

OMB Uniform Guidance 2 CFR Part 200

What has changed - What hasn't

What works – What doesn't

March 24, 2015

This session will focus on

- Brief outline of changes under the new OMB Uniform Guidance 2 CFR Part 200
- Campus perspective on implementation
- How the changes may directly impact your daily activities
- Resources available for implementing the OMB Uniform Guidance 2 CFR Part 200 requirements

Presenters/Panelists

- **Paula Kaloyeros**, Assistant VP for Sponsored Program Administration – University at Albany
- **Shelia Routh**, Director Office of Grants Management – Stony Brook University

Presenters/Panelists (cont.)

- **Gina McMahon**, Director of Sponsored Programs Post Award and **Jennifer Rudes**, Director of Research Administration – Upstate Medical University
- **Denise Straut**, Director Sponsored Programs – SUNY Oneonta

Presenters/Panelists (cont.)

Central Office

- **Chris Wade** - Costing and Administration - Senior Director Cost Accounting & Procurement – Finance Office
- **Justine Gordon** - Costing and Administration and Subrecipient - Director – Office of Grants & Contracts Administration
- **Liz Piga** - Effort Reporting - Research Compliance Administrator - Office of Compliance Services
- **Dave Martin** – Procurement - Campus Financial Services Manager - Finance Office
- **Lisa LeBlanc** – Audit - Associate Director - Internal Audit

OMB Uniform Guidance – 2 CFR Part 200

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

- The final guidance was issued on December 26, 2013 and supersedes and streamlines requirements from OMB Circulars A-21, A-110, A-133 and 5 other circulars.
- On December 19, 2014 the joint interim final rule implements 2 CFR Part 200 effective December 26, 2014
 - With the exception of the procurement provisions which due to an election become effective as of July 1, 2016

Campus perspective on implementation

Key Considerations

- Prior Approvals
- Administrative and Clerical Charges
- Other Direct Charges
- Cost Sharing
- Closeout
- Procurement
- Effort Reporting
- Subrecipient Management and Monitoring
- Other Considerations

- **Prior Approvals**
 - New emphasis on agency prior approvals
- **Direct Charging of Administrative and Clerical Salaries** (2 CFR Part 200.413(c)(1-4))
 - Four conditions must be met
- **Direct Charging of other costs** — for example Computing Devices (2 CFR Part 200.453)
 - Cost less than \$5,000 and are essential and allocable to the project, should be listed under “Materials and Supplies”.
 - These costs do not have to be solely dedicated to the performance of a federal award.
- **Cost Share** (2 CFR Part 200.306)
 - Federal funding agencies are prohibited from considering voluntary committed cost sharing (VCCS) in the merit review process. It is strongly discouraged to include VCCS in proposals, except when it is required by the federal funding agency.
- **Closeout** (2 CFR Part 200.343)
 - More emphasis on submission of reports no later than 90 days will be enforced by the inability to draw cash down after 90 days

Campus perspective

Effort Reporting (2 CFR Part 200.430)

- The current effort reporting process, including ECRT, will be compliant with the Uniform Guidance.
- Requires a consistent written definition of institutional base salary (IBS).
- Charges for salaries and wages must be based on records that are supported by a system of internal controls.
- A subgroup will be evaluating the effort reporting process after more information is released by federal agencies, the audit community, organizations such as COGR, and other institutions.
- The RF is on the COGR task force.

Procurement

- Area that potentially has the largest administrative impact on staff resources
- COFAR has granted institutions a one year grace period provided for implementing (effective July 1, 2016)
- Micro-Purchase threshold (\$3,000) above which competition is required
- Current RF policy requires competition at \$50,000
- Large pushback from higher ed community may result in elimination or increase of threshold to \$10,000
- RF Campus Procurement team working on draft procurement policy with considerations to account for purchases that do not use direct federal funding

Campus perspective

Subrecipient Management and Monitoring

- Subrecipient vs. contractor determination must be made and documented
- Perform a risk assessment of the subrecipient
- Risk Analysis
- Monitoring
- Enforcement
- More prescriptive Post-Award requirements
 - Add a lengthy list of elements to the subaward terms
 - Establish a monitoring plan for the subrecipient and enforcement action against noncompliant subrecipients
 - Financial review
 - Programmatic review
 - Must use subrecipient's negotiated F&A rate or provide a 10% MTDC “de minimis” rate (or another negotiated rate with the subrecipient)
- Fixed amount subawards require written prior approval from the federal agency.

Other Considerations

- Overall focus on Internal Controls
- Electronic records are now acceptable for collection, transmission and storage

Other Considerations (cont.)

Indirect costs (F&A – facilities and administrative costs)

- Third-party cost sharing needs to be in the base (denominator)
- 10% de minimis F&A rate
- Acceptance of Negotiated Indirect cost rates. Deviations must have agency head approval with notification to OMB
- One-time F&A extension for up to 4 years
- DS-2s for schools with over \$50 million in federal awards (SBU, UB, UA)
- New 1.3% utility cost adjustment (UCA)

A-133 Audit Revisions

Revisions focus the A-133 audit on risk

- Increases audit threshold. (No effect on the RF)
- Strengthens risk-based approach to determine Major Programs
- Provides greater transparency of audit results
- Changes the Compliance Supplement to focus on areas of highest risk

Campus perspective

Research Foundation Policies created and updated to comply with OMB Uniform Guidance 2 CFR Part 200

Policy	Changes
Subrecipient Policy	New policy was created. The A-133 Monitoring Subrecipients procedure is applicable to awards prior to December 26, 2014
Procurement Policy	Updated indicating election of grace period
Cost Transfer Policy	Citation change. Language change but not substantive. Name of policy changed from Transfer of Costs Policy
Assigning Extra Service Policy	Citation change. Language change but not substantive
Cost Sharing Policy Effort Reporting Policy Electronic Record Management Policy Records Management Policy Salary Rules and Policies When Assigning Regular Employees Unrestricted Fund Expense	Citation change

Key Research Foundation procedures or other documents created or updated to comply with OMB Uniform Guidance 2 CFR Part 200

Document	Change
Principal Investigator Handbook Cost Sharing Guide F & A Primer	Citation change and updates
Charging Administrative and Clerical Salaries to Sponsored Programs	Updated for changes in requirements
Determining Direct and F&A Costs Closing an Award or Project Write-offs	Citation changes and updates
Several Procurement Procedures	Updated to indicate election of grace period
Unallowable Costs 2 CFR part 200	New document

Resources

Public webpage on the Research Foundation's website:

- [OMB Uniform Guidance](#)
 - COGR Implementation and Readiness Guide for OMB Uniform Guidance
 - COFAR FAQs

Questions