Grants Policy Check-Up

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Agenda

- **What Governs our Actions?**

- **Definition**

- **HRSA's Policy on Conflict of Interest**

- **Legislative Mandates**

- **OMB Memo M-18-18**

- **Policy Questions and Answers**

- **Wrap Up**

What Governs Our Actions?

- **Uniform Administrative Requirements, Cost Principles, and Audit Requirements for HHS Awards**
  - https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=1&SID=501752740986e7a2e59e46b724c0a2a7&ty=HTML&h=L&r=PART&n=pt45.1.75

- **HRSA Policy Bulletins**
  - https://www.hrsa.gov/grants/manage/index.html

- **Notice of Funding Opportunity and Notice of Award**
  - https://www.hrsa.gov/grants/fundingopportunities/default.aspx

What is Conflict of Interest?

- **Conflict of Interest Defined (45 CFR § 75.112)**
  - A significant financial interest that could directly compromise or bias professional judgment and objectivity related to the management of federal financial assistance.

  - Broadly defined, a potential conflict of interest includes external connections that may or may not appear to improperly **bias** an award recipient's judgment in performing his or her job responsibilities related to their federal award.
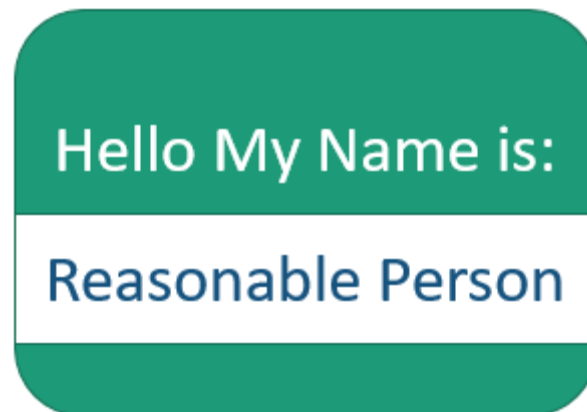
Why Focus on Conflict of Interest?

- **Good business practice**

- **Helps preserve integrity**

- **Improves your organization's internal controls**

- **HRSA award recipients are REQUIRED to have a written conflict of interest policy**

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Testing for a Conflict of Interest

- **Reasonable person test**
  - If a reasonable, disinterested person would conclude that an individual might emphasize personal interests over other interests for which he/she has responsibility, there is, at the very least, the appearance of a conflict of interest.

Hello My Name is:

Reasonable Person

Why *Potential* Conflict of Interest?

- **Because a lot depends on the circumstances.**
  - For example, if steps are taken to remove an employee with a potential conflict of interest from being involved in a project, that may be a solution.

Examples

- **Accepting personal gratuities.**

- **Using or disclosing confidential information.**

- **Maintaining roles that conflict.**

- **One person overseeing all aspects of subcontracting or subawards.**

- **Competing financial interests.**

- **Conflicting employment outside the organization.**

HRSA's Federal Financial Assistance Conflict of Interest Policy

HHS requires that HRSA establish conflict of interest policies for federal awards that:

1. Address conditions under which **outside** activities, relationships, or financial interests are **proper** or **improper**;

2. Provide for advance **notification** of outside activities, relationships, or financial interests, and a process of **review** as appropriate; and

3. Outline **how** financial conflicts of interest may be **addressed**.

Elements of HRSA's Federal Financial Assistance Conflict of Interest Policy

- Purpose

- Applicability and Relationship to other Policies

- Definitions

- Situations Requiring Disclosure

- Disclosure Requirements by Recipient Type

- Timing of Disclosures

- Content of Disclosures

- HRSA Actions

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HRSA's Federal Financial Assistance Conflict of Interest Policy main points

- **Uniform Guidance Requirement (45 CFR §75.112)**

- **Subgrants / Subcontracts**

- **Disclosure Requirements to HRSA**

Conflict of Interest - Exceptions

- **Program statutes and regulations**

- **Does not apply to scientific conflicts of interest for research projects**

- **However this still applies when a pass-through entity gives a subaward for scientific collaboration**

What to do in Cases of a Conflict of Interest?

- **Follow your organization's conflict of interest policy.**

- **Do you think you have a conflict?**

- **Report it!**

- **Disclosure requirements.**

- **Failure to make required disclosures may result in additional conditions and could result in suspension or debarment.**

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What will HRSA do?

- **Term and Condition in Notice of Awards (NoA)**

- **Review**

- **Respond**

Take Away

- Conflicts of interest are more frequent than we think. Be alert to the **risk**.

- A **perceived** conflict is as potentially damaging as a real conflict.

- Err on the side of caution. It's better to **over-disclose** than under-disclose.

- HRSA's Financial Assistance Conflict of Interest Policy:
    - https://www.hrsa.gov/sites/default/files/hrsa/grants/manage/HRSA_COI_Policy.pdf

Where Can I Find Related Policies on HRSA's Website?

Legislative Mandates in Grants Management for FY 2019

Department of Defense and Labor, Health and Human Services, and Education Appropriations Act for 2019, signed into law on September 28, 2018:

- Provides funding to HRSA for the fiscal year ending September 30, 2019.
- Includes statutory provisions that limit the use of funds on HRSA grants and cooperative agreements for FY 2019.

Legislative Mandates in Grants Management for FY 2019 (1-4)

Division B, Title II:

- **(1) Salary Limitation (Section 202)**

- **(2) Gun Control (Section 210)**

Division B, Title V:

- **(3) Anti-Lobbying (Section 503)**

- **(4) Acknowledgment of Federal Funding (Section 505)**

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Division B, Title V (cont'd):

- **(5) Restriction on Abortions (Section 506)**

- **(6) Exceptions to Restriction on Abortions (Section 507)**

- **(7) Ban on Funding Human Embryo Research (Section 508)**

- **(8) Limitation on Use of Funds for Promotion of Legalization of Controlled Substances (Section 509)**

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Legislative Mandates in Grants Management for FY 2019 (9-12)

Division B, Title V (cont'd):

- **(9) Restriction of Pornography on Computer Networks (Section 520)**

- **(10) Restriction on Funding ACORN (Section 521)**

- **(11) Restriction on Distribution of Sterile Needles (Section 529)**

Division E, Title VII:

- **(12) Confidentiality Agreements (Section 743)**

OMB Memo M-18-18 (Thresholds For Financial Assistance)

OMB Memo M-18-18: Implementing Statutory Changes to the Micro-Purchase and the Simplified Acquisition Thresholds for Financial Assistance.

- **On June 20, 2018, the OMB Memo raised:**
  - The threshold for micro-purchases under federal financial assistance awards from $3,500 to $10,000 and
  - The threshold for simplified acquisitions from $150,000 to $250,000. See definitions at 45 CFR § 75.2.

- **Institutions of Higher Education may request a higher micro-purchase threshold (above $10,000) if you receive approval from your cognizant federal agency for indirect costs, with certain conditions**

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OMB Memo M-18-18 (Thresholds For Financial Assistance) Cont.

What should you do?

1. Review the OMB Memo for awareness

2. Review External Policy Bulletin 2019-01E for awareness.

3. Document your implementation of the increased thresholds in your systems of internal control by updating your policies and procedures

4. Contact your Grants Management Specialist (with a CC to your Project Officer) with any other questions about the threshold increases

5. But organizations are not required to increase their acquisition threshold policies as a result of the OMB memo.

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Questions?