



Office of Management and Budget

Uniform Guidance Super Circular 2 CFR Part 200

MSU First Looks and Future Plans

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The Rules

Contracts – Federal Acquisition

Regulations (FAR)

Grants and Cooperative Agreements

– Circulars and Agency Regulations

Codified Federal Regulations (CFR)

A-21 = 2 CFR 220

Grants Reform

Federal Demonstration Partnership (FDP)

Faculty Survey - 42% of a PI's research
time on administration

http://sites.nationalacademies.org/PGA/fdp/PGA_055749

Council on Financial Assistance Reform

(COFAR) <https://cfo.gov/cofar/>

Office of Management and Budget (OMB)

on December 26, 2013 issued the Uniform

Administrative Requirements, Cost Principles,

and Audit Requirements for Federal Awards,

i.e. 2 CFR Part 200

What do we call them?

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements ...

Uniform Administrative Requirements (UAR)

UniGuide ...

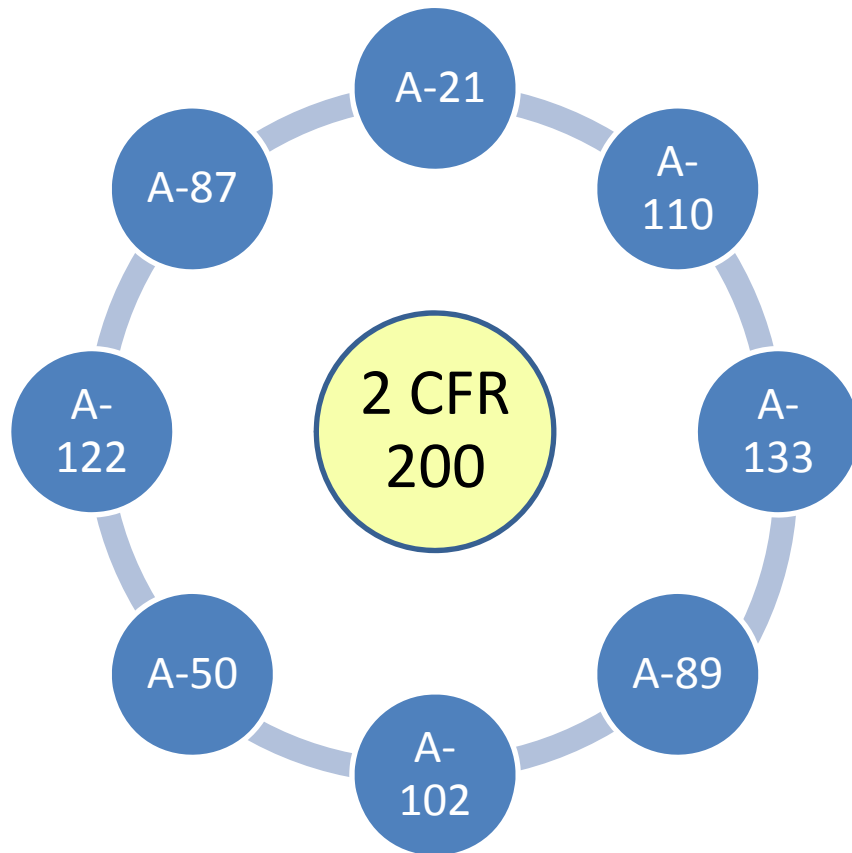
OmniGuidance ...

2 CFR, Chapter 1, Chapter 2, Part 200, et al. ...

2 CFR, Part 200 ...

Uniform Guidance (UG)

Uniform Guidance (UG) is a combined, “simplified” version of 8 circulars



See Table of Contents in PDF

2 CFR 200

Subpart A – Acronyms and Definitions

Subpart B – General Provisions

Subpart C - Pre-award Requirements & Contents of Federal Awards

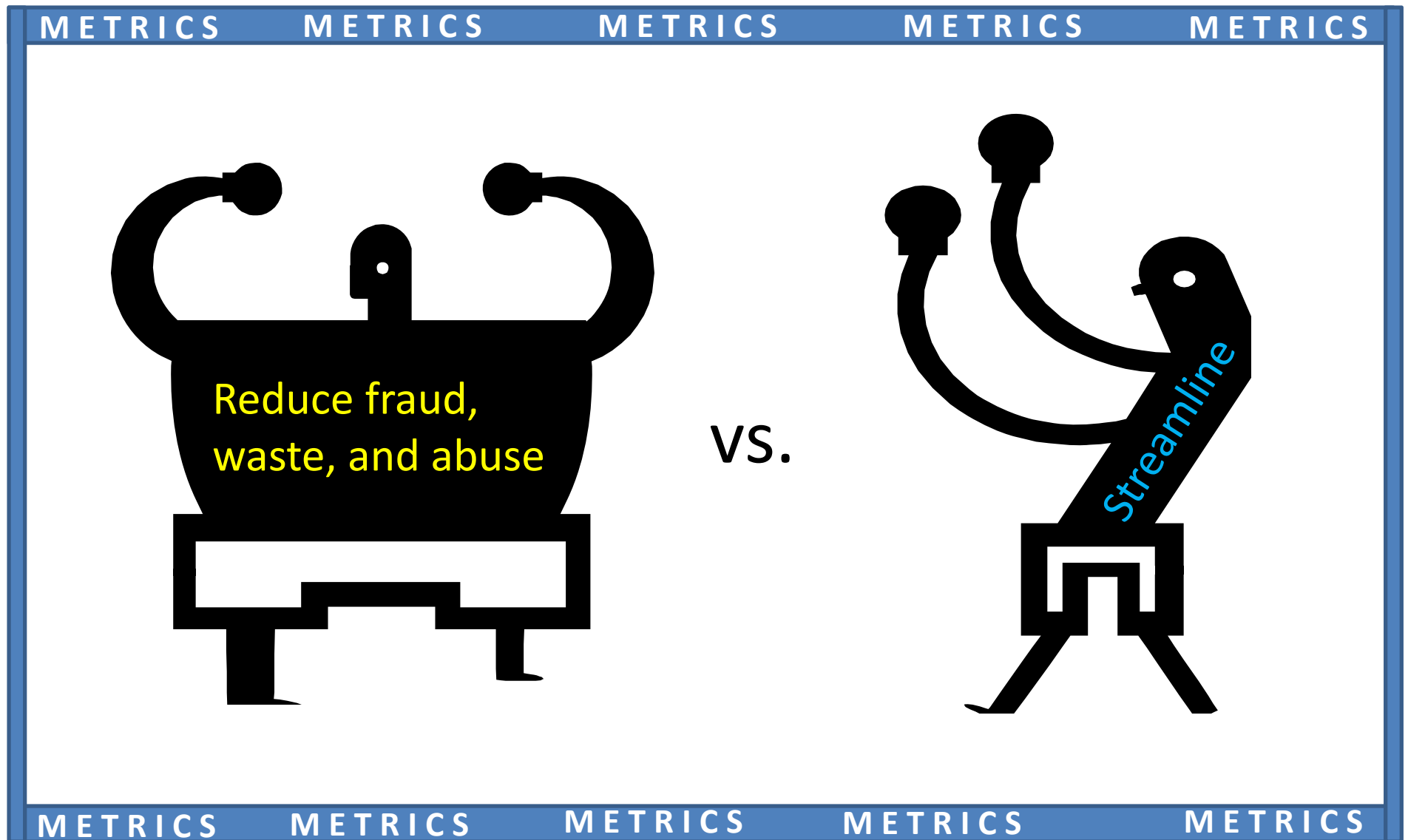
Subpart D – Post Federal Award Requirements (A-110)

Subpart E – Cost Principles (A-21)

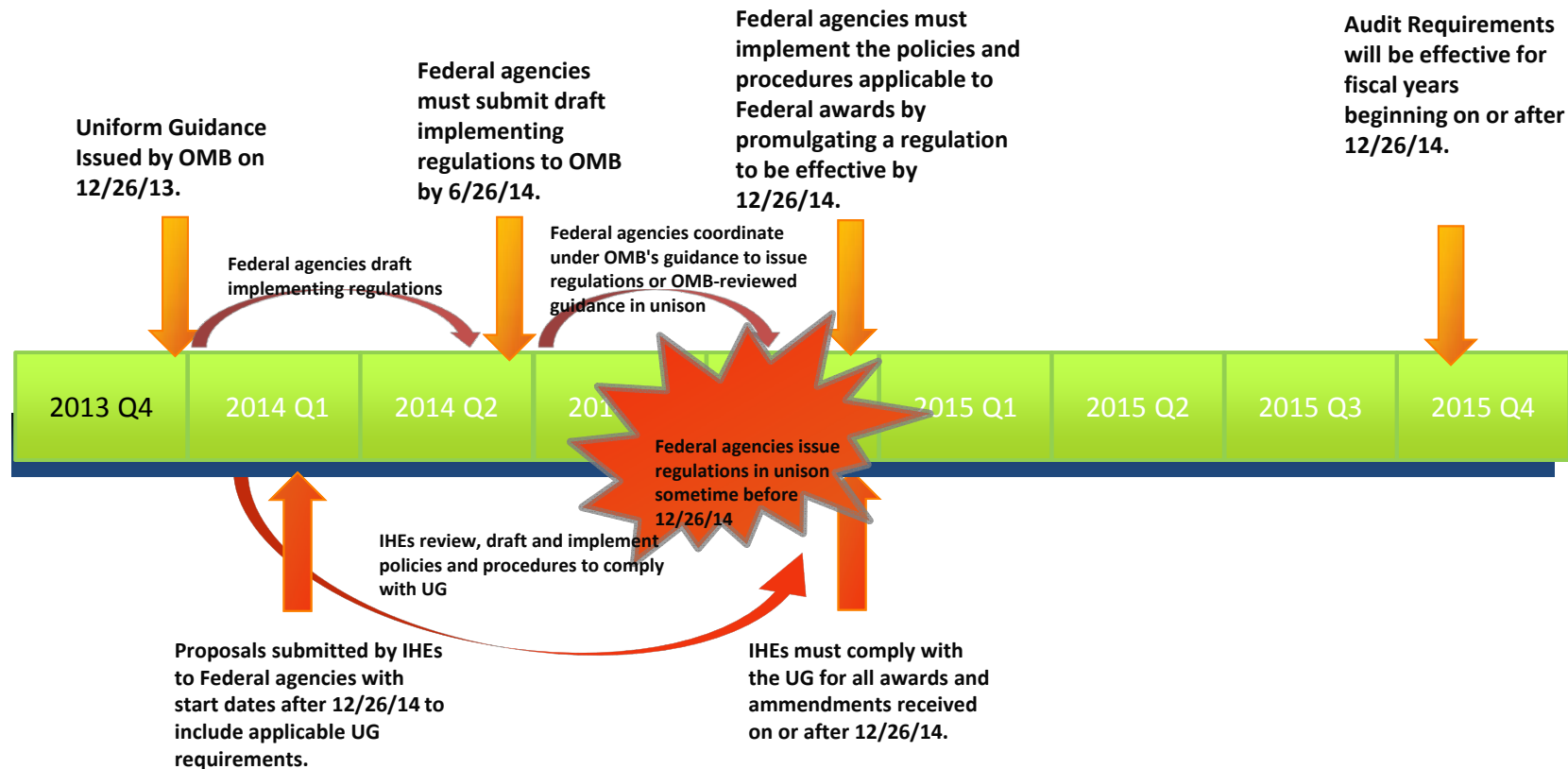
Subpart F – Audit Requirements (A-133)

Appendix's Funding opportunities, F&A, etc.

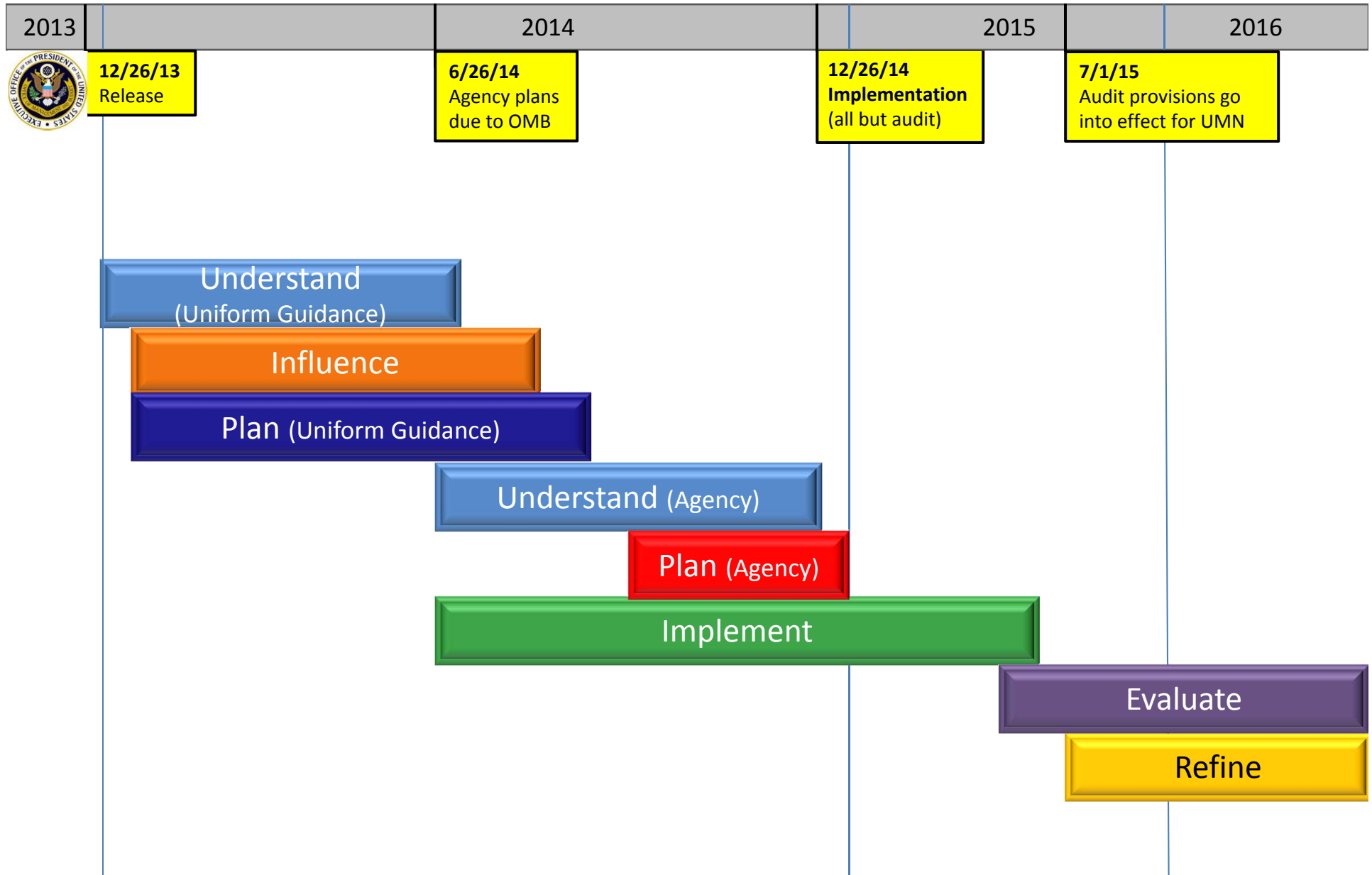
Goals of Updated Regulations



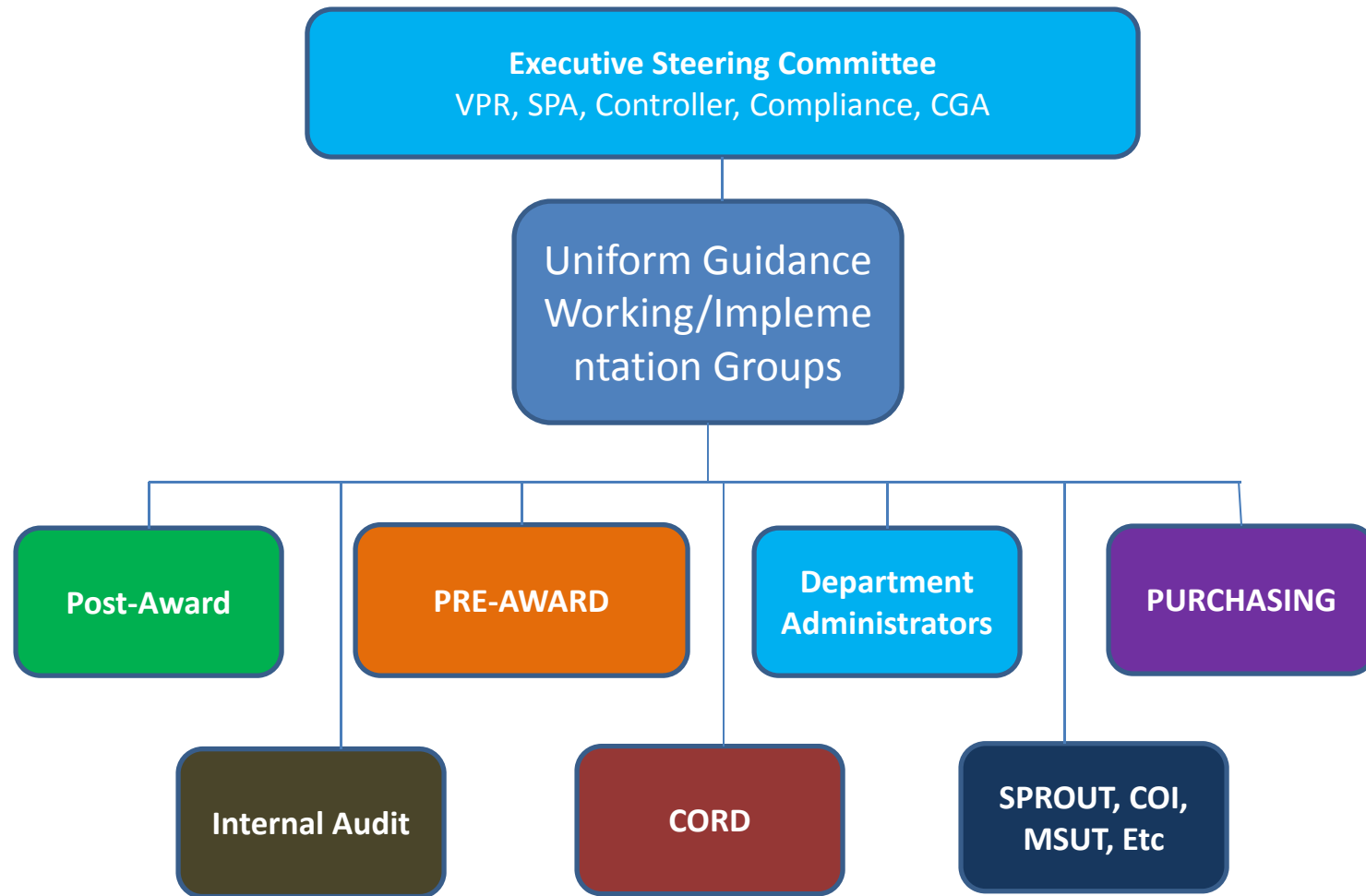
Uniform Guidance: Implementation



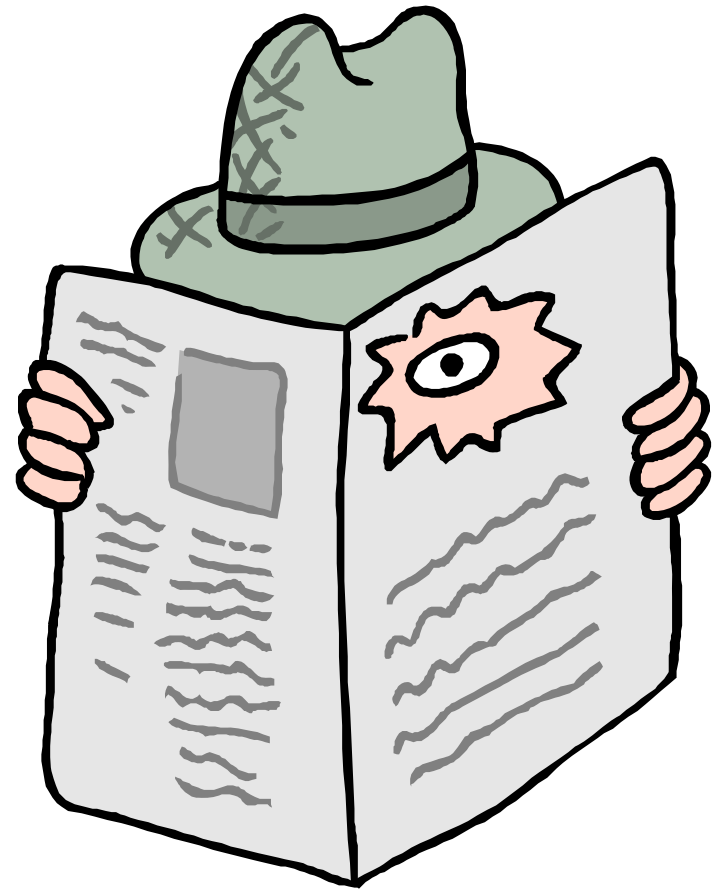
Uniform Guidance Implementation Plan



Uniform Guidance Implementation



WHAT REGULATORY CHANGES MIGHT RESEARCHERS* CARE ABOUT?



*and Research Administrators too!

Funding Opportunity Announcements (FOA)

GOOD

- 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

GOOD

- 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

GOOD

- 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.

Performance Measurement (Financial and Performance Reporting)

UNCLEAR

- 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
 - NSF requested deviation to confirm that the Research Performance Progress Report (RPPR) will meet this requirement

Internal Controls

BAD

- Uniform Guidance uses the phrase “internal Controls” 103 times! This implies an environment of increased scrutiny.
- Yes, you can anticipate efforts to limit cost transfers and late appointment forms.
- Think you have it bad, here is the new financial certification in 200.415!
- *I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812)."*

Program Income .307

- 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
- Definition no longer excludes license fees and royalty income earned on patents and copyrights during the award period of performance
 - This part in direct conflict with Bayh-Dole

Changes in Effort Reporting

GOOD

- 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

★ *How can we do project certification or other approach and still comply with this requirement?*

Conflict of Interest Requirements 200.112

UNCLEAR

- New obligation for every federal agency to have COI regulations in place and require reporting for “potential” conflicts
 - Unclear if this just applies to purchasing

Absence of PI for more than 3 months .308(c)(2)

GOOD

- Clarification that the prior approval is needed for “disengagement” not physical absence

No longer a restriction on transfers from direct to F&A and vice versa .308

GOOD

- Budget changes involving Grad Tuition, Equipment or Sub-awards

Subawards & Subrecipient Monitoring

XIX

- 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 contractor vs. subrecipient classification .330
 - 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
 - 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)

XIX

- 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

Fixed Amount Awards

BAD

- May not earn or keep any profit 200.400(g)
- If terminated early, may be subject to expenditure review (200.201(b)(1))

Fixed Amount Sub-Awards (ideal for very small, Int'l, and clinical trials)

BAD

- Need agency prior approval (in approved budget or after-the-fact)
- Limited to < \$150k
- Cannot be used if there is cost sharing
- Requires certification of completion else cost adjustment

Closeout 200.343

- Must submit, no later than 90 calendar days, all *financial, performance, and other reports...*
- Anticipated agency implementation will limit cash draws at day 91 unless an extension is approved
- Challenges:
 - Staffing levels for peak-load (likely December 29: September 30 + 90 days)
 - Subrecipient timing: 60 days + PI review + actual payment
 - Impact on internal control structure – will there be time for final PI approval
 - Could tight adherence to the 90 days result in shortened performance periods to allow for completion of the required reports (subrecipients?)

Clerical & Admin Salaries 200.413 (c)

GOOD

“The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical 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 the prior written approval of the Federal awarding agency; and
 4. The costs are not also recovered as indirect costs.”
- Removal of “major project” requirement
 - Yes – we can now start including them in proposals!!

Procurement 200.320 & 318

- A new **micro-purchase** method for items that don't exceed \$3,000 if the price is considered reasonable
 - Awarded without soliciting competitive quotations – P-Cards
- A new **small purchase** procedure for items between \$3,001 and \$150,000 - requires price or rate quotes
 - Likely to impact P-Cards with limits > \$3k
 - Some will consider creating a separate federal group within Purchasing
 - Due to the significant increase in volume, turn around on orders will be slowed.
- Procurement by noncompetitive method – sole source:
 - If available from only one source
 - Need for public exigency or emergency that will not permit a delay from competitive solicitation
 - Needs sponsor approval
 - Does not recognize the importance to some experiments of maintaining the same source, to avoid discrepancies in results, i.e. control reasons.

Changes in Direct Costing Rules

GOOD

- Protocol-Related and Data-Related Costs .430(h)(i)
 - Can be direct charged for developing and maintaining protocols (human, animals, etc.) managing substances, managing and securing project specific data, and coordinating research subjects
- Conferences .432
 - ...dissemination of technical information ***beyond the non-federal entity...***
 - Identifying but not providing, locally available dependent-care resources
 - Meals while not in travel status
 - Just say no or
 - Highlight as an objective of the project
- Travel .474
 - Temporary dependent care costs can be direct charged if the entity has a consistent policy paying these costs (across all fund sources) – Not at MSU

Changes in Direct Costing Rules

GOOD

- **Publication Costs (Page Charges) .461**
 - Page charges are still allowable costs after award end date but before closeout (in essence, adoption of the NSF model)
- **Computing Devices .453**
 - Devices under \$5,000 may be direct charged (allocable portion only) if essential to the performance of the Federal award.
 - “Old A-21” had a Major Project Concept that was difficult for some auditors to interpret.

Changes in Direct Costing Rules

XIX

- Vacation Payout .430(b)(3)(i)
 - For IHEs using cash basis of accounting “Payments for unused leave when an employee retires or terminates employment are allowable as indirect costs in the year of payment.”
- Entertainment Costs .438
 - Still unallowable unless it has a specific programmatic purpose and is approved in the budget or by federal agency written approval
- Participant Support Costs .456
 - Require prior agency approval
- Visa Costs as part of Recruiting .463
 - Short-term, travel visas (as opposed to longer-term, immigration visas) are allowable costs.

Changes in Indirect /F&A Costing Rules

XIX

- Federal agencies are expected to honor negotiated F&A rates
 - Exceptions must be reported to OMB
 - Policies, procedures, and general decision-making criteria for making exceptions must be published
- Entities may apply for a one-time extension to their existing F&A rates for up to 4 years
 - No rate change if granted
- MTDC now Excludes Participant Support Costs 200.68
 - Must be excluded from F&A (similar to NSF model)
- Participant Support Costs 200.75
 - Does not include employees

Exchange Rates .440

BAD

- Increases require agency approval – even if the increase will not affect the federal share!

Equipment .313

BAD

- New term “conditional title” introduced
 - Not a new concept, but designed to clarify, among other things, federal equipment should move with the PI if they transfer between universities
 - Clarification that conditional title is calculated using project costs including mandatory cost sharing
- New data elements specified:
 - FAIN (Federal Award Identification Number)
 - Federal participation in total project costs
 - Use

MSU Implementation Planning Underway

Understand
(Uniform Guidance) and
Agency Regulations

Influence

Plan (Uniform Guidance)
Policy Changes

- Read, share, talk, listen, absorb, interpret, compare, query, probe, evaluate
- Engage, clarify, impact
 - Key stakeholders (OMB, COGR, FDP, etc.)
 - Cross-agency implementations
 - Reinstatement of Research Terms and Conditions
- Organize for success
- Find and tackle opportunities
- Identify system changes
- Identify policy and procedure changes
- Identify business process changes
- Identify training changes
- Prioritize large scale opportunities
- Determine action plan

More to
come!

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