Uniform Guidance
2 CFR 200

Nicole Pilman, Uniform Guidance Implementation Coordinator
Sue Paulson, Assistant Controller
Pamela A. Webb, Associate VP for Research
Updates on…

- Direct Costs Policy/Procedures
- Research Terms and Conditions
- PI Quick Guides
Charging Direct Costs to Sponsored Projects

• Policy

• Procedures
  – Classifying, Justifying, Charging, and Monitoring Direct Costs.
  – 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)
- The proposed policy and related procedures and appendices were considered at the Policy Advisory Committee (PAC) on April 22.
- It will be presented at the President’s Policy Committee (PPC) on June 5.
- If approved, it will be posted for a 30-day public comment period.
- It will then go into effect July 2015.
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
PI Quick Guides

- Proposals (September 2014)
- Subawards (March 2015)
- Awards (Fall 2015)
- Procurement (July 2016)
PI Quick Guide on Subawards

• 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
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

*NIH and NSF have waived the prior-approval requirement for fixed-price subawards. Note, however, NSF still requires prior approval to enter into any subaward not listed in the proposal.
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.
• *Pls 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)
90 Day Enforced Closeouts

• Expenses > 90 days on Federal awards
  – FY13 = $1,798,944.90
  – FY14 = $1,318,640.05

• Type of expenses
  – Subcontract Payments (37%)
  – Salary/Fringe (28%)
  – F&A (24%)
  – Non Salary (10%)
  – Capital Equipment (1%)
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
   - 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
Procurement

FY14 Transaction data – Purchase Orders
• Breakdown of Non-Sponsored/Sponsored Data
• Purchase Order and UMarket transactions
• Does not include Non-PO, Expense Reports or PCard transactions

<table>
<thead>
<tr>
<th>TRANSACTION TYPE</th>
<th>Up to $2,999</th>
<th>$3,000 to $9,999</th>
<th>$10,000 to $24,999</th>
<th>$25,000 to $49,999</th>
<th>$50,000 and over</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Sponsored</td>
<td>UMarket 81,893 PO 29,888</td>
<td>UMar 633 PO 5,895</td>
<td>UMarket 87 PO 1,968</td>
<td>UMarket 32 PO 965</td>
<td>3 PO 809</td>
<td>82,648 PO 39,525</td>
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<tr>
<td>Sponsored</td>
<td>UMarket 39,156 PO 14,239</td>
<td>UMar 186 PO 1,703</td>
<td>UMarket 23 PO 596</td>
<td>UMarket 1 PO 231</td>
<td>1 PO 128</td>
<td>39,367 PO 16,897</td>
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<tr>
<td>TOTAL</td>
<td>121,049 PO 44,127</td>
<td>UMar 819 PO 7,598</td>
<td>UMarket 110 PO 2,564</td>
<td>UMarket 33 PO 1,196</td>
<td>4 PO 937</td>
<td>122,015 PO 56,422</td>
</tr>
</tbody>
</table>

PCard Spend in FY14

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Transactions</td>
<td>Approximately 280,000</td>
</tr>
<tr>
<td>Total Dollars</td>
<td>Approximately $64 million</td>
</tr>
<tr>
<td>Number of Transactions between $2,500 and $49,999</td>
<td>642</td>
</tr>
<tr>
<td>Dollars for transactions between $2,500 and $49,999</td>
<td>$2,193,851</td>
</tr>
</tbody>
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Questions???

• Additional information available at: