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DATE

TO:

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*Mr Gardell*

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| <input type="checkbox"/> APPROVAL                             | <input type="checkbox"/> REVIEW          | <input type="checkbox"/> PER CONVERSATION |
| <input type="checkbox"/> SIGNATURE                            | <input type="checkbox"/> NOTE AND SEE ME | <input type="checkbox"/> AS REQUESTED     |
| <input type="checkbox"/> COMMENT                              | <input type="checkbox"/> NOTE AND RETURN | <input type="checkbox"/> NECESSARY ACTION |
| <input type="checkbox"/> FOR YOUR INFORMATION                 |  |   |
| <input type="checkbox"/> PREPARE REPLY FOR SIGNATURE OF _____ |  |   |

REMARKS:

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To  
From

*G. Lee Teets*

PHONE

BUILDING

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# MEMORANDUM

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
PUBLIC HEALTH SERVICE  
HEALTH RESOURCES ADMINISTRATION  
BUREAU OF HEALTH RESOURCES DEVELOPMENT

DATE: October 7, 1974

TO : Acting Deputy Director  
Division of Regional Medical Programs

FROM : Acting Chief  
Grants Management

SUBJECT: Record of Meeting Concerning RMP Phase Out, Friday October 4, 3-5:00 p.m.

ATTENDEES: Mr. Tony Garrick - HRA, Grants and Contracts  
Mr. Joe Amoroso - HRA, Grants and Contracts  
Mr. Ted Moore - H, Grants and Contracts  
Ms. Marsha Dungan - CHP  
G. Lee Teets - DRMP, Grants Management

The announced purpose of this meeting was to help Mr. Ted Moore identify the problems involved in the granting programs phase out. He has the specific task to: "Assess Problems Involved in Phase Out and Take Action As Necessary."

Apparently, Mr. Moore's charge and this meeting emanate from a series of memoranda related to FY 1975 Work Plans. Attached are copies of all three memoranda. There was, from the outset, quite a bit of confusion due to a lack of a mutual understanding of the words "phase out", "termination", and "close-out." Having finally decided that adequate instructions exist with regard to grant terminations and close-out, the focus of this meeting became that of relating to problems attendant to phase out.

The following problem areas were identified by the under signed to further the purpose of this meeting and for subsequent appropriate action by the Offices of Grants and Contracts at both the H and HRA levels:

- RMP Program Staffs terminate June 30, 1975 but some Projects will perhaps, continue on to June 30, 1976.
- DHEW policy allows transfer of title and accountability of equipment from Grantees to Affiliated Institutions upon completion of RMP funding.
- Direct linkage must be established between Affiliated Institutions and whatever segment of the Federal government ultimately becomes responsible for programmatic and fiscal monitoring and surveillance of Projects upon the demise of the Program Staffs of the RMPs.

- Obligation/De-Obligation of funds grantee awarded for project activities may become a problem in the establishment of responsibility linkages.
- Reports of Expenditures (ROEs) and Summary Reports of Expenditures (SROEs) will have to be processed.
- Severance Pay policy must be announced - not as to its allowability as a direct cost - but as to the last date when a program is phasing out such a policy can be developed.
- Contingency funding must be allowed in grant programs which are phasing out to accommodate costs related to breaking leases, paying of severance pay, etc. (OMB Circular A-21 prohibits contingency funds). Source of funds to accommodate such costs at the Federal level should be determined when contingency funds are not allowed.
- Pay systems must be carefully analyzed and appropriate procedures established to provide continuity of reimbursement.
- Policies and procedures need be developed for programs which are phasing out related to funding determinations and allocations. Phasing out programs do not have the ability to meet indirect cost needs subsequent to the final allocation of available funds. RMP response to this problem was to move to a system of allocating total funds to accommodate both direct and indirect requirements.
- Administrative funding adjustments in a phasing out program cannot be made since there are no more funds available. Sources of Federal funding need be explored and identified.

Mr. Moore stated that he felt that this meeting was helpful in that it provided a means of drawing up a "laundry list" of problems which he can assess and perhaps provide HRA and its granting programs some assistance in solving. Further, he indicated that perhaps another meeting or so would be required prior to his being able to offer any definitive solution to the problems. No date was set for the next meeting.

I explained to Mr. Moore that I was willing to attend further meetings and provide him whatever assistance I could in the development of a "laundry list." However, I explained to him that Dr. Pahl, on

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September 9, 1974 had asked all DRMP staff members to request that "Requests for Information" be submitted in writing to or through the Director's office.



G. Lee Teets

cc:  
Attendees  
Judy Silsbee  
GM Staff  
Cy Young