The blind men and the elephant. Poem by John Godfrey Saxe (Cartoon originally copyrighted by the authors; G. Renee Guzlas, artist).
What is the impact of this reform?

1. Eliminating duplicative and conflicting guidance
2. Focusing on performance over compliance for accountability (linking to the OMB Evidence Agenda)
3. Encouraging efficient use of information technology and shared services
4. Providing for consistent and transparent treatment of costs
5. Limiting allowable costs to make the best use of Federal resources
What is the impact of this reform?

6. Setting standard business processes using data definitions
7. Encouraging non-Federal entities to have family-friendly policies
8. Strengthening oversight
9. Targeting audit requirements on risk of waste, fraud, and abuse
When is the Uniform Guidance effective?

The effective date of implementation is December 26, 2014

Note: Certain areas have a delayed implementation
What happens if we don’t comply

"ARMED ROBBERY, EH? I'M IN FOR BEING OUT OF COMPLIANCE WITH A FEDERAL GUIDELINE."

Original Artist
OMB Uniform Guidance - 2 CFR 200

• Subpart A - Acronyms and Definitions - 200.XXX

• Subpart B - General Provisions - 200.1XX

• Subpart C - Pre-Federal Award Requirements - 200.2XX

• Subpart D - Post Federal Award Requirements - 200.3XX

• Subpart E - Cost Principles - 200.4XX

• Subpart F - Audit Requirements - 200.5XX
Subpart B - General Provisions

Conflict of Interest - 200.112

• Pre-award:
  • OSP has current policies and procedures in place that address COIs between PI, Sponsoring Agency, and subrecipients.

• Post-award:
  • Financial COI with Vendors

**ACTION ITEM:** OSP will work with PI’s to obtain attestation at time of award for FCOI with vendors.
Subpart C - Pre-Federal Award Requirements

Notices of Funding Opportunities - 200.203
• Requires funding opportunities to be available for 60 days.

Pre-Award Risk Assessment - 200.205
• Applies specific conditions to awards based upon risk and more stringent requirements may be imposed on that recipient.

Information Contained in a Federal Award - 200.210
• Requires the awarding agency to incorporate general terms and conditions either in the award or by reference.

ACTION ITEM: No new action required by BC. Federal agencies to follow OMB standardization.
Subpart D - Post Federal Award

Internal Controls - 200.303

- Should vs Must
  - “Must” means it is required
  - “Should” indicates best practice or recommended approach

- Revisit COSO Framework and GAO Standards for Internal Control.

**ACTION ITEM:** OSP is reviewing current policies, procedures, and other internal control documentation for needed changes/updates due to OMB UG.
Subpart D - Post Federal Award

Cost Sharing or Matching - 200.306
• Only mandatory, required cost sharing is allowable and must be tracked.
• For third-party cost share contributions F&A can be counted.

Program Income - 200.307
• UG clarifies addition method is the default.
• BC only had one award with program income over the past 10 years.

Equipment - 200.313
• Title to equipment is now called “conditional title.”

**ACTION ITEM:** No new action required by BC. Federal agencies to follow OMB standardization.
Subpart D - Post Federal Award

Procurement “Claw” (Sections 200.317-326)

General Standards:
A. Documented Policies
B. Necessary
C. Full & Open Competition
D. Conflict of Interest
E. Documentation
   i. Cost & Price Analysis
   ii. Vendor Selection

1. Micro-Purchases
2. Small Purchases
3. Sealed Bids
4. Competitive Proposals
5. Sole Source
Subpart D - Post Federal Award

Procurement “Claw” (Section 200.320)

1. Micro Purchases
   - Up to $150K
   - Rate quotations
   - No cost or price analysis
   - ≤ $3K
   - No quotations
   - Equitable distributions

2. Small Purchases
   - > $150K
   - Construction projects
   - Price is a major factor

3. Sealed Bids
   - > $150K

4. Competitive Proposals
   - > $150K
   - Fixed price or cost reimbursement
   - RFP with evaluation methods

5. Sole Source
   - Unique
   - Public emergency
   - Authorized by agency (or PTE)
   - No competition
Subpart D - Post Federal Award

Financial Reporting - 200.327
• Unless otherwise approved by OMB, Federal agency may solicit only standard data elements for collection of financial information.

Performance Reporting - 200.328
• Standard forms will continue to be utilized for performance reporting.

ACTION ITEM: No new action required by BC. Federal agencies to follow OMB standardization.
**Subpart D - Post Federal Award**

Subrecipient vs Contractor Determinations - 200.330
- Case-by-case determination in accordance with stated characteristics as described in UG.

Requirements for Pass-through Entities - 200.331
- Required information that must be included in every sub-award e.g. Federal award identification, DUNS, CFDA, etc.

Fixed award amounts - 200.332
- UG permits BC to enter into fixed amount sub-awards and will make determination on case-by-case basis.

**ACTION ITEM:** No new action required by BC.
Subpart D - Post Federal Award

Record Retention - 200.333 -.335
• 3 years after filing final Financial Status Report

Closeout - 200.343
• 90 days will be enforced by Federal agencies.
Subpart E – Cost Principles

Direct charging of administrative and clerical salaries may be appropriate if all the following conditions are met (200.413):

• (1) integral to a project or activity;
• (2) individuals can be specifically identified;
• (3) such costs are explicitly included in the budget or have prior written approval of the agency; and
• (4) the costs are not also recovered as indirect costs.

ACTION ITEM: UG applicable to new awards received after 12/26/14. OSP is not planning to allow re-budgeting to admin salaries on existing awards unless approval from the sponsor has been received for extenuating circumstances.
Subpart E – Cost Principles

Salaries and Wages - 200.430
• Time and Effort Reporting

**ACTION ITEM:** OSP is already reviewing our current time and effort reports and coming up with recommended changes. We are not planning to eliminate the time and effort reports.
Subpart E – Cost Principles

Computing Devices - 200.453

• Specific criteria to meet – essential and allocable but not solely dedicated to performance of award.
• Justification is still needed.

**ACTION ITEM:** OSP will consider implementing a process (e.g. a form) for documenting how the device is essential and allocable to the project.
Subpart E – Cost Principles

Personnel Termination Costs - 200.431

• Can not be directly charged.
• Can be included in the fringe rate or the IDC rate.
Subpart E – Cost Principles

Compensation - Personal Services - 200.430

• The allowable compensation for certain employees is subject to a ceiling in accordance with statute.

**ACTION ITEM:** OSP is currently working with Provost’s Office to develop an Institutional Base Salary (IBS) policy which will address this section.
Subpart E – Cost Principles

Publication and Printing Costs - 200.461

• The non-Federal entity may charge the Federal award before closeout for the costs of the publication or sharing of research results if the costs are not incurred during the period of performance of the award.

**ACTION ITEM:** OSP / awards are on the cash-basis of accounting. With the new UG OSP will allow these expenses to be incurred and paid after the award end date BUT prior to the award closeout (within 90 days after end of award).
Subpart E – Cost Principles

Recruitment Costs - 200.463

- Short-term, travel visa costs (as opposed to longer term, immigration visa) are generally an allowable expense that may be proposed as a direct cost.

**ACTION ITEM:** No new action required by BC. OSP does not currently have many awards with recruitment costs included in the budget.
Subpart E – Cost Principles

Required Certifications - 200.415

- Fiscal reports and invoices must include a certification, “signed by an official who is authorized to legally bind the non-Federal entity.”
Subpart E – Cost Principles

Travel - 200.474

• UG allows least expensive unrestricted class for airfare.
  • A-21 only allowed standard commercial airfare or lowest commercial discount airfare.

ACTION ITEM: OSP to review and update policies/procedures and other internal documents where relevant.
Subpart E – Cost Principles

Conferences - 200.432

• Dependent Care Costs: As needed, the costs of identifying, but not providing, locally available dependent-care resources are allowable.

Also see Travel - 200.474

• Temporary dependent care costs that directly result from travel to conferences is allowable if these costs are consistent with the entity’s documented travel policy for all entity travel.

**ACTION ITEM:** OSP to discuss travel policies with Procurement and Controller’s Office.
Subpart F – Audit Requirements

- Single Audit threshold raised from $500k to $750k. 200.501

- Availability of reports for public inspection 200.512-2
Other Uniform Guidance Changes

- F&A de minimus 10% for subs without a NICRA
- DS-2 threshold changes from $25M to $50M
- Contingency Provisions 200.433
- Depreciation 200.436
- Exchange rates 200.440
- PI/ PD Disengagement 200.308
Uniform Guidance - Training

ACTION ITEMS:

• OSP is planning to hold a mandatory training session for Department Administrators on the new UG in Dec/Jan.

• OSP coordinate will with the Provost’s Office regarding informing/training PI’s about OMB UG / changes.

• All training sessions will cover OMB UG changes as well as provide a list of updated policies/procedures. Attendance will be documented to demonstrate to external auditors the dissemination of OMB UG.
Where to get more information?

- [www.cfo.gov/COFAR](http://www.cfo.gov/COFAR)
  - FAQs & webcasts

- [http://www.whitehouse.gov/omb/grants_docs](http://www.whitehouse.gov/omb/grants_docs)
  - crosswalks - side-by-side wording/text comparison of OMB Circulars to OMB UG

- [http://www.cogr.edu/](http://www.cogr.edu/)
  - COGR guides
OMB Uniform Guidance

• Questions

• Comments
OMB Uniform Guidance

KEEP CALM
AND
UNDERSTAND
THE RULES

KeepCalmAndPosters.com