



Administrative Costs Committee

Proposed OMB A-81:

Financial and Administrative Issues

May 13, 2013

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Over 80% of PIs report having time taken away from research in order to deal with Finances, Personnel and Effort Reporting.

| FINANCES--Non-ARRA (N=7531) | 1=None – 5=Very much |
|--|----------------------|
| Managing budget-to-actual expenses | 3.09 |
| Dealing with equipment and supplies purchases | 2.89 |
| Determining and justifying which tasks and related costs are allowable as direct charges | 2.34 |
| Meeting other fed. cost accounting standards (incl. budget transfers, spending | 2.09 |
| Completing training regarding budgets/expenditures on federal projects | 1.74 |
| Requesting meeting and tracking federally-mandated cost-share requirements | 1.71 |

Manage budget-to-actual expenses

- What are the underlying issues?
- Excellent projection tool needed?
- Is there a consistent projection tool used at your institution?
 - Or, are there a variety of projection tools or shadow systems?
- What institutions have a good system?
- Suggestions?

Dealing with equipment and supplies purchases & __ .503 Procurement Standards

.503(e)(1) – Concern: Monitoring Unused Supplies > \$5,000

.503(e)(1) Title to supplies shall vest in the recipient upon acquisition. ~~If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federally sponsored project or program, the recipient shall retain the supplies for use on non-Federal sponsored activities or sell them, but shall, in either case, compensate the Federal government for its share. The amount of compensation shall be computed in the same manner as for equipment. See (d)(5)(B) of this section for the calculation methodology. See (d)(5)(A) of this section for the method of disposition of equipment not exceeding \$5,000 in total aggregate value.~~

Dealing with equipment and supplies purchases & ____ .504 Procurement Standards

.504(b)(4) – Concern: Reinstatement of Equipment Screening Requirement

.504(b)(12) – Concern: Notification to Agencies Regarding Procurement Disputes

.504(c)(2) – Major Concern: Prohibition of State Requirements under Procurement Actions

.504(d) – Major Concern: Troubling and Overly Burdensome Procurement Requirements

Proposed A-81 section .607(d) Recommendation:

Restore Helpful Text from Circular A-21

(d) Direct cost allocation principles. If a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c), the costs may be allocated or transferred to benefitted projects on any reasonable documented basis. Where the purchase of equipment or other capital items is specifically authorized under a Federal award, the amounts thus authorized for such purchases are assignable to the Federal award regardless of the use that may subsequently be made of the equipment or other capital items involved.

Further Discussion

- Expand this language to all items rather than only equipment or other capital items?

Where the purchase of equipment or other capital items is specifically authorized under a Federal award, the amounts thus authorized for such purchases are assignable to the Federal award regardless of the use that may subsequently be made of the equipment or other capital items

Proposed A-81 section Subtitle III Direct and Indirect (F&A) Costs —.615 Direct Costs

(d) The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate where 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 and/or are documented in accordance with the Federal awarding agencies' budgeting guidelines and flexibilities; and*
- (4) the costs are not also recovered as indirect costs*

Slide 8

1

unstrike this -- rewrite this

Sara Bible, 5/10/2013

Discussion of Proposed Changes

- What does the proposal eliminate?
 - Major project requirement
- What does the proposal still include?
 - Requirement to explicitly budget such costs
- Suggestions for OMB?
 - Eliminate requirement for explicit budgeting?
 - Explicit statement allowing rebudgeting of costs?
 - Other?

Requesting, tracking and meeting Cost Sharing requirements

.502(f)(1) – Thank you: Treatment of Voluntary Committed Cost Sharing

.502(f)(1) – Opportunity: Incorporate Voluntary Uncommitted Cost Sharing (OMB M-01-06) into the Final Guidance

.502(f)(2) – Opportunity to Reduce Burden: Treatment of Unrecovered Indirect Costs

Requesting, tracking and meeting Cost Sharing requirements *(continued)*

.502(f)(5) – Concern: Exclusion of
Overhead on Third-Party Cost Sharing

.502(f)(9)(C) – Concern: Unclear,
Unnecessary and Burdensome Text

__ .505 Performance and Financial Monitoring and Reporting

.505(d)(2)(B)(i) – Major Concern: Inappropriate Relationship between Performance and Financial Reports

...OMB should require agencies to use Government Wide Standard Grants Reporting Formats.

.505(d)(2)(B)(i) A comparison of actual accomplishments to the objectives of the award established for the period. ~~Where the accomplishments of the award can be quantified, a computation of the cost (for example, related to units of accomplishment) may be required if that information will be useful.~~ Where performance trend data and analysis would be informative to the Federal agency program, the agency should include this as a performance reporting requirement in accordance with Section .404 and utilizing Government Wide Standard Grants Reporting Forms.

Respond to OMB

- Voice your concerns
- Review the proposed A-81 language
 - Endorse or comment on language
 - Edit language – using revision marks
 - Add anecdotal information/cost impact from your institution
- DEADLINE: June 2nd 11:59pm