Uniform Guidance
2 CFR 200

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Remaining Issues

- Direct Costs Policy/Procedures
- Research Terms and Conditions
- Compensation
- Procurement
- PI Quick Guides
Direct Costs
Policy/Procedures

• Policy
  – Direct Costs on Sponsored Projects

• Procedures
  – Charging Direct Costs to Sponsored Projects
  – Charging Subaward Costs to Sponsored Projects

• Appendices
  – Examples of Unallowable Costs
  – Typical Direct and Indirect Costs
  – Direct Cost Approval Grid
Why is this policy needed?

- Currently, the only official University guidance on charging direct costs to sponsored projects is found in a procedure under the Charging of Facilities and Administrative/Indirect Costs to Sponsored Projects Policy.
- The Uniform Guidance imposes an increased emphasis on documental internal controls (including policy).
- It’s also a good opportunity to clarify federal (more strict) and non federal (less strict) requirements.
What is the purpose of this policy?

- This policy and its related procedures and appendices will provide guidance to PIs and departmental and certified approvers on how to ensure that direct costs to sponsored projects are properly charged and documented to meet UG regulations.
When will this policy go into effect?

• The draft policy and related procedures and appendices were reviewed by the following groups:
  – UG Steering Committee and Working Groups
  – Certified Approvers Advisory Committee (March 24)
  – Council on Research Associate Deans (March 26)
  – Senate Research Committee (April 6)
  – Grants Management User Network Advisory Committee (April 14)
  – Policy Advisory Committee (April 22)
  – President’s Policy Committee (June 5)

• When approved by the PPC, it will be posted for a 30-day public comment period and then go into effect.
Research Terms and Conditions

• Previous Federal Research Terms and Conditions are now obsolete and are not yet re-released under the UG

• Agencies are instead applying:
  – The parts of the Code of Federal Regulations (CFR) that codify their implementation of the Uniform Guidance
  – Their own internal Policy Statements or Grants Manuals

• 8 Agencies intend to migrate back to the Federal Research Terms and Conditions when they are ready
8 Agencies…

• Department of Agriculture (NIFA)
• Department of Commerce (NIST/NOAA)
• Department of Energy
• Department of Transportation (FAA)
• Environmental Protection Agency
• NASA
• NIH – co-Chair
• NSF – co-Chair

DOD
RTCs Implementation

• Federal Fiscal Year 2017???
• In the meantime follow:
  • Uniform Guidance
  • Agency UG implementation plans and/or policy statements or grants manuals
Compensation

• UG offers greater flexibility in accounting for salaries and wages charged to Federal awards
• UG emphasizes strong Internal Controls with or without an effort reporting system
• UG stresses written institutional policies and procedures
Institutional Base Salary

• Only for IHEs and specifically defined in the UG (200.430(h)(2))
  – Components of faculty salaries should be clearly established in appointment letters
  – Define the treatment of clinical practice plan compensation in relation to IBS
  – Generally, IBS will exclude salary paid by a separate organization – VA appointments, consulting, incidental activities, incentive pay
Status of Effort Certification

• NO IMMEDIATE CHANGES!
• We need to evaluate:
  – adequacy of current documentation
    • Define IBS – what’s in and what’s out?
  – current process/system from an internal control perspective
  – opportunities to change/tweak existing system to reduce burden to faculty and staff
Procurement

Procurement “Claw” (Section 200.320)

1. Micro Purchases
   - $3K
   - No quotations
   - Equitable distributions

2. Small Purchases
   - Up to $150K
   - Rate quotations
   - No cost or price analysis

3. Sealed Bids
   - >$150K
   - Construction projects
   - Price is a major factor

4. Competitive Proposals
   - >$150K
   - Fixed price or cost reimbursement
   - RFP with evaluation methods

5. Sole Source
   - Unique
   - Public emergency
   - Authorized by agency (or PTE)
   - No competition
Procurement

- Procurement rules will take effect July 1, 2016
- Purchases between $3K and $150K require price or rate quotations must be obtained from an “adequate” number of qualified sources
  - UMarket & University-wide Contracts are already competitively bid and meet requirements
Micropurchase Threshold

- Ongoing advocacy by Research and Procurement leaders to address $3,000 Micropurchase Threshold
  - Faculty perspective. Timeliness of acquiring research supplies and tools may suffer with $3,000 threshold.
  - Administration perspective. Adversely impacts institution-wide policies. May result in costly redesign of electronic, management and training systems, which have been operating effectively and efficiently for years without any evidence of waste, fraud, or abuse.
PI Quick Guides

- Proposals (September 2014)
- Subawards (March 2015)
- Awards (Fall 2015)
- Procurement (July 2016)
Visa Costs Update

• Since short-term visas are issued for a specific period of time and purpose, they can be direct charged to a Federal award if:
  – They can be clearly identified as directly connected to work performed on a Federal award
  – They are critical and necessary to the project and are allowable by the agency.

• These visas allow employees and students to engage in field research or attend meetings in foreign locations, or allow foreign visitors to visit the University in support of the project.

• Long-term visa costs, such as those that enable employment at the University (for example “J” and “H1B” visas) are not allowable as direct charges.
Questions???

• Additional information available at: