OSRAA Outreach Series

May 16th, 2024

We will begin in just a few minutes.
Upcoming Webinars:

• **June 20th 2:00 pm PST:** *The NIH Grant Cycle: An Overview from RFA through Closeout*

• We will take a break from our OSRAA Outreach webinar for the summer, and resume in the Fall

• The webinars for fiscal year 2025 will be announced at a later date

**Reminder** - all webinars are recorded and will be available on the OSRAA Outreach Webinar page. You can also sign up to register for future webinars.
Welcome

• Greetings and welcome to the OSRAA Outreach Series! My name is Kacey Parks, and I am the Research Administration Training Coordinator.

• This session is being recorded, and you will be notified via the OSRAA Outreach Listserv when the recording and presentation are ready to view.

• Chat is disabled. Please submit all questions via the Q & A button located at the bottom of your screen. We encourage you to submit questions throughout the presentation as they come to mind, and we will answer them during the Q&A portion at the end.

• Please note that when you submit a question in the Q & A, the question and your name will be visible to all participants unless you select “anonymous” before submitting it.
May Outreach: Uniform Guidance Overview and 2024 Updates
What We Know Now

Office for Sponsored Research and Award Administration

Outreach and Engagement

May 16th, 2024

Zach Gill - Director of Sponsored Programs Award Contracting for OSRAA
Aedra McCarthy - Director of Sponsored Programs Award Management for OSRAA
Agenda

- What is the Uniform Guidance ("UG")
- Why revise the Uniform Guidance
- What is happening prior to October 1, 2024
- What is changing on October 1, 2024
- What is changing later (changes dependent on F&A Rate Agreement change)
- Next steps
What is the Uniform Guidance?

- The “Uniform Guidance” is an effort by White House Office of Management and Budget (OMB) to streamline guidance for the management of federal awards, promote consistency across federal agencies, and to strengthen oversight of federal funds.

- To help achieve this, the Uniform Guidance consolidated eight previous OMB publications (OMB circulars) on federal award management into one central document effective December 26, 2014.

- These rules and regulations have been incorporated into the Code of Federal Regulations (CFR), which contains the rules published by the various departments and agencies of the Federal Government.
  - “Uniform Guidance” is Title 2 of the Code of Federal Regulations (2 CFR 200)
  - Represents the rules of the road for both federal granting agencies and grant recipients - $1.1 Trillion (2023) in annual assistance awards - 21% of entire federal budget

- Some updates have been made since 2014 but after a decade, this has been the most comprehensive review and revision.
UNIFORM GUIDANCE ORGANIZATION

- Subpart A – Acronyms and Definitions
- Subpart B – General Provisions
- Subpart C – Pre-Award Requirements
- Subpart D – Post-Award Requirements
- Subpart E – Cost Principles
- Subpart F – Audit Requirements
- Appendices III-V and VII – Indirect Cost and Cost Allocation Plans
- Appendix XI – Compliance Supplement
How does Uniform Guidance Fit In at OSU?

One of OSRAA’s roles is to interpret compliance requirements and clarify order of precedence for any conflicting guidance between OSU policy, sponsor terms, and Uniform Guidance.

The most restrictive rules apply, whether at the federal, sponsor, or OSU policy level.
What is the Uniform Guidance?

Policy reasons for 2024 Uniform Guidance changes
- Incorporating statutory requirements and administrative priorities
- Reduce agency and recipient burden
- Clarifying sections that recipients or agencies have interpreted different ways
- Rewriting application section in plain language, improving flow and addressing inconsistent use of terms

Note: Lots of the language changes, some are substantive changes and some are rewriting for clarity (36% of sections changed in 643 pages)

Note: For OSU to remain eligible to receive federal contracts, the FAR may still require OSU to do certain things that are no longer required by UG
What Happens Prior to October 1, 2024
Implementation Timelines

• *Almost* nothing changes right now for research administrators

• All future changes have rolling implementation timelines. This is the first major revamp of the UG and guidance is not clear yet.

• More to learn about agency implementation plans and OSU decisions. More announcements to come as we learn more.
Rolling Timelines

- Final UG published 4/22/24
- Agency plans due by 5/15/24
  - Most of UG is instructions to federal agencies
- NOFO template by 8/1/24
- Awards starting after 10/1/24 effective date will be governed by the new UG terms
- Likely that University wide policies will be effective the next fiscal year (7/1/25)
- MTDC changes likely on OSU's next F&A Rate Agreement
What Definitely Happens on October 1, 2024
Changes Implemented Oct 1, 2024

- **Subaward F&A Rates** - Raises de minimus rate from 10% to 15% MTDC
  - Benefit for smaller subrecipients without negotiated indirect cost rate agreements
  - No additional documentation or approval required to use de minimus rate

- **Fixed Price Subawards** - $500k threshold doubles prior limit for fixed price subawards
  - Potential great tool for non-research university subawards
  - REQUIRES PRIOR WRITTEN APPROVAL in every instance
  - No financial reporting and no return of unspent funds but are subject to audit
  - DRI Fixed Price Award Policy 19-004 encourages most funds to be direct costs on the project

- **Single Audit Requirement** – Raises federal expenditure threshold for requiring single audit
  - Threshold increases from $750K to $1M
  - Increases OSU subrecipient monitoring burden if fewer organizations partake in audits
Changes Implemented Oct 1, 2024

- **Reduction in prior approval requirements**
  - Removes or clarifies some approval requirements for participant support costs, real property, equipment, memberships, subscriptions
  - OSRAA evaluating changes in order to update OSU guidance and policy for these cost categories

- **Indian Tribes may use own procurement standards** *(used to be only states could do this)*
  - Encourages their participation and may reduce OSU subaward monitoring burden
  - Potential to also use own equipment disposition procedures, only if have set procedures
Changes Implemented Oct 1, 2024

- **Direct administrative staff**- No need to include in budget or have prior written approval of federal agency. We still need to follow OSRAA policy 16-005 that defines what “integral” to the federal award means. But now have flexibility to use like any other salary costs.

- **Allows report of rate dispute to OMB**- OMB acts to police the reequipsments of the UG. Agencies still try to require a lower indirect cost rate.

- **Allowability for data and evaluation costs**- Very rare to add additional direct cost category. Previously unclear if this was an indirect cost (similar to other library costs).

- **Definition or Term Changes:**
  - "Non-Federal Entity" is out, and “Recipient and Subrecipient” is in.
  - "F&A" is out and “Indirect Costs” is in.
  - **Participant** - new definition for participant support. (DRI Policy 22-001 review)
  - **Intangible property** - Definition grows government interest in intangible property (e.g. software)
    - OSU Policy review
What May Happen with a new F&A Rate Agreement
Contingent on Changing our F&A Rate Agreement

• OSU's current F&A Rate Agreement ends June 30, 2024, will enter provisional status after that until our new F&A Rate Agreement is issued by DHHS CAS.

• OSU F&A Rate Agreement defines "equipment" as over $5k. F&A Rate Agreement change is required to make a change.

DEFINITION OF EQUIPMENT
Equipment is defined as tangible nonexpendable personal property (including information technology systems) having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

• OSU F&A Rate Agreement defines MTDC as subawards under $25k.
Contingent on Changing our F&A Rate Agreement

OSU has a decision on if we want to raise our equipment threshold from $5k to $10k.

• OSU F&A Rate Agreement defines "equipment" as over $5k. F&A Rate Agreement change is required to make a change.
• UG states the maximum allowable equipment threshold, OSU can choose to stay at $5k or some other number under $10k.
• OSU to evaluate what is right for our institution. (Majority on COGR poll were still undecided on this topic)
• Will require evaluation of technical (Banner) requirements, OSU policy changes, process changes (e.g. proposal budget development, equipment tagging)

FYI, OSU purchased 404 pieces of capital equipment in FY23.
Contingent on Changing our F&A Rate Agreement

Increased threshold of subaward costs captured in MTDC base - $25K to $50K

- Recognizes increased cost burden of administering subawards.

- This is not an OSU policy determination like the equipment threshold (i.e., OSU doesn’t choose a threshold up to $50k)

- Unclear when this will be implemented, must be incorporated into OSU’s negotiated indirect cost rate agreement.

- Timeline for this change is dependent on how DHHS implements the UG revision and the status of OSU’s rate agreement negotiations.
Next Steps

- Monitor Agency Implementation Plans and OMB issued FAQ's
- Internal review of policies and practices for October 1 implementation
- Track F&A Rate agreement contingent changes for equipment and MTDC definitions
- Come back to hear more at a OSRAA Outreach update of UG implementation plans
THANK YOU