

**Research Administration**  
**and the**  
**American Recovery and Reinvestment Act of 2009**

**Implications of ARRA Requirements for PeopleSoft Users**

## Introduction

On February 17, 2009, President Obama signed the \$787 billion American Recovery and Reinvestment Act<sup>1</sup> (ARRA) into law. One of the major initiatives of the Act is to renew America's investment in basic research and development. To this end, the ARRA provides \$21.5 billion in federal research and development funding, including allocations of \$10.4 billion, \$3.0 billion, and \$1.6 billion, respectively, to the National Institutes of Health (NIH), National Science Foundation (NSF), and Department of Energy.

While this influx of funding presents tremendous opportunities for research institutions, potential recipients should be prepared for administrative challenges associated with managing ARRA-funded awards. The ARRA requires unprecedented reporting requirements and includes separate appropriations for Agency Inspectors General and the Government Accountability Office to monitor stimulus spending. To meet the legislation's demands for accountability and transparency, federal granting agencies will require grantees to submit quarterly reports that detail the programmatic and financial status of ARRA-funded awards, and provide statistics such as jobs created and retained by grant-funded activities. In fulfilling such requirements, recipients will have to track and account for ARRA-funded periods of federal awards separately from those periods supported by regularly appropriated funds<sup>2</sup>. Adding to these administrative complexities is the accelerated timeframe around securing and spending stimulus funding. Although there are some exceptions, in most cases, Federal granting agencies are expected to fully obligate their funds by September 2010, and grantees to fully obligate their awards by September 2011.

Given the significant amount of stimulus funding available, and the potential challenges in managing ARRA-funded awards, research institutions need to develop a clear and concise plan of action. Research institutions should maximize the use of technology in developing and executing their plan as integrated technology solutions will play a key role in the effective administration of ARRA-funded awards. This white paper discusses the issues of ARRA grants management specific to the PeopleSoft Grants suite user community. It will provide recommended approaches to meeting the statutory rules of the Act. Where the regulations are still being developed, it will explore various potential approaches. Most importantly, it is intended to stir consideration in the PeopleSoft community for the challenges ARRA presents and the thoughtful, diverse solutions that will meet those challenges.

## Laying the Foundation: Awards and Contracts

The first step in compliant administration of ARRA funding is to set up appropriate awards and contracts. ARRA regulations require grantees to track, report on, and closeout ARRA-funded awards separately from other awards. Grantees are also required to draw federal funds for reimbursement on an award-specific basis for ARRA-funded awards. To achieve these aims, PeopleSoft users will want to set up awards that are designated as having an ARRA funding source. Though every institution takes a different approach to using the PeopleSoft Grants suite, this paper will assume that users will establish separate awards and establish contracts and projects as part of their award setup process. In addition, separate LOC ID's for NIH, NSF, and DOE will need to be set up to facilitate the draw down of funds from these agencies and identify those funds as ARRA.

Often, a new project is created when a new, distinct piece of business needs to be tracked. In the grants arena, this usually means that a new competitive segment has been received, or perhaps a new budget period in a competitive segment that requires approval for prior year carry-forward. Regardless of the exact scenario, a project allows the PeopleSoft user to summarize and analyze financial information in a way that makes management of the grant easier and more effective. More importantly, projects collect expenses to be billed, or drawn via PMS (the Payment Management System), and combined with the contracts Billing Limit to ensure that the recipient does not bill the sponsor over the authorized award limits. Projects are also used to calculate amounts for reporting on the Federal Cash Transactions Report and the Financial Summary Report.

Though stimulus funds may ultimately be awarded in several different forms (e.g., as supplements to five-year awards, as individual two-year awards, as two-year portions of standard five-year awards), the obligation to track and

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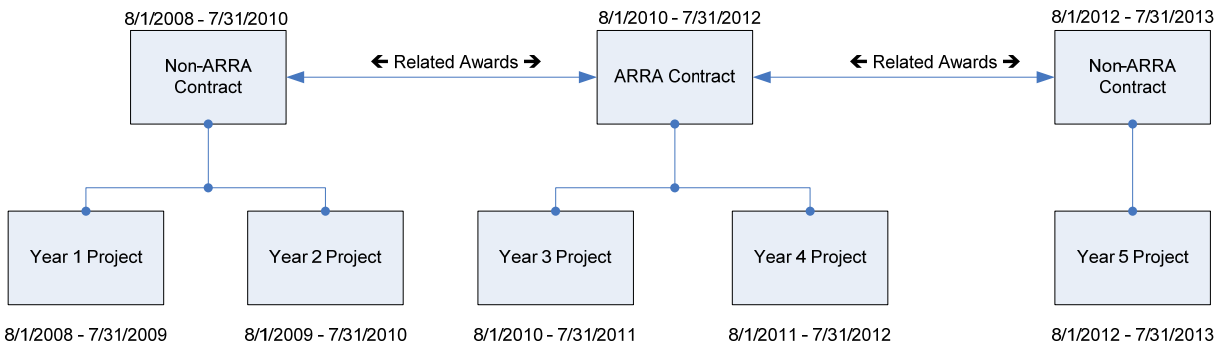
<sup>1</sup> Source: American Recovery and Reinvestment Act of 2009 ([http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111\\_cong\\_bills&docid=f:h1enr.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h1enr.pdf))

<sup>2</sup> Source: Recovery Act of 2009: NIH Award Terms and Additional Information for Recipients Receiving Recovery Act Grant Funding (<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-09-080.html>)

report on these funds separately must be met. By setting up a separate award/contract and associated projects for each ARRA-funded award, the financial information associated with the award remains distinct. This allows the institution to report on ARRA-funded awards separately and to draw federal funds for reimbursement on an award-specific basis. In situations where ARRA funds are awarded for the first two years of a five-year competitive segment, establishing a separate award/contract for the ARRA-funded periods of the award and the remaining periods prevents the system from allowing unauthorized carry-forward of unobligated ARRA funds. In these situations, some institutions have added a new award-level attribute “related awards” which can be used to analyze the five-year segment as a whole. Alternatively, PeopleSoft users may want to investigate the use of a Master or Parent Contract for this analysis.

There are several options available to group financial transactions for each budget period with in an Award. One common approach is to set up separate projects for each budget period (or supplement) awarded with ARRA funds. This allows for tracking financial data and establishing budgets at a more granular level. In most PeopleSoft configurations, contracts, and projects will be used in conjunction with award terms to support the reporting needs of the institution.

The following diagram illustrates one example of how an award/contract structure could be established for a five-year competitive segment where two years (#3 and #4) are ARRA funded. In this example, three separate award/contracts are set up in the structure, to track financial activity for ARRA and non-ARRA funds separately. Note each institution must adopt an approach to the award/contract design that best fits its needs and maintains compliance with ARRA regulations.



Other approaches might be to use the “Budget Reference” field or setting up project “Periods.” Each option has configuration, processing, and reporting impacts that would require additional analysis to facilitate compliant ARRA reporting.

## Identifying ARRA: Award Terms and Bill Cycles

Once the recipient has established an approach to defining awards/contracts for ARRA-funded awards, further design decisions are required to distinguish these awards from others. The assignment of award terms, bill cycles, and the use of additional LOC ID’s for ARRA sponsors, should be considered. All methods allow the PeopleSoft user to easily identify ARRA-funded awards for accurate billing and reporting.

At a minimum, it is recommended that grantees establish additional award terms or attributes to designate the award as ARRA funded. Once the award term or attribute is established, information related to ARRA-funded awards can be easily extracted and used for various reporting purposes at your institution. The creation of additional LOC ID’s for ARRA awarding sponsors can be used to generate separate LOC Summary reports identifying ARRA vs. non-ARRA billable amounts on an award-specific basis. This is vital, given the requirement that grantees draw reimbursement from sponsors individually for each ARRA-funded award.

NOTE: PeopleSoft users will need to work with the federal sponsoring agency to define these ARRA-specific Letter of Credit numbers to accurately set up the award.

For example, the non-ARRA LOC ID for NIH might be 1A23G, and the ARRA LOC ID would be 1A23P.

(For NIH, the Payment Management System requires the establishment of 'P' accounts for all grantees receiving ARRA funds to enable grant-by-grant tracking)

Using a separate bill cycle for ARRA contracts will allow institutions to maintain the timing of ARRA draws in line with the sponsor requirements, if they differ from the internal policy for draws for non-ARRA contracts.

Similarly, the ARRA award term or attribute can identify awards/contracts to be processed through a Federal Cash Transactions Report, since an SF272 report must be submitted quarterly for each individual ARRA-funded grant.

## Report Prep: Utilizing Data Fields

In addition to identifying awards as ARRA-funded, it may be necessary to store more detailed information for ARRA-funded awards. For example, draft reporting requirements for ARRA mandate that grantees submit information on the financial and programmatic status of an award to the awarding Organizational Element (e.g., National Cancer Institute under NIH). PeopleSoft Grants suite users may currently store that level of sponsor detail on Awards, but the setup of customers in Accounts Receivable may not be granular enough to allow for simple extraction onto a report. Other users may store only higher level sponsor information on awards. In these scenarios, it may make sense for the institution to set up an award attribute identifying the awarding Organizational Elements for their ARRA funds. Some institutions use the "Sold To" field to capture this information and use the "Bill To" and/or LOC Sponsor field to combine the awards for billing purposes, while others simply use the "Organizational Code" imbedded in the award number and develop custom reports.

Along with the establishment of custom award terms for quarterly reporting, recipients should consider the adoption of additional PeopleSoft-delivered data fields. An example would be to set up an Award attribute to track the National Center for Charitable Statistics "NTEE-NPC" codes.

## Providing Transparency: Reporting on ARRA Funds

On April 1, 2009, the United States Office of Management and Budget (OMB) issued a standard data element set for compliance with the reporting requirements of the Recovery Act, titled "Standard Data Elements for Reports under Section 1512 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (Grants, Cooperative Agreements and Loans)."<sup>3</sup> Though the proposed data elements were open for public comment until May 1, 2009 and are subject to change, they are detailed enough for potential recipients to consider how they will meet these reporting obligations. Furthermore, given that extracting this data from the PeopleSoft system and providing it to federal agencies in the required timeframe may be challenging for grantees, it is worthwhile to begin planning for compliance. The following discussion provides one possible approach to developing a reporting solution, based on the standard data element set released by OMB for ARRA-funded grants. Ultimately, each recipient institution should create reporting procedures that fit best with its business processes and technical environment.

Note that this example is for reporting on ARRA-funded grants, and does not address the reporting requirements for ARRA-funded contracts, detailed in an interim Federal Acquisition Regulations (FAR) rule published in the Federal Register on March 31, 2009<sup>4</sup>. Though reporting requirements for ARRA-funded contracts are similar to those for ARRA-funded grants, there are specific differences that will require additional consideration.

### **Sample Solution – Introduction**

This reporting solution requires the extraction of PeopleSoft Grants awards identified as ARRA-funded grants, as well as specific data fields associated with those awards. It provides suggestions for storing and extracting the data required for ARRA reporting. The output can be displayed as a worksheet, which can be used to prepare the required

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<sup>3</sup> Source: Federal Register / Vol. 74, No. 61 / Wednesday, April 1, 2009 / Notices (<http://edocket.access.gpo.gov/2009/pdf/E9-7317.pdf>)

<sup>4</sup> Source: Federal Register / Vol. 74, No. 60 / Tuesday, March 31, 2009 / Rules and Regulations (<http://edocket.access.gpo.gov/2009/E9-7025.htm>)

quarterly reports. The specific format and submission mechanism for quarterly reports is still being finalized by the federal government and will be posted to <http://www.federalreporting.gov> before September 1, 2009.<sup>5</sup>

### **Sample Solution – Award Extraction**

The report logic should extract awards/contracts for analysis, as well as any associated projects, based on the term or attribute that defines the awards/contracts as being ARRA-funded. Assuming that a distinct award/contract has been set up for each ARRA-funded grant, the report will, essentially, cycle through each award/contract and, on a per-award basis, and will display the data stored in both awards/contracts and projects. Note that financial data resides at the project level and will need to be consolidated when multiple projects are associated with a single award/contract.

### **Sample Solution – Data Definition**

#### **General Section: Award and Award Recipient Information**

This section of the report contains general award data. Assuming that a distinct award has been set up for each ARRA-funded grant, this data will primarily reside in PeopleSoft Grants and Contract tables. The following table details the required data elements and a potential approach for obtaining their values:

<b>Data Element</b>	<b>Example Approach</b>
<b>Awarding Federal Agency and Organizational Element</b>	PeopleSoft Grants (GM) stores, the Direct Sponsor and/or Prime Sponsor fields on the Award Profile (GM_AWARD). The reporting logic may accept these values as input parameters, or sort output based on these values, to aid in quarterly reporting.
<b>Federal Award Number</b>	PeopleSoft stores the Award Reference Number on the Award Profile.
<b>DUNS Number</b>	If this value remains the same for all awards, it can be hard-coded into the report.
<b>EIN</b>	If this value remains the same for all awards, it can be hard-coded into the report. For users of PeopleSoft GM, using the Federal EIN field on the Institution Profile page (GM_IN_INFO) is also a possibility.
<b>CFDA</b>	Per NIH Award Terms <sup>6</sup> , all research-related activities funded with ARRA appropriations (except for NCRR construction activities) will be assigned a CFDA number of 93.701, so hard-coding this value into the report is an option. However, for purposes other than quarterly reporting, this value should be stored for each grant. For users of PeopleSoft GM, use the CFDA Number field on the Award Profile.
<b>Recipient Legal Name and Address</b>	If these values remain the same for all awards, they can be hard-coded into the report. For users of PeopleSoft GM, using the Legal Name and Address fields on the Institution Profile (GM_IN_ADDRESS & LOCATION_TBL) is also a possibility.
<b>Recipient Account Number</b>	This value could be the Contract or Project number, depending on how your institution configures and uses the Grants Modules.
<b>Project/Grant Period</b>	This value is the date range (BEGIN_DT and END_DT) for the contract, stored on the Award Profile or in the START_DT and END_DT fields on the PROJECT table, depending on the reporting requirement.

<sup>5</sup> Source: Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009 ([http://www.whitehouse.gov/omb/assets/memoranda\\_fy2009/m09-15.pdf](http://www.whitehouse.gov/omb/assets/memoranda_fy2009/m09-15.pdf))

<sup>6</sup> Source: Recovery Act of 2009: NIH Award Terms and Additional Information for Recipients Receiving Recovery Act Grant Funding (<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-09-080.html>)

Data Element	Example Approach
<b>Reporting Period End Date</b>	This report parameter value is entered by the user as a calendar quarter end date and drives the calculation of financial data for awards. If an award's end date (see Project/Grant Period above) falls within the quarter selected, the report displays the project period end date and uses this date in calculating financial data for the applicable grant. The user should input one of the following values for calendar quarter end dates: 3/31, 6/30, 9/30, or 12/31.
<b>Final Report</b>	If an award's end date (see Project/Grant Period above) falls within the quarter selected (see Reporting Period End Date above), the report displays a value of "Yes" for the applicable grant. Otherwise, the report displays a value of "No.",,
<b>Frequency</b>	For final reports (see Final Report above), the report displays "Final," for the applicable grant. For these grants, the report also displays "Quarterly" if the grant's project period end date (see Project/Grant Period above) falls on a calendar quarter end date. For all other grants, the report displays "Quarterly" only.

### Section 1: Project/Activity Information

This section of the report contains financial status information for the grant. Assuming that a project has been set up for each budget period associated with an ARRA-funded award, the report may have to consolidate information from multiple projects to derive the required values. The following table details the required data elements and a potential approach for obtaining their values:

Data Element	Example Approach
<b>Name of Project or Contract</b>	This value may come from the project description, stored on the PROJECT table or the short or long award title field on the GM_AWARD table. The Project DESCR field provides 30 characters and the TITLE56 or DESCR254 can provide greater detail.
<b>Total Amount of Recovery Funds Received</b>	As defined in draft reporting requirements, this value reflects "actual cash received from the Federal agency as of the reporting period end date." <sup>7</sup>  For users of PeopleSoft Accounts Receivable (AR) and PeopleSoft Billing (BI), this value can be obtained by summing the payments received as of the Reporting Period End Date for the contract. The report will utilize the AR transaction file to calculate this value. Other users should develop an approach based on their current method for tracking cash application.
<b>Total Amount of Recovery Funds Expended</b>	When configuring and implementing PeopleSoft, institutions make decisions about which reporting option (Cash Basis or Accrual Basis) they wish to employ for Grant expenditure reporting. These decisions drive how and when expense transactions are accumulated in the project transaction table (PROJ_RESOURCE).  The reporting logic will analyze project transactions for all of the projects associated with the ARRA contracts. Billable expense transactions (and their associated indirect cost transactions) that have posted by the Reporting Period End Date will be included in a summary calculation to derive the final value of expended funds under the grant.

<sup>7</sup> Source: Federal Register / Vol. 74, No. 61 / Wednesday, April 1, 2009 / Notices (<http://edocket.access.gpo.gov/2009/pdf/E9-7317.pdf>)

## Section 2: Project/Activity Information

This section of the report contains additional information for the grant. Assuming that a project has been set up for each budget period associated with an ARRA-funded award, the report may have to consolidate information on the grant's employment impact from multiple projects. For narrative fields, the grantee may wish to store the required descriptions outside of the PeopleSoft system and manually add them to the final quarterly report before submission. The following table details the required data elements and a potential approach for obtaining their values:

Data Element	Example Approach
<b>Description of Project or Activity – Codes</b>	<p>As defined in draft reporting requirements, this field is for National Center for Charitable Statistics "NTEE-NPC" codes.<sup>8</sup></p> <p>An award attribute can be used to store this data at the contract level. As this field may contain multiple values, combined values can be stored in the one field, or a secondary attribute can be used. If the grantee does not wish to store this data in the PeopleSoft system, it can be excluded from this report and manually added to the final quarterly report before submission.</p>
<b>Description of Project or Activity – Narrative</b>	<p>Depending on reporting needs and how each institution has set up the Contract/Project structure, this value may come from the project description, stored on the PROJECT table or the short or long award title field on the GM_AWARD table. The Project DESCR field provides 30 characters and the TITLE56/DESCR254 can provide greater detail.</p>
<b>Completion Status of Project or Activity</b>	<p>Individual institutions will have to decide how they wish to report this information. It could be derived, based on a ratio of Expense to Budget or Time Elapsed to Performance Period for the specific project. Alternatively, a project attribute can store this data. Investigators would then have to evaluate and assign the value to each project. Draft reporting requirements define four possible values for this field: Not Started, Less Than 50% Completed, Completed 50% or More, and Fully Completed.</p>
<b>Employment Impact – Description</b>	<p>This data may be stored as an award attribute associated with the contract or in a user-defined field attached to the specific project. If the grantee does not wish to store this data in the PeopleSoft system, it can be excluded from this report and manually added to the final quarterly report before submission.</p>

<sup>8</sup> Source: Federal Register / Vol. 74, No. 61 / Wednesday, April 1, 2009 / Notices (<http://edocket.access.gpo.gov/2009/pdf/E9-7317.pdf>)

Data Element	Example Approach
<b>Employment Impact – Job Estimates</b>	<p>For this field, recipients must provide values for the cumulative jobs retained in the quarter and the cumulative jobs created in the quarter. Different institutions may take different approaches in the derivation of these values, and their methods may change if future regulations provide further clarity.</p> <p>A judgment-based approach would require grantee personnel with sufficient knowledge of the grant’s activities to provide an estimate of these numbers quarterly. This approach would not be based on any calculations and would entail quarterly maintenance of contract or project attributes.</p> <p>A calculation-based approach might include an analysis of payroll records for all employees paid, in part, by the grant. Identifying employees paid from the grant in the current quarter, but not the prior quarter might indicate jobs created. Additionally, analyzing payroll records may be necessary to determine the number of FTEs to report, based on the cumulative hours worked for each employee. Grantees can store calculation-based figures in contract or project attributes. An alternative would be to store job figures using unit transactions, creating a units-only transaction in the PROJ_RESOURCE table each time a new position is created, typically with an analysis type reserved for that use.</p> <p>Ultimately, an institution’s final approach may include both judgment-based and calculation-based techniques. Positions created might be captured in real-time with unit transactions, FTE positions created may be derived using payroll analysis, and grantee personnel may manually assess job retention.</p>

**Sections 3 and 4: Subcontract Award Information**

Sections 3 and 4 of the quarterly report include information on first-tier outgoing subcontracts funded under the grant. To fulfill these requirements, one option is to create an additional project for each subcontract under the ARRA-funded grant’s contract. With this approach, both the financial and programmatic data for the subcontract can be easily stored and retrieved for quarterly reporting. Even institutions that do not currently use this approach to track outgoing subcontracts under non-ARRA grants can adopt this method for ARRA-funded grants, streamlining their procedures for ARRA reporting. Note this paper does not include a field-by-field approach for subcontract reporting, but these data elements should be incorporated into the grantee’s reporting solution.

Appendix A provides sample output for this reporting solution example.

**Conclusion**

The American Recovery and Reinvestment Act (ARRA) of 2009 provides significant amounts of funding for basic research and development in the United States. As research institutions strive to secure funding available under the Act, they must also consider the administrative challenges that will accompany ARRA-funded awards. To provide for high levels of transparency, grantees will be required to track financial and programmatic information on ARRA-funded projects separately from awards funded with regular appropriations. This information will include data elements unique to ARRA-funded awards and will be submitted on a quarterly basis to federal sponsors.

PeopleSoft Grants suite users should carefully examine potential approaches to meeting ARRA requirements. Best practice solutions will require a thoughtful award/contract/project structure, data population procedures, and may include technology-driven reporting functionality. The methods adopted by each institution should be dependent on the prevalence of ARRA funding, and should align appropriately with current business processes and technical environment. Effective use of the PeopleSoft Grants suite can help recipients meet ARRA’s administrative rules and more effectively support the research activities funded by the Act.



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