Uniform Guidance
2 CFR 200

Nicole Pilman, Uniform Guidance Implementation Coordinator
Sue Paulson, Assistant Controller
Pamela A. Webb, Associate VP for Research
Goals of Updated Regulations

- Reduce fraud, waste, and abuse

VS.

Streamline
OmniGuidance Implementation Plan

Plan (OMB)

Understand (OMB)

Influence (OMB)

2013

12/26/13
Release

2014

6/26/14
Agency plans due to OMB

2015

12/26/14
Implementation (all but audit)

2016

7/1/15
Audit provisions go into effect for UMN

Plan (Agency)

Implement

Understand (Agency)

Evaluate

Refine

2013 2014 2015 2016
As of 12/26/14

• Uniform Guidance will apply to:
  – All New and Renewal awards issued (even if costed/budgeted and submitted under the old rules)
  – UMN’s upcoming F&A rate proposal (to be submitted Spring 2015 against a FY14 base year)

• Old Rules (A-21, A-110, A-133) will apply to:
  – All active awards that do not get incremental funding or another award action (until they expire)

• Uniform Guidance may apply to:
  – All non-competing awards (agencies may decide on a case-by-case basis)
Status of Federal Rollout

• Two sets of regulations
• Research Terms and Conditions (prior approvals)
• Inconsistent agency requirements
• Inconsistent implementation for ongoing awards
• Many awards will require duplicative handling
UG Terms with Greatest Impact to the University

- Direct Charges
- Subawards
- Award Closeout
- Procurement
PI Quick Guides

- Proposals (September 2014)
- Subawards (February 2015)
- Awards (Spring 2015)
- Procurement (July 2016)

### UNIVERSITY OF MINNESOTA
**PI QUICK GUIDE**

**(Volume 1, Version 1 – September 3, 2014)**

**MAJOR CHANGES IN THE UNIFORM GUIDANCE AFFECTING PROPOSAL BUDGETS AND CHARGING OF DIRECT COSTS**

The Office of Management and Budget (OMB) has combined many Federal regulations into a single uniform guidance document (known as the Uniform Guidance, or 2 CFR 200) that can be used by all agencies. These new regulations will become effective December 26, 2014.

**CHARGING ADMINISTRATIVE-CLINICAL AND PROGRAMMATIC SALARY COSTS**

Administrative and clinical salaries (in certain circumstances) and programmatic salary costs can be included in competitive proposal budgets.

**Administrative and Clinical Salaries**

In general, administrative and clinical salaries should not be direct charged, but the rules governing “major project or activity” exceptions have been dropped and replaced by the following criteria, all of which must be met:

1. Administrative or clinical services are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have prior written approval of the Federal awarding agency.
4. The costs are not also recovered as indirect costs.

If all of these requirements are met, PI/department should add a new justification statement to proposals to facilitate the required agency approval.

*University determined that integral means: (1) the services are essential, vital, or fundamental to the project or activity; (2) a majority of the time is budgeted in the grant’s budget year or there are documented special circumstances.

**Programmatic Salary Costs**

Costs related to pre-award development and maintenance, managing the research program, managing and securing research-specific data, and coordination of research subjects are allowable direct costs when they are contributing and directly related to work under an award. Thus, these programmatic costs may be direct charged using the same underlying requirements as other types of direct costs, and are not subject to the extra approval requirements related to all administrative and clinical costs. They are still subject to all regular costing requirements (e.g., allocability, reasonableness, allowable by terms of the award, incurred in an award period).

**COMPUTING DEVICES (UNDER $50,000 DIRECT COSTS)**

Computing devices under $50,000 may be direct charged to the project or activity under the following circumstances:

- The machines are essential and allocable to the project in that they are necessary to acquire, store, analyze, process, and publish data and other information electronically, including accessories (e.g., "peripherals") for printing, transmitting, and receiving, or storing electronic information.
- The project does not have reasonable access to other devices or equipment that can achieve the same purpose. Devices may not be purchased for reasons of convenience or preference.
- Items costing more than $5,000 per unit are considered equipment and follow Federal equipment rules for when they can be direct charged. (See 200.32, 200.40, 200.49, 200.432)
Direct Charges

- Outlined in PI Quick Guide sent on 9/4/14 to:
  - All federal PIs and co-PIs (57% opened the email)
  - AEL list (63% opened)
  - All Certified Approvers
  - All Grants Management User Network Users
  - All SPA and SFR staff
  - Posted on SPA website
  - Referenced in UM Brief
Key Personnel

- Changes in level of effort of more than 25% for key personnel named in the proposal (but not in the award)
Admin/Clerical Salary Costs

• Prior agency approval needed for direct charging of administrative or clerical salaries not identified in the approved budget
Computing Devices

- Allocable computing devices deemed essential and with unit cost less than $5,000 may be direct charged.
- Items costing more than $5,000 per unit are considered equipment and follow federal equipment rules.
Participant Support Costs

• Prior agency approval needed for adding or rebudgeting into participant support costs
Visa Costs

• Since short-term visas are issued for a specific period of time and purpose, they can be direct charged to a Federal award if:
  • 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.
Publication Costs

- Publication costs or costs to share results may be charged up to 60 days after the award end date
PI Quick Guide on Subawards

• DRAFT of PI Quick Guide
  – Help Text and additional links coming soon
  – When finalized, will be sent electronically to all PIs who hold subawards and to all grants administrators
Selection and Risk Assessment of Subrecipients

- **Selection**
  - PIs are responsible for assessing the technical adequacy of subrecipients and the appropriateness of their proposed budget.
  - SPA validates the adequacy of the internal controls and policies of the selected subrecipient via its risk assessment process.
  - SPA offers the *Fair and Reasonable Cost Analysis Form* as an optional tool for PIs and departments.

- **Risk Assessment**
  - Subrecipients should complete a *Subrecipient Commitment Form*.
  - The form is optional at time of proposal but is required prior to issuance of subaward.
Contractor vs Subrecipient

• Subaward
  – Carrying out an intellectually significant portion of the award

• Contractor
  – Obtaining goods and services, creating a procurement relationship

• FDP determination form available to make this decision
Fixed Price Subawards

- Need prior agency approval
- Cannot exceed $150K per award
- Must be certified complete at project end or the amount must be adjusted
F&A on Subawards

- UMN and all of its subrecipients must use a federal program’s rate if it has a published statutory F&A cap.
- For all other federal programs, the subrecipient’s federally negotiated F&A rate must be used if there is one.
- If there is no negotiated F&A rate, a 10% de minimus F&A rate must be used, or the PI/department may request that SPA negotiate an F&A rate with the subrecipient.
- Entities that have previously received negotiated rates with UMN are grandfathered in and UMN will continue to negotiate rates with these entities until they qualify to negotiate a rate directly with the federal government.
- PIs may not negotiate or agree to lower rates with their subrecipients.
- There is no change to UMN’s recovery of its own F&A – this remains limited to receiving our F&A on the first $25K of each subaward.
Subrecipient Progress Reports

• PI must document he/she has received and reviewed all required programmatic reports when approving invoices for payment by adding this statement:
  – “I certify that any subrecipient programmatic reports due during the period of time covered by this invoice has been received and are satisfactory.”

• All invoices must contain this statement with PI signature and date (approvals by email are acceptable).
Subaward Invoices

- Subaward invoices that are proper need to be paid within 30 days.
- Subrecipients will be instructed to submit invoices to: sub-inv@umn.edu.
- The SPA subaward team will email the invoice(s) received in this mailbox to the PI for approval with a copy to the SPA GA.
- The PI will be instructed to submit email approval (with statement) back to sub-inv@umn.edu.
- Once received, the invoice approval will be forwarded to the GA for processing.
Award Closeouts

• Awards must be closed out within 90 days (same rule as before but more emphasis on enforcement now)
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 cont.

• 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
Questions???

• Additional information available at: