



**Federal Demonstration
Partnership**

THE NATIONAL ACADEMIES

Redefining the Government University Research Partnership

Uniform Guidance 2 CFR 200

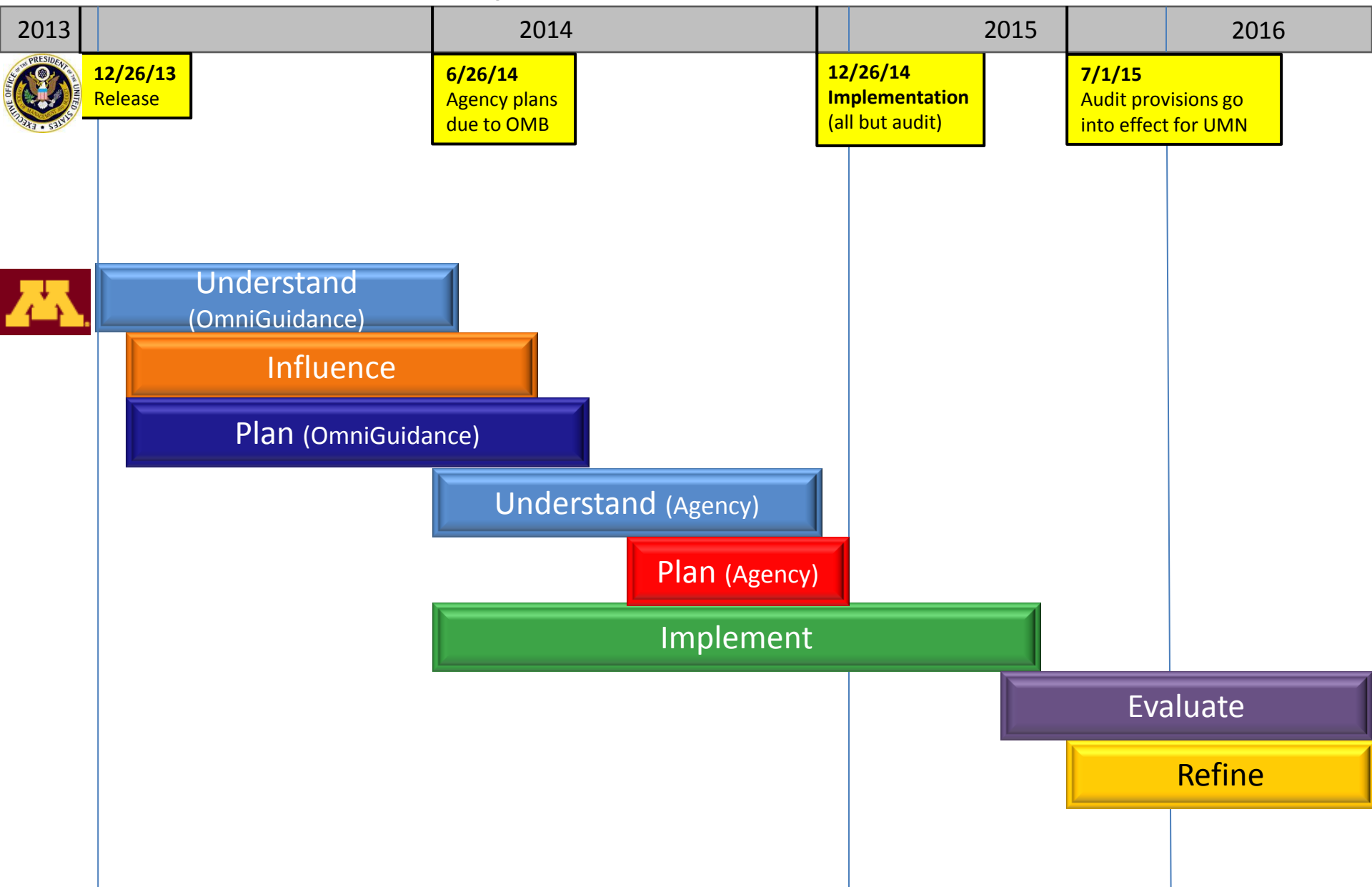
What Researchers Need to Know (and Organizing your UG Implementation)

Susan Sedwick, University of Texas at Austin

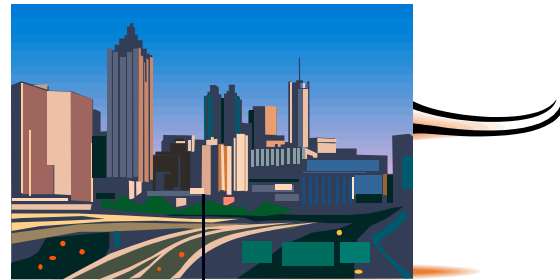
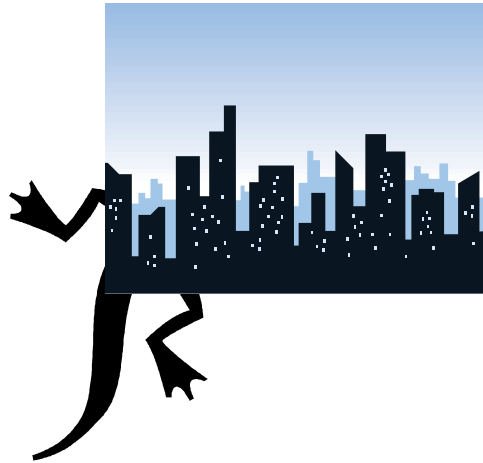
Dan Evon, Michigan State

Pamela A. Webb, University of Minnesota

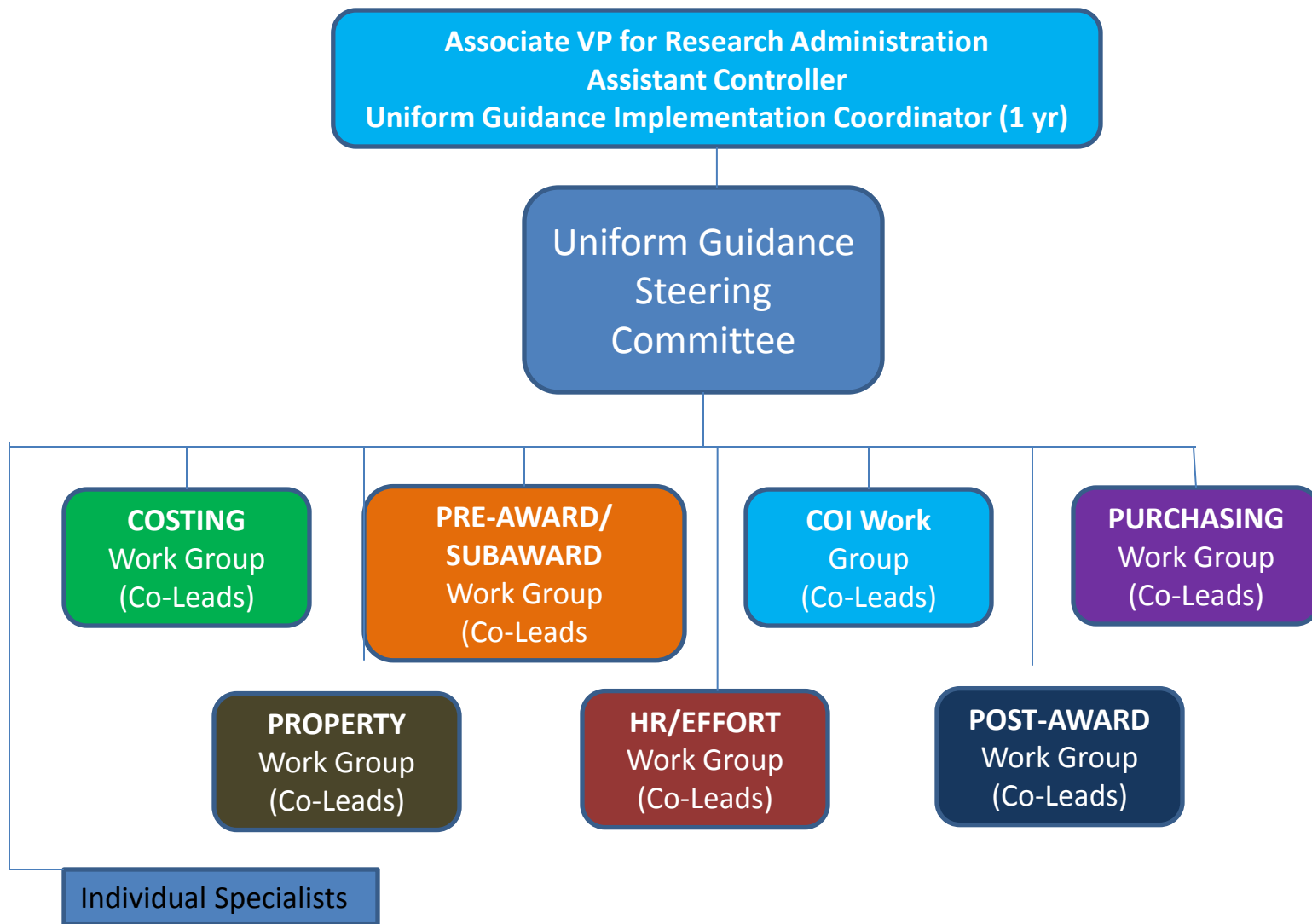
U of Minnesota Uniform Guidance Implementation Plan



Tale of Two Cities



Uniform Guidance Implementation



Steering Committee Membership

Minnesota

- Grants Management User Network (departmental rep)
- Certified Approver Advisory Committee (departmental rep)
- Purchasing
- University Policy Office
- F&A & Effort Reporting
- Central Electronic Systems
- Sponsored Projects Administration
- Sponsored Financial Reporting
- Controller's Office
- Training
- Faculty
- Research Education and Oversight
- Audit
- Communications

Michigan State

- Council of Research Deans (CORD) Rep
- Sponsored Program Research Opportunity & Univ. Training (departmental) Rep
- Office of Sponsored Programs (Pre-award Office)
- Contract & Grant Administration (Post-Award) including F&A and Effort Reporting
- Purchasing
- Controller
- Conflict of Interest
- MSU Technologies
- Kuali-Coeus Project
- Internal Audit
- Vice President for Research Policy Rep(s)

Roles and Responsibilities

Steering Committee

- Attend monthly meetings to help steer institutional decision-making
- Generally understand UG structure; review Sections B&E
- Create an overall communications strategy
- Critically review work group materials
- Review and accept/revise/deny work group recommendations
- Prioritize recommendation implementation, if needed
- Identify recommendations that require higher level institutional review
- Also serve as working group leads, members, liaisons, or subject matter experts

Roles and Responsibilities

Work Group Members

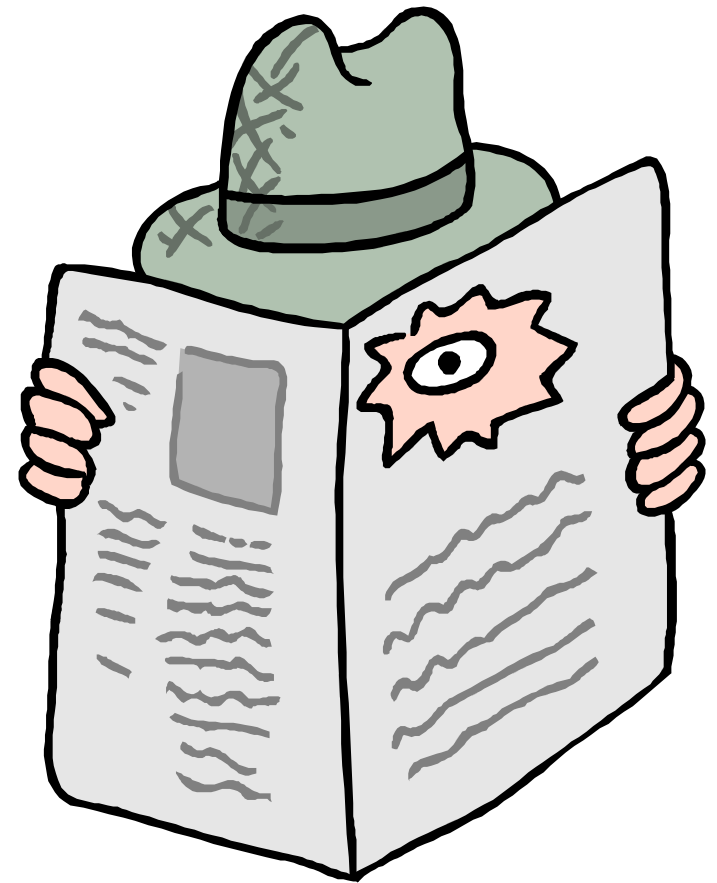
- Analyze in detail the portion of the Uniform Guidance and agency implementations specific to its topical area
- Understand national developments and implementation strategies promulgated at other Universities
- Identify places where university policy, procedures, practices, systems or business processes are out of alignment with new guidance
- Make recommendations to Uniform Guidance Steering Committee about changes that need to be made
- Engage in the University consultative process
- Identify impacts of recommendations
 - Policy & Procedures
 - Training & Job Aids
 - Business Process Flows
 - System Changes
 - Propose communication strategy (stakeholders directly impacted by change)
 - Training (if applicable) recommendations

Contributor
aka – I want to help
but don't have much
time.

Uniform Guidance Implementation Coordinator (1 year position)

- Job Description at: <http://www.ospa.umn.edu/>
- (scroll down to heading labelled “Job Openings”)

WHAT REGULATORY CHANGES MIGHT RESEARCHERS* CARE ABOUT?



*and Research Administrators too!

Funding Opportunity Announcements (FOA)

GOOD

- Standard minimum 60 day lead time
 - Minimum number of days will be 30 unless a different period is required by statute or exigent circumstances as dictated by the agency head
- Announcement will be in a standard format & posted
 - Specified summary data
 - Specified full text announcement data
- Proposal application forms pre-approved by OMB

Award Notices

GOOD

- Create a unique, government-wide identifier number
 - “FAIN” for Federal Award Identification Number (e.g., for NIH, R01-GM123456)
- Terms and conditions are spelled out
 - Including deliverables (reports or other) and any milestones

Cost-Sharing

GOOD

- Voluntary committed cost-sharing is not expected in research proposals
- Cost-sharing obligations must be included in FOAs
- Cost-sharing may normally not be used as a factor in the review of applications.

Performance Measurement (Financial and Performance Reporting)

BAD

- Increased focus on obligation to relate progress/performance to per-unit cost where possible
 - Seeking OMB FAQ/agency implementations to confirm that the Research Performance Progress Report (RPPR) will meet this requirement

Changes in Effort Reporting

GOOD

- Changes are promising but not yet entirely clear
 - Eliminated the word “certification”
 - Eliminated the specific examples of methods acceptable for effort validation
 - Continues the flexibility that allows short term (1-2 months) fluctuations among workload categories without need to repeatedly adjust payroll
 - Requires that labor distribution is reasonable over the longer term and that the Recipient ensures the final amount is accurate, allowable, and properly allocated
 - Requires after-the-fact validation that the estimates are accurate if estimates are used up front
 - ★ Charges must still be based on percentage distribution of total institutional base salary activities if time cards aren’t used
 - Non-exempt staff must indicate the total number of hours worked each day

★ *How can we do project certification or other approach and still comply with this requirement?*

Conflict of Interest Requirements

UNCLEAR

- New obligation for every federal agency to have COI regulations in place and require reporting for “potential” conflicts
 - Unclear how significant an impact this will have

Absence of PI for more than 3 months

GOOD

- Clarification that the prior approval is needed for “disengagement” not physical absence

Restriction on Profit

UNCLEAR

- Recipients may received fixed price awards only if they will “realize no increment above actual cost”
 - Unclear if this is intended to include minor residual balances on fixed price awards

- F&A improvements
 - F&A rate agreement honored if one exists
 - Subrecipients (e.g., foreign, small businesses, school districts, etc.) without a negotiated rate can get an automatic 10% MTDC F&A rate
- Increased burden for vendor vs. subrecipient classification
 - New option for each federal agency to require us to document how we decided each transaction is a subaward versus a vendor agreement

Subawards & Subrecipient Monitoring (Con't)

XIX

- Increased subrecipient monitoring burdens
 - New obligation to be able to prove that you received/reviewed your subrecipient's performance and financial reports

Fixed Amount Awards

BAD

- May not earn or keep any profit 200.400(g)
- If terminated early, may be subject to expenditure review (200.201(b)(1))

Fixed Amount Sub-Awards (ideal for very small, Int'l, and clinical trials)

BAD

- Need agency prior approval (in approved budget or after-the-fact)
- Limited to < \$150k
- Cannot be used if there is cost sharing
- Requires certification of completion else cost adjustment

Changes in Direct Costing Rules

GOOD

- **Admin and Clerical Salaries**
 - Can be direct charged under certain circumstances (services provided are integral to the award, specifically identified with the activity, explicitly included in the budget or have prior written approval of the Federal agency).
- **Protocol-Related and Data-Related Costs**
 - Can be direct charged for developing and maintaining protocols (human, animals, etc.) managing substances, managing and securing project specific data, and coordinating research subjects
- **Dependent Care During Conferences Beyond the Non-Federal Entity**
 - Can be direct charged if the entity has a consistent policy paying these costs (across all fund sources).
- **Entertainment Costs**
 - Still unallowable unless it has a specific programmatic purpose and is approved in the budget or by federal agency written approval

Changes in Direct Costing Rules

XIX

- Publication Costs (Page Charges)
 - Page charges are still allowable costs after award end date but before closeout (in essence, adoption of the NSF model)
- Computing Devices
 - Devices under \$5,000 may be direct charged (allocable portion only) if essential to the performance of the Federal award.
- Program Income
 - Definition now includes license fees and royalty income earned on patents and copyrights during the award period of performance

Changes in Direct Costing Rules

MIX

- Participant Support Costs
 - Require prior agency approval
- Conference Expenses
 - Now includes the concept of dissemination of technical information beyond the Recipient - so presumably within-the-U meetings don't qualify
- Visa Costs
 - Short-term, travel visas (as opposed to longer-term, immigration visas) are allowable costs.

Changes in Indirect /F&A Costing Rules

XIX

- Federal agencies are expected to honor negotiated F&A rates
 - Class or single award exceptions only when required by Federal statute or regulation, or approved by an agency head or delegate
 - Exceptions must be reported to OMB
 - Policies, procedures, and general decision-making criteria for making exceptions must be published
- Participant Support Costs
 - Must be excluded from F&A (similar to NSF model)

Purchasing

BAD

- Use of statutorily imposed state or local geographical preferences prohibited in procurements
- Language that implies that purchases over \$3K require competitive quotes (potential major purchasing delays)
- Confusion not resolved about whether F&A will be charged on vendor purchases over \$25K

Internal Controls

BAD

- Uniform Guidance uses the phrase “internal Controls” 103 times! This implies an environment of increased scrutiny.
- Yes, you can anticipate efforts to limit cost transfers and late appointment forms.
- Think you have it bad, here is the new financial certification in 200.415!
- *I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).’’*

Exchange Rates 200.440

BAD

- Cost increases due to fluctuations in exchange rates require agency prior approval
- Fewer details in the budget might be better