Goals of Updated Regulations

Reduce fraud, waste, and abuse vs. Streamline
Uniform Guidance is a combined, “simplified” version of 8 previous circulars

Link directly to Uniform Guidance


2 CFR 200
Subpart A – Acronyms and Definitions
Subpart B – General Provisions
Subpart C - Pre-award Requirements & Contents of Federal Awards
Subpart D – Post Federal Award Requirements
Subpart E – Cost Principles
Subpart F – Audit Requirements
Appendix

See Table of Contents Handout
Uniform Guidance Implementation

- **2013**
  - **12/26/13** Release

- **2014**
  - **6/26/14** Agency plans due to OMB
  - **12/26/14** Implementation (all but audit)

- **2015**
  - **7/1/15** Audit provisions go into effect for UMN

- **2016**
  - **7/1/17** Procurement Rules go into effect for UMN
  - **Fall 2016** First UG audit done
  - **3/31/17** First audit report

- **2017**
  - **3/31/17** First audit report
Uniform Guidance Org Chart

Nicole Pilman, Uniform Guidance Implementation Coordinator (1 yr)
Pamela Webb (Co-Chair)
Suzanne Paulson (Co-Chair)

Uniform Guidance Steering Committee

COSTING
Kevin McKoskey
Seth Goldberg

PRE-AWARD/SUBAWARD
Andrea Marshall
Judy Krzyzek

PROPERTY
Jay Delaney

HR/EFFORT
David Hagen
Gayle Anderson

COI Work
Lynn Zentner

PURCHASING
Beth Tapp

POST-AWARD
Marjorie Nebo
Jill Neu

Individual Specialists
Effective Dates

• **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)

• **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)
Funding Opportunity Announcements (FOA)

• Standard minimum 60 day lead time
  – Minimum number of days will be 30 unless a different period is required by statute or exigent circumstances as dictated by the agency head

• Announcement will be in a standard format & posted
  – Specified summary data
  – Specified full text announcement data

• Proposal application forms pre-approved by OMB

Award Notices

• Create a unique, government-wide identifier number
  – “FAIN” for Federal Award Identification Number (e.g., for NIH, R01-GM123456)

• Terms and conditions are spelled out
  – Including deliverables (reports or other) and any milestones
Cost-Sharing

- Voluntary committed cost-sharing is not expected in research proposals
- Cost-sharing obligations must be included in FOAs
- Cost-sharing may not be used as a factor in the review of applications (except if explicitly included in FOA)

Performance Measurement (Financial and Performance Reporting)

- Stronger certification language reminds signers of statutory penalties for false certifications
- Increased focus on obligation to relate progress/performance to per-unit cost where possible
  - Awards subject to the Federal Research Terms and Conditions should not have a problem – progress reports satisfy this requirement
Changes in Effort Reporting

- Changes are promising but not yet entirely clear
  - Eliminated the word “certification”
  - Eliminated the specific examples of methods acceptable for effort validation
  - Continues the flexibility that allows short term (1-2 months) fluctuations among workload categories without need to repeatedly adjust payroll
  - Requires that labor distribution is reasonable over the longer term and that the Recipient ensures the final amount is accurate, allowable, and properly allocated
  - Requires after-the-fact validation that the estimates are accurate if estimates are used up front

★ Charges must still be based on percentage distribution of total institutional base salary activities if time cards aren’t used
  - Non-exempt staff must indicate the total number of hours worked each day

Results of FDP Payroll Certification Pilot are promising!
Conflict of Interest Requirements

• New obligation for every federal agency to have COI regulations in place and require reporting for “potential” conflicts
  – Unclear how significant an impact this will have

Restriction on Profit

• Recipients may received fixed price awards only if they will “realize no increment above actual cost”
Subawards & Subrecipient Monitoring

• F&A improvements
  – Sponsors (agency and pass-through) obligated to honor our negotiated F&A rate
  – Subrecipients (e.g., foreign, small businesses, school districts, etc.) without a negotiated rate can get an automatic 10% MTDC F&A rate

• Increased burden for vendor vs. subrecipient classification
  – New option for each federal agency to require us to document how we decided each transaction is a subaward versus a vendor agreement

• Increased burdens for subaward issuance
  – New obligation to obtain federal agency prior approval before using a fixed price subawards (common for foreign subs, clinical trials, and small entities)
  – New limit on size of fixed price subawards ($150K)
  – New mandatory list of data elements that have to be included in each subaward
  – Clarification that if you want reports from your subrecipient, you must include the requirement in your subaward
  – Increase in number of subrecipients without audit reports (threshold raised from $500K per year in federal expenditures to $750K)
Subawards & Subrecipient Monitoring (Con’t)

• Increase/decrease in burden in subaward risk assessment
  – Pass-through entities authorized to use Federal Audit Clearinghouse to verify audit reports for single audit entities (instead of separately collecting reports or certifications)
  – Explicit obligation to assess risk of each potential subrecipient, with list of factors to consider

• Increased subrecipient monitoring burdens
  – Explicit lists of mandatory and optional factors to be included in subrecipient monitoring
  – New obligation to be able to prove that you received/reviewed your subrecipient’s performance and financial reports
  – Obligation to pay your subrecipient within 30 days after you receive their proper invoice
    • If there is a problem with the invoice, the 30 days doesn’t start until the invoice is correct
Changes in Direct Costing Rules

• Dependent Care During Conferences Beyond the Non-Federal Entity
  – Can be direct charged if the entity has a consistent policy paying these costs (across all fund sources).

• Entertainment Costs
  – Still unallowable unless it has a specific programmatic purpose and is approved in the budget or by federal agency written approval

• Admin and Clerical Salaries
  – Can be direct charged under certain circumstances

• Protocol-Related and Data-Related Costs
  – Can be direct charged
• Examples of Projects that might meet definition of “integral”:
  – Large, complex programs, such as General Clinical Research Centers, program projects, research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
  – Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective studies of clinical records).
  – Projects that require making travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
  – Projects where the principal focus is the preparation and production of manuals and large reports, books, or monographs (excluding routine progress and technical reports).
  – Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, and other field research remote from campus.
  – Projects requiring significant amounts of project-specific database management; individualized graphics or manuscript preparation; human or animal protocols, and multiple project-related investigator coordination and communications.
Charging Administrative/Clerical and Programmatic Salary Costs cont.

• After the award has been issued, seek pass-through entity (if you are a subrecipient) or agency approval if:
  – New or additional support is needed that is greater than 25% of approved effort at time of award (reductions are not subject to approval)

• PIs should allow at least 30 days for this process
  – Therefore, no new or additional support can start until after agency approval is received.
Charging Administrative/Clerical and Programmatic Salary Costs cont.

• Programmatic Costs...
  – may be direct charged using the same underlying requirements as other types of direct costs
  – are NOT subject to the extra approval requirements required of administrative and clerical costs

• Examples of Programmatic Costs:
  – protocol development and maintenance
  – managing substances/chemicals
  – managing and securing project-specific data
  – coordination of research subjects
Changes in Direct Costing Rules

• Publication Costs (Page Charges)
  – Page charges are still allowable costs after award end date but before closeout (in essence, adoption of the NSF model)

• Program Income (meeting/conference registration fees you earn, etc.)
  – New “default” treatment is addition (use program income for the purposes of the award and under the same terms and conditions) unless the agency specifies otherwise in its award.
  – Agency may treat the prime recipient differently than subrecipients if it wishes to do so

• Computing Devices
  – Devices under $5,000 may be direct charged (allocable portion only) if essential to the performance of the Federal award.
Computing Devices
(Under Your Capitalization Threshold)

• Computing devices under threshold (per unit) may be direct charged under the following circumstances:
  – The machines are essential and allocable to the project
  – They are necessary to acquire, store, analyze, process, and publish data and other information electronically,
    • including accessories (or “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 your capitalization threshold are considered equipment and follow federal equipment rules
Changes in Direct Costing Rules

• Conference Expenses
  – Now includes the concept of dissemination of technical information beyond the Recipient - so presumably within-the-U meetings don’t qualify

• Visa Costs
  – Short-term, travel visas (as opposed to longer-term, immigration visas) are allowable 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:
  – 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 likely not allowable as direct charges without agency approval.
Changes in Indirect /F&A Costing Rules

• Federal agencies are expected to honor negotiated F&A rates
  – Class or single award exceptions only when required by Federal statute or regulation, or approved by an agency head or delegate
  – Exceptions must be reported to OMB
  – Policies, procedures, and general decision-making criteria for making exceptions must be published

• Participant Support Costs
  – Must be excluded from F&A (similar to NSF model)
Participant Support Costs

• Participant support costs are not routinely allowed on research projects but can be charged with agency approval and the project includes:
  – An education or outreach component and the agency approves such costs.

• Participant support costs may include:
  – Stipends or subsistence allowances
  – Travel allowances
  – Registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects

• These costs should be explicitly listed in the proposal budget or approved by the funding agency after the award has been made.
Purchasing

• Use of statutorily imposed state or local geographical preferences prohibited in procurements
• Requirement to use one of only 5 procurement methods
• Purchases over $3K require competitive quotes

Equipment

• Equipment must be tracked in your property system
• Records must contain “use” of the equipment
Procurement

Procurement “Claw” (Section 200.320)

General Standards
A. Documented Policies
B. Necessary
C. Full & Open Competition
D. Conflict of Interest
E. Documentation
   i. Cost & Price Analysis
   ii. Vendor Selection
Closeouts

• Must submit, no later than 60 calendar days (if you are a subrecipient) or 90 days (if you received the award directly) after the end date of the period of performance, all financial, performance, and other reports.
  – May not get paid if you don’t turn in the reports by this time
Important Links

Uniform Guidance (2 CFR 200):
http://www.ecfr.gov/cgi-bin/text-idx?SID=25296308824cfd006a82bb9fb8cce48f&mc=true&node=pt2.1.200&rgn=div5

OMB/Council on Financial Assistance Reform FAQs:
https://cfo.gov/cofar/ (scroll down to FAQs)

U of Minnesota Uniform Guidance web site:
http://www.research.umn.edu/ospa/documents/UG.html
(PI Quick Guides available under News section)
Suzanne Paulson
Assistant Controller
spaul@umn.edu
(612) 624-5007

Nicole Pilman
Uniform Guidance Coordinator
npilman@umn.edu
(612) 625-1880