

**THE OMB UNIFORM
GUIDANCE: WHAT
WILL CHANGE?
2 CFR 200**

**Coffee w/ORPA
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OMB UNIFORM GUIDANCE

2 CFR 200:

**UNIFORM ADMINISTRATIVE REQUIREMENTS,
COST PRINCIPLES, AND AUDIT REQUIREMENTS
FOR FEDERAL AWARDS**



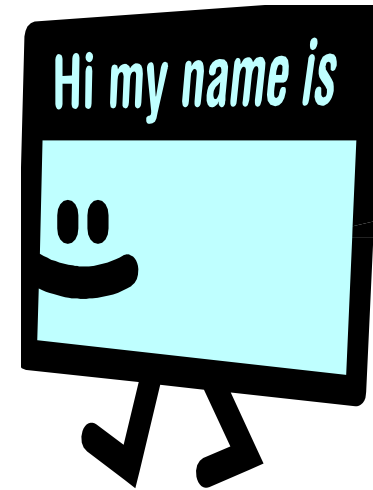
ALSO KNOWN AS:

UniGuide

UG


OmniGuidance

Uniform Guidance



COFAR

Council on Financial Assistance Reform

- Created in 2011 to improve delivery, management, coordination, and accountability of federal grants
 - Led by OMB and 8 largest federal grant-making agencies
 - Responsible for the new Uniform Guidance and FAQ documents
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SIGNIFICANT CHANGES

Combined all related OMB guidance into one location (**2 CFR 200**)


[Title 2 of the Code of Federal Regulations]

- Administrative requirements (A-102, **A-110**)
- Federal cost principles (**A-21**, A-87, A-122)
- Single audit (**A-133**, A-89, parts of A-50)


According to the COFAR, this eliminated about 80 pages “of overlapping, duplicative, and conflicting provisions”

***2 CFR 200 Supersedes OMB Guidance**

OUTLINE OF UNIFORM GUIDANCE

- A. Acronyms and Definitions
 - B. General Provisions
 - C. Pre-Award Requirements and
Contents of Federal Awards
 - D. Post-Award Requirements
 - E. Cost Principles
 - F. Audit Requirements
- 

SO WHAT ARE THE CHANGES?

- Changes in organization/terminology
 - Internal control requirements
 - New procurement standards
 - Subrecipient monitoring/management
 - Minor changes to cost principles
 - Numerous changes to single audit
- 

PROPOSALS

200.203

Funding opportunities >
60 days

All RFPs (Requests for Proposals must be listed in the Federal Register at least 60 days prior to the deadline)



200.20, 200.94, 200.453 M & S INCLUDING **COMPUTING DEVICES**

A computing device is considered as a supply if the acquisition cost is less than \$5K regardless of the length of useful life.



University's existing policy on direct charging computing devices will remain in effect under the new Uniform Guidance, but with a slight modification to the allocability criteria:

- Essential to the performance of the federal award
- Provide a direct benefit to the project's scientific and programmatic activities
- Must be allocable, but not solely dedicated to the purpose, goals and activities of the sponsored project.
- *Example: Under the new guidance if a computer will be dedicated 50% to research and 50% to instruction, then only 50% of the cost is allocable on the project.*
- Must be reasonable
- Must be non-personal in nature

200.306 COST SHARING

This section clarifies policies on voluntary committed cost sharing to ensure that such cost sharing is only solicited for research proposals when required by regulation and transparent in the notice of funding opportunity. **It may never be considered during the merit review.**

- Do not exceed the level or amount specified in the RFP.
 - Such cost share is an eligibility rather than a review criterion.
 - If it is to be used in the review, the RFP must clearly state that.
 - For NSF, put the mandatory **cumulative amount** on Line M of the 1st year's budget.
 - If awarded, it must be met prior to the award expiration.
 - Cost share is legally binding and subject to audit.
- F&A on cost share requires agency approval each time.
 - 3rd party contributions must use verifiable rates
 - Must keep adequate records
 - Source documents
 - Valuation of in-kind
 - Support for subaward contributions
 - Facilities section-not considered cost sharing as defined in 200.306 but resources identified there are expected to be provided and available if funded.

200.413 (C) ADMINISTRATIVE AND CLERICAL COSTS

Administrative costs are generally an indirect cost.

Direct charging of admin costs requires prior approval from the agency.

Must be detailed in the proposal budget and in the approved agency award budget or

Seek prior approval at the next increment of funding since Uniform Guidance requires it.

“Major Project” requirement has been removed.

All of these conditions must be met to be an appropriate sponsor request:

1. Integral to a project/activity
2. Individual can be identified w/project
3. **Explicitly** in the budget or w/prior written approval from agency
4. The same costs are not recovered as F&A

SUBRECIPIENT MONITORING AND MANAGEMENT

PROPOSAL SUBMISSION

200.330 – Subrecipient and Contractor Determinations

1. A pass-through entity **MUST** make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor.
2. All of the characteristics to make this determination may not be present in all cases, and the pass-through entity **MUST** use judgment in classifying each agreement as a subaward or a procurement contract.

200.332 – Fixed Amount Subawards

With **prior written approval** from the Federal awarding agency, a pass-through entity may provide subawards based on fixed amounts **up to the Simplified Acquisition Threshold** (currently \$150,000).

NOTE: Changes in principal investigator, project leader, project partner, or scope of effort **MUST** receive the prior written approval of the Federal Awarding Agency or Pass Through Entity (Sec. 200.201)

SUBRECIPIENT MONITORING AND MANAGEMENT

Proposal Submission (continued)

200.331 - Requirements for Pass-Through Entities

All pass through entities **MUST** ensure that every subaward is clearly identified to a subrecipient as a subaward and includes various data elements. One of the required elements is: (4) an approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government, or if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient or a de minimis indirect cost rate per 200.414

200.414 - Indirect (F&A) costs

Any non-Federal entity that has never received a negotiated cost rate, may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely

AWARDS

Subaward risk assessment and monitoring obligations

200.331 – Requirements for Pass Through Entities

Pass through entities **MUST** evaluate each subrecipient's risk of non-compliance with Federal Statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring.

Mandatory monitoring obligations include:

1. Verifying that a subrecipient received its mandatory Single Audit if the entity exceeded the \$750,000 threshold (increased from \$500,000) for federal funds expended in the previous fiscal year
2. The pass-through entity's review of subrecipient technical and financial reports
3. Following up and ensuring that the subrecipient takes timely and appropriate action on deficiencies detected through audits/on-site reviews, and other means
4. Issuing a management decision for audit finding as required by 200.514
5. Considering whether monitor findings require the pass-through entity's records to be adjusted

New procedures?

For subawards subject to Uniform Guidance, subrecipient monitoring will be performed by ORPA on an annual basis in addition to assessment already performed at the time of initiation

200.201 Use of Grant Agreements

Federal agencies may use **fixed price** awards.

Changes the focus to outcomes rather than costs.

Could include milestone payments or lump sum payment at the project end.

Awardee will have to certify at completion the project was finished and/or the effort expended or the award must be adjusted.

200. 210 INFO CONTAINED IN AWARDS

All Federal awards must include 15 data elements:

- Recipient's Name
- Recipient's Data Universal Numbering System (DUNS) number
- Unique Federal Award Identification Number (FAIN)
- Federal Award Date
- Period of Performance Start and End Date
- Amount of Federal Funds Obligated by this action
- Total Amount of Federal Funds Obligated
- Total amount of the Federal Award
- Budget Approved by the Federal Awarding Agency
- Total Approved Cost Sharing, where applicable
- Federal Award Project Description
- Name of Federal awarding agency & contact information for awarding official
- CFDA Number and Name
- Identification of whether the award is Research & Development
- Indirect cost rate for the Federal award

200.430 COMPENSATION–PERSONAL SERVICES

STANDARDS FOR DOCUMENTATION OF PERSONNEL EXPENSES

(COMMONLY KNOWN AS EFFORT REPORTING)

Uniform Guidance strengthens the requirements for non-Federal entities to maintain high standards for internal controls over salaries and wages while allowing for additional flexibility in how non-Federal entities implement processes to meet those standards.

- Comply with a stringent framework of internal control objectives and requirements.
- System of internal controls must include processes to ensure necessary salary adjustments are made such that the final amount charged to federal awards is proper.
- The focus on overall internal controls provides greater accountability as the non-federal entity must ensure that the total internal control system for documenting personal expenses provides proper accountability and the auditor must test these internal controls as part of the Single Audit requirements.
- Non-federal entities may still find that existing procedures in place such as personal activity reports and similar documentation are the best method for them to meet the internal control requirements, but the Uniform Guidance does not require them.
- **Princeton will continue to leverage its existing effort reporting process under the new Uniform Guidance because at present, it provides the assurance of adequate internal controls.**

200.407 PRIOR APPROVAL

Reasonableness and allocability of certain cost items may be difficult to determine.

For “special” or “unusual” costs:

Seek prior written approval of
the awarding agency.



AWARDS

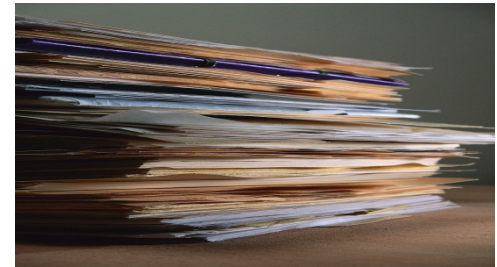
200.463 RECRUITING COSTS

Short-term, travel visa costs (as opposed to longer-term, immigration visas) are generally allowable expenses that may be proposed as a direct cost. Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award.

Note: Expedited Visa Costs are not allowable on sponsored awards

200.335 COLLECTING INFORMATION

The Federal awarding agency and the non-Federal entity should, whenever practical, collect, transmit, and store Federal award-related information in open and machine readable formats rather than in closed formats or on paper.



AWARDS

200.414 Indirect (F&A) costs

The applicable indirect cost rate negotiated by the organization with the cognizant agency must be used in computing indirect costs for a proposal.

Foreign grantees that do not have a negotiated indirect cost rate are limited to an indirect cost rate recovery of 10% MTDC.

Foreign grantees that have a negotiated rate agreement with a U.S. federal agency may recover indirect costs at their current negotiated rate.

200.461 PUBLICATION AND PRINTING COSTS

- The awardee may charge the Federal award before closeout (**generally within the 90-day period**) for the costs of publication or sharing of research results even if the costs are not incurred during the period of performance of the Federal award.
- Departments should still consider the best practice of requesting a no-cost extension should the publication cost exceed the typical 90-day closeout period.



SUBAWARD CLOSEOUT

200.343 – Closeout

The non-federal entity must submit, no later than 90 calendar days, after the end date of the period of performance, all financial, performance, and other reports as required by or the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested by the non-federal agency.

200.201- Use of Grant Agreements (including fixed amount awards), cooperative agreements and contracts

For Fixed amount Subawards:

1. The non-federal entity must certify in writing to Federal awarding agency or pass-through entity at the end of the Federal award that the project or activity was completed or the level of effort expended. If the required activity or effort was not carried out, the amount of the Federal award must be adjusted.

200.305 – Payment

1. When the reimbursement method is used, the Federal awarding agency or pass-through entity **MUST** make payment within thirty (30) calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.

MISCELLANEOUS

NOTE: Subaward request forms and subaward agreement templates may need to be revised to incorporate UG changes.

200.343 CLOSEOUT

Closeout are actions required at the end of the award's period of performance

- Princeton must submit no later than 90 calendar days after the award end date: all financial, performance and other reports as required by the terms and conditions of the federal award.
- **Princeton must liquidate all obligations incurred under the federal award not later than 90 calendar days after the award end date and where appropriate submit for final payment reimbursement.**
- The federal award agency or pass-through entity must make prompt payment for allowable final reimbursable costs.
- Princeton must promptly refund any balances of unobligated cash paid in advance or paid and that is not authorized to be retained to the federal awarding agency.

MISCELLANEOUS

200.307 PROGRAM INCOME

Based on Bayh-Dole, income from license fees and royalties on research funded by a Federal award is excluded from the definition of program income. U.S. law or statute takes precedent over the Uniform Guidance.

200.110 EFFECTIVE DATES

All awards made on or after 12/26/2014 will be made according to the Uniform Guidance.

All proposals submitted on or after 12/26/2014 need to follow the Uniform Guidance.

The Federal government will provide a grace period of 1 full fiscal year after the effective date for non-Federal entities to comply with the procurement standards in the Uniform Guidance. (7/1/16)

A CHALLENGE

Throughout the 2 CFR 200 document, both “should” and “must” are often used.

Based on many interpretations the expectations are:

“Should” = best practices or recommended approach

“Must” = Required



QUESTION #1


True or False: Under Uniform Guidance, computing devices will be allowable regardless of whether they are “essential” or provide any direct benefit to a project.

- A. True
- B. False



QUESTION #2

If a foreign grantee does not have a negotiated indirect cost rate agreement, what rate should it use in its proposal budget?

- A. 0%
 - B. Come up with a rate that makes sense based on the proposal
 - C. 10%
 - D. The sponsor's Program Officer will indicate what rate should be used.
 - E. None of the above
- 

QUESTION #3

True or False: When trying to interpret allowability or other issues in Uniform Guidance, items with the word “should” are suggestions only, and grantees can ignore these items.

- A. True
- B. False



QUESTION #4

PI Polly McPrime is committing cost sharing for a project where the RFP requires a mandatory 1:1 match. She is including F&A on cost share in the budget calculation. The calculation, with the F&A, meets the 1:1 match requirement. This is only allowable if

- A. it does not exceed the amount specified in the RFP
- B. it is mandatory
- C. the sponsoring agency approved the F&A on cost share
- D. A&C
- E. All of the above

QUESTION #5

A PI has asked to charge a portion of salary for Chris Concur, his faculty assistant, to his NSF award for his duties associated with the booking and reconciling of the PI's travel to visit with his collaborator. This was not budgeted in the proposal. The collaborator meetings occur once a month and sometimes Chris Concur books travel for the postdocs to attend the meeting. This is

- A. allowable because the PI needs to go to the collaborator meetings
- B. not allowed because the sponsoring agency did not approve the clerical costs in the budget
- C. not allowable because administrative costs are never allowed
- D. allowable because Chris Concur can be identified with the project

QUESTION #6

Which of the following is not a true statement under 200.306 cost sharing guidance:

A-For NSF, put the mandatory cumulative amount on Line M of the 1st year's budget.

B-F&A on cost share requires agency approval each time

C-Applicant may exceed the level or amount of required cost share specified in the RFP.

D-Cost share is legally binding and subject to audit



QUESTION #7

Can publication costs be incurred after the end date of the award?

A. Yes

B. No



QUESTION #8

True or False:

When making the determination of whether to issue a subaward or a procurement contract, if all of the characteristics of a subrecipient are not met, a procurement contract must be used.

A. True

B. False



QUESTION #9

Subaward risk assessment must include the following factors:

- A. Review of technical and financial records
- B. Review of Single Audit report if subrecipient has expended federal funds that exceeded \$750,000
- C. Follow up and ensure subrecipients take timely and appropriate action on deficiencies detected as a result of an audit
- D. All of the above
- E. A and B only

QUESTION #10

True or False:

Once a fixed amount subaward is approved and issued, incremental funding to the subrecipient is also automatically approved.

- A. True
- B. False