Goals of Updated Regulations

Reduce fraud, waste, and abuse

VS.

Streamline
OmniGuidance Implementation Plan

2013
- 12/26/13 Release

2014
- 6/26/14 Agency plans due to OMB

2015
- 12/26/14 Implementation (all but audit)
- 7/1/15 Audit provisions go into effect for UMN

Understanding (OMB)
- Plan (OMB)
- Influence (OMB)
- Plan (Agency)
- Implement

Evaluate
- Refine
As of 12/26/14

- **Uniform Guidance applies to:**
  - All New and Renewal awards issued on or after 12/26/14 (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)
  - Single (A-133) Audit for UMN’s FY16 (July 2015 – June 2016)

- **Old Rules (A-21, A-110, A-133) 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 (March 2015)
- Awards (Summer 2015)
- Procurement (July 2016)
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
  – Prior approval waived by NIH!
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
  – following long standing NSF model for all agencies
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.
Subawards

- Outlined in PI Quick Guide sent on 3/19/15 to:
  - All federal PIs and co-PIs
  - AEL and RRC Managers lists
  - All Certified Approvers
  - All Grants Management User Network Users
  - All SPA and SFR staff
  - Posted on SPA (UG) website
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
  – Prior approval waived by NIH and NSF (if subaward noted on original budget)!
• 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
   - Up to $150K
   - Rate quotations
   - No cost or price analysis
   - $3K
   - No quotations
   - Equitable distributions

2. Small Purchases
   - > $150K
   - Construction projects
   - Price is a major factor

3. Sealed Bids
   - > $150K
   - Fixed price or cost reimbursement
   - RFP with evaluation methods

4. Competitive Proposals
   - > $150K
   - Authorized by agency (or PTE)
   - No competition

5. Sole Source
   - Unique
   - Public emergency
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: