

# The Uniform Guidance: A Top “Ten-ish” List of What You Need to Know

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2 CFR PART 200—UNIFORM ADMINISTRATIVE  
REQUIREMENTS, COST PRINCIPLES, AND AUDIT  
REQUIREMENTS FOR FEDERAL AWARDS

NOVEMBER 4, 2014

# What is the Uniform Guidance (UG)?

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- ❖ OMB's consolidation of circulars for costing, administration and audit of Federal awards
  - 2 CFR 200 replaces 8 circulars and applies to universities, state and local governments, nonprofits, native tribes
  - Issued on December 26, 2013
  - Effective largely on December 26, 2014
- ❖ Biggest change in Federal regulations in 50 years
- ❖ Some good news, some new administrative burdens
- ❖ Each Federal agency will implement a slightly different version of the UG
- ❖ UG is still being interpreted and clarified

# #1 – Subawards 200.330-332

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## ❖ Highlights

- More prescriptive requirements
  - Perform a risk assessment of the subrecipient
  - Add a lengthy list of elements to the subaward terms
  - Establish a monitoring plan for the subrecipient
    - Financial review
    - Programmatic review!
- Must use subrecipient's negotiated F&A rate or provide a 10% MTDC “de minimis” rate

❖ OSP will be developing a risk assessment tool for subawards

# #2 – Closeout 200.343

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## ❖ No stated change for recipient, but...

- All reports due “no later than 90 calendar days after the end date of the period of performance”
  - *New emphasis on progress reports*
- New circumstances
  - Changes in NIH and NSF financial reporting – award by award
  - Enforcement through 90 days for cash draw
  - Frustration over progress reports
- Closeout is the focus of a new FDP/COGR (Federal Demonstration Partnership/Council on Governmental Relations) working group

## #3 – Fringe Benefits 200.431

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- ❖ *When a non-Federal entity uses the cash basis of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable as indirect costs in the year of payment.*
- ❖ OMB issued a clarification in the Aug. 29 FAQ's
  - Will soon issue a clarification of the clarification
- ❖ Finance and Administration will be reviewing this

## #4 – Effort Reporting 200.431

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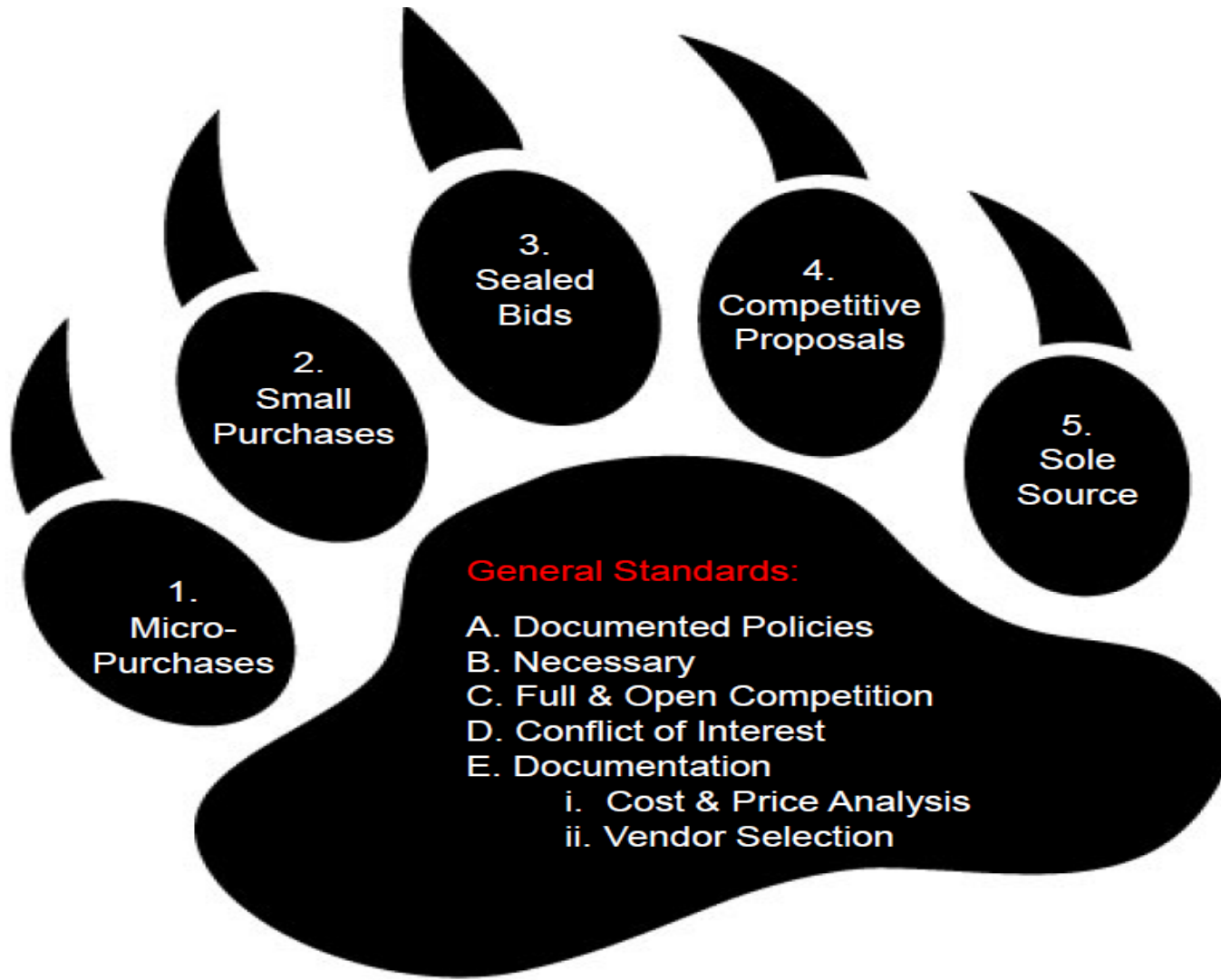
- ❖ Did NOT eliminate effort reporting
  - FDP is doing a “demonstration” for new methods
- ❖ Requires adherence with internal controls
  - No specific guidance on acceptable standards for internal controls
- ❖ Any significant changes will require auditor input over time

# #5 – Procurement 200.317-326

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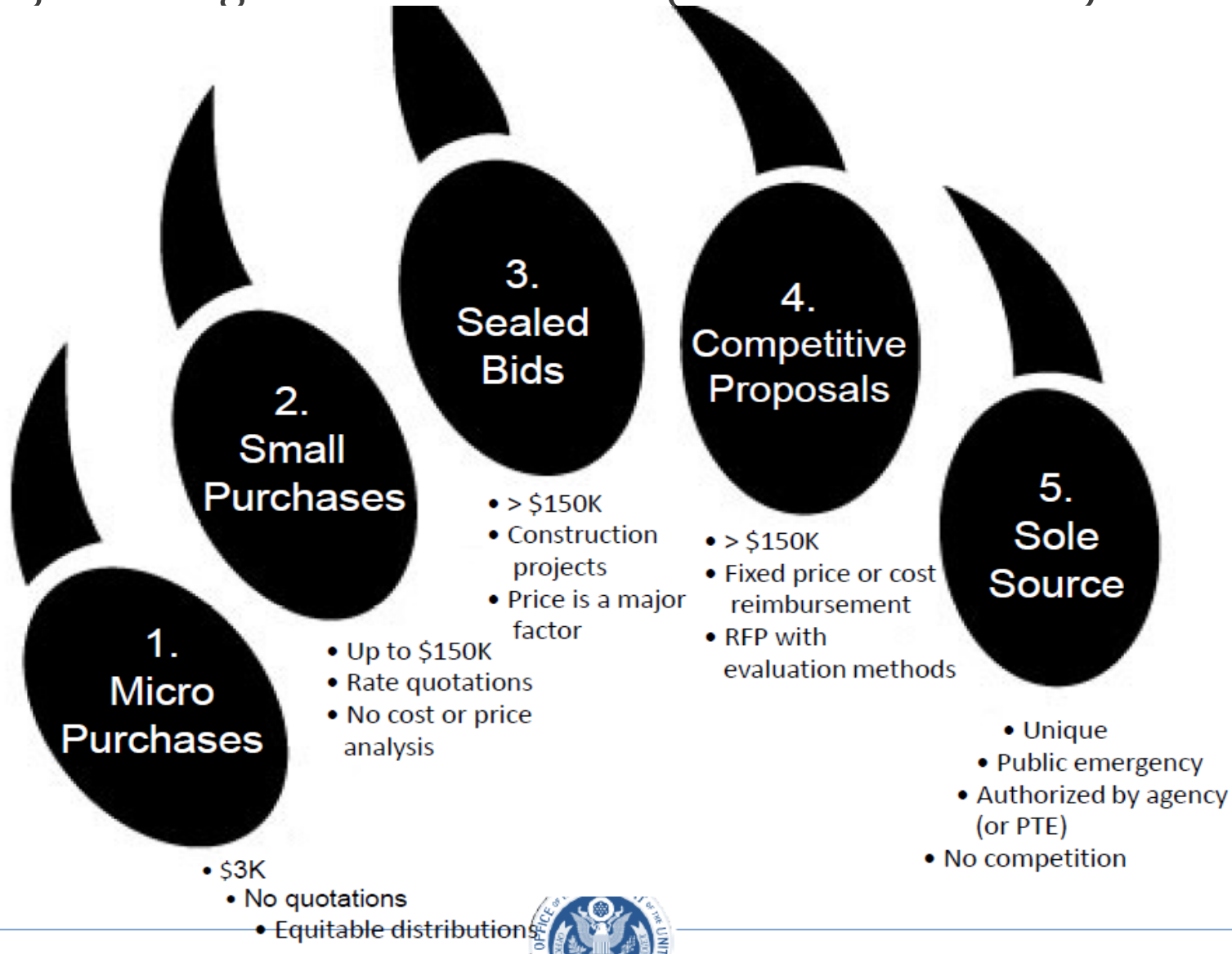
- ❖ Significant problems with procurement and property
- ❖ Requires use of specific procurement methods
- ❖ Micro-purchase – exempt from competitive bid if purchase is \$3,000 or less
- ❖ OMB has now provided a grace period before implementation; goes into effect the first full fiscal year that begins on or after 12/26/14 (FY16 for OSU)

# Major Changes in Procurement (200.317- 200.326)





# Major Changes in Procurement (200.317- 200.326)



# #6 – Prior Approvals

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- ❖ New emphasis on agency prior approvals can slow down research activities
  - Not clear that Federal agencies have adequate staffing to respond quickly
- ❖ Examples where prior approval is required:
  - Unrecovered F&A as cost sharing or change in the amount of cost sharing
  - Fixed price subawards
  - Charging administrative salaries
  - Participant support costs on research awards
  - Unusual cost items

## 200.413 Direct Costs (c)

# # 7 – Clerical & Admin Salaries

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- ❖ “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.”
- ❖ PIs may include these costs in proposal budgets now with a strong justification. Approval is NOT automatic.

200.430 Compensation

## #8 – Allowable Activities - Salaries

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- ❖ Allowable activities. These functions are normally direct cost items if they are **integral** to a Federal award:
  - delivering special lectures about specific aspects of the activity; writing reports and articles
  - developing, maintaining protocols (humans, animals, etc.)
  - managing substances/chemicals
  - managing and securing project-specific data
  - coordinating research subjects
  - participating in appropriate seminars
  - consulting with colleagues and graduate students
  - attending meetings and conferences
- ❖ OSU guidance is under development

200.306 Cost Sharing

## #9 – Cost Sharing

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- ❖ “Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals ...”
- ❖ “Furthermore, only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing indirect (F&A) cost rate.”
- ❖ Guidance will be forthcoming on how to document cost sharing in Cayuse SP.

# 200.453

## #10 – Computing Devices

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- ❖ No change from OSU's current method of allowing computing devices when essential and allocable to the project.

# #10.1 – Implementation at OSU

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## ❖ Applicability of the UG

- New awards issued after 12/26/14
- New award increments after 12/26/14
- Other awards depending upon agency decisions

## ❖ Go to this website for more information:

<http://research.oregonstate.edu/osp/uniform-guidance>

# Next Steps

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❖ Stay tuned – more information to come



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Questions?