF1034/1035 **B** Eliminate this form completely, and use SF270 to request cash. Line-item reporting should not be required. To enhance consistency between federal agencies, DOD should eliminate the invoicing process and instead use the pooled-draw process common to most federal agencies.

NIH Form 2706 **B** This form could be revised by eliminating all the detail-cost information required, and only specific major line-item costs would be reported. Line-item reporting varies significantly between contracts, and contracts require significant detail. If line items are required due to the nature of the contract, eliminating the detail-cost information would be helpful. As a further simplification, eliminating line-item reporting completely would be requested. Technical progress reports should provide the necessary information needed to manage the contract.

Pooled Draws are efficient methods for requesting payment. Subsequent reports for both pooled-draw SF272 reports and SF269 reports provide sponsors with detailed expenditure information for individual grants/contracts. However, some sponsors require draws by individual grant/contract. This entails excessive burdens of excessive additional reporting information, so draws should be on a pooled basis. Sponsors requiring draws by individual grant/contract are NOAA, Dept. of Education, Dept. of Agriculture, and EPA. NASA, Langley, Marshall and Ames allow pooled draws but require specific draw reports and letter confirmations, as well as detailed cash projections. HUD has extreme draw and reporting requirements.

- C. What programs do you think could share common application and reporting forms that currently do not? Do not limit your response to programs within the same agency. For example, if there are programs **B** administered by the Department of Agriculture and by the Department of Health and Human Services **B** that you believe should share common forms because they share a similar purpose, please identify them.

*Response(s):*

NASA requires SF272 to be sent as a final report. It would be consistent to use SF269 for reporting to all federal agencies. Some NASA divisions require invoicing using SF272, and others are using the pooled-draw process. It would be helpful to create consistency by using the pooled-draw process.

NOAA requires quarterly or semi-annual reporting using form SF269. It would create consistency to report no more frequently than on an annual basis on the SF269 form, since cumulative expenditures are reported each time a draw is submitted. The online system that is available for reporting the SF269 is very inefficient and requires manual entry. Reports that are sent manually are required to be resent multiple times. Federal agencies need efficient tracking methods.

DOE requires a request for payment via both a manual invoice SF270 and through the draw process. It would be consistent with other agencies to use the pooled-draw process. Invoice requests may be converted to pooled-

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<sup>1</sup> to total revenue and total disbursement

<sup>2</sup> base, multiple rates, and exemptions required in the remarks area

draw by submitting to DOE a petition to change the payment process. We strongly support this change. There is a significant burden in the requirement to submit multiple copies of invoices and reports, to various fiscal and program personnel, at multiple locations. It would be helpful if the agencies within DOE would coordinate communication and systems.

DOD/ONR require SF269 reports that are a duplication of information required on the electronic invoice. Manual reports often need to be remailed due to inefficiency within agencies and lack of electronic reporting methods. The pooled-draw process would create consistency. We recommend eliminating the SF269 report when an electronic invoice is used to request cash.

VA requires SF270 forms to invoice. Creating consistency by using the pooled-draw process would be helpful. IPA agreements are very complex and time consuming. Creating agreements that do not require detailed reporting would be a significant improvement.

- D. How do you obtain copies of the forms you need for your grant? Are they readily available over the Internet, or are they provided in materials you receive from your awarding agency, such as a funding notice or handbook? What forms have been difficult to locate in updated formats?

*Response(s):*

Forms are available and easy to access on the Web. Additional forms required are available from the agency in the grant or contract agreement.

## II. TERMS AND CONDITIONS

- A. What terms and conditions are attached to your grants that you believe are not treated consistently from program to program, and across the various federal agencies?
- B. How would you suggest the agencies create more uniformity in these terms and conditions?

*Response(s):*

There is inconsistency within DHHS agencies **B** NIH, HRSA and CDC, and within DOE, NOAA, NASA, and DOD **B** regarding reporting requirements, including unobligated-balance carryover, reporting obligations, and cumulative-versus-budget-period reporting.

HRSA and CDC and other agencies requiring manual reports often do not communicate acceptance of reports or notification of errors until after the award is closed, or years later. This problem will not persist with electronic reporting if appropriate feedback and acceptance mechanisms are incorporated.

Some agencies require cumulative reporting on a project-period basis, while some require budget-period reporting. CDC and HRSA have inconsistent reporting requirements. Following the standard reporting of NIH would be helpful.

DOE has inconsistent requirements within different divisions. Consistency would be helpful.

Award documents and award attachments are often inconsistent, sometimes failing to specify special conditions or restrictions, and often sponsor-contact information is unavailable.

It would be helpful to have one set of reporting requirements and forms, or automated reporting methodology, for all agencies.

It would be helpful for all agencies to accept the pooled-draw process as a method for payment.

It would be helpful for all agencies to be consistent in cost-sharing and program-income requirements.

### III. PAYMENT SYSTEMS

A. What payment systems are you currently required to use to receive grant payments?

*Response(s):*

- 1) PMS The Payment Management System (DHHS)
- 2) ASAP Automated Standard Application for Payments (Treasury)
- 3) FADS Financial Assistance Disbursement System (NOAA)
- 4) LOCES Letter-of-Credit Electronic System (Dept. of Justice)
- 5) GAPS Grant Administration and Payment System (Dept. of Ed)
- 6) LOCCS Letter-of-Credit Control System (HUD)

B. Which of these systems offer on-line services?

*Response(s):*

All of the systems listed in (A) above are online systems except for LOCCS, which is a Voice Response System. We are defining on-line as accessible through the Internet or through a modem. The systems that we access through the Internet are PMS, FADS, and GAPS.

C. Does the use of multiple payment systems by federal agencies cause a burden on your financial system?

*Response(s):*

The use of multiple payment systems does not cause a burden on our financial system. It does cause a burden on our human resources.

### IV. AUDIT ISSUES

A. What could the federal agencies do to improve your understanding of the Single Audit process?

*Response(s):*

Federal agencies do a fine job of communicating the Single Audit process to us. No improvement is necessary.

B. Have you used the Single Audit Clearinghouse to obtain information on sub-recipient audits?

*Response(s):*

The Single Audit Clearinghouse website is used to obtain information and is found to be somewhat useful. However, it is lacking in information for specific entities for statewide audits, e.g., if you want to look up UCLA you won't find it on the website, since it is bundled with State of California.

- C. Do you believe that single audits provide appropriate audit coverage for your programs and the programs where you are a pass-through entity?

*Response(s):*

Single audits provide appropriate coverage for those receiving \$300K or more in federal funding per annum.

Otherwise, program-specific audits must be conducted and reports obtained, which is time consuming and costly.

## V. ELECTRONIC PROCESSING

- A. What electronic processing systems do you currently use for your federal grants? Please note any systems you use due to federal agency requirements, as well as any systems or technologies your organization uses for other activities.

*Response(s):*

- 1) Electronic processing of NIH financial status reports **B** agency requirement
- 2) Electronic submission of invoices (EDI) **B** agency requirement.
- 3) NSF FastLane provides electronic proposal submission; proposal status check; preparation and submission of annual, fiscal, and final reports; electronic award notices; institutional management such as password assignment; and institutional reports, etc. The NSF FastLane system has been fully implemented since 10/2000, and NSF is the only federal agency that requires electronic proposal transmission.
- 4) NIH ERA Commons provides electronic submission of SNAP (Streamlined Noncompeting Award Process) proposals; institutional management of password and account assignment; filing-of-invention reports, etc.
- 5) ONR AdminWeb provides electronic access to the close-out reports.
- 6) NASA and NOAA provide status information for proposals via their web sites.

Most federal agencies have their own web site providing research-funding opportunities; rules, regulations and policies affecting grants/contracts; grant application forms (some are interactive forms, some are not), etc.

Other than federal agencies=electronic systems, there are a number of foundation and non-profit organizations that provide electronic access to research institutions such as The American Heart Association, the American Cancer Society, the Space Telescope Science Institute, and the Foundation Commons. These are all web-based programs which provide a variety of transactions and functions related to proposal preparation and electronic submission. Unfortunately, at the current time, we are only able to input the data manually rather than upload it directly to the organization.

- B. What is the likelihood that your organization would utilize an on-line application or financial reporting system?

*Response(s):*

We would most likely utilize any e-systems that are made available to us, as long as we would have the ability to upload the data instead of manually re-entering it. Electronic access is the tool for future research administration. The earlier we are involved, the better we fare in terms of gaining experience on using the system, providing feedback to the federal agency, and successfully implementing the new system.

- C. How can the agencies best prepare your organization for the future use of electronic-processing option for your grants?

*Response(s):*

All electronic systems require a learning curve. Early participation in the electronic program would allow us time to prepare and train our faculty and staff to become familiar with the system before implementation. This will allow time to make necessary adjustments to our internal review-and-routing procedures and processes. In addition, coordination between agencies **B** regarding compatible requirements for submission of proposals and reporting **B** would greatly enhance our ability to prepare our institutions to utilize, with minimal delay, any electronic-processing options that become available.

*End of comments*

Thank you for considering our comments. We hope they will be helpful. Please feel free to contact:

Assistant Controller  
University of Washington  
Research Accounting and Analysis  
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